2008 Annual report

econocom
mobility on demand

Contents

Group profile

Econocom is a services company present in 8 European countries*, and one of the leading providers in the management of IT and telecom resources for businesses.

Building on the expertise of its 2,300 employees, including 1,600 engineers and technicians, Econocom designs and implements solutions carefully tailored to its clients' needs, whether they are SMEs, major corporations or public authorities.

With over 25 years of experience in its markets, Econocom stands out from its competitors by offering combined IT and telecom expertise through four complementary businesses: IT products and solutions, managed services (outsourcing, maintenance and consulting), telecom services, financing solutions and asset management.

The complementary nature of its businesses allows the group to consistently expand and extend its products and service offering. In 2008, Econocom developed four offerings that draw on four of its skill sets: *Desktop on Demand by econocom*, *MyPC by econocom*, *Papyrus by econocom*, and *Mobileasy by econocom*. Together, they form the backbone of the group's Horizon 2012 five-year strategic plan.

In 2009, Econocom will continue to grow and innovate to meet the changing needs of all companies and organizations.

Econocom Group is a member of Euronext's Next Economy index and is quoted on the Eurolist market of Euronext Brussels.

* Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom.

Interview with Jean-Louis Bouchard, Chairman of Econocom

In 2008, Econocom launched its new Horizon 2012 five-year strategic plan. What has been achieved during its first year?

2008 was an exciting year in which everyone at Econocom put their enthusiasm to work on implementing our new strategic plan. Called Horizon 2012, this plan has been designed to strengthen our leading market positions by offering private and public sector clients a comprehensive range of products and services to manage and optimize the full lifecycle of their IT and telecom infrastructures.

This plan has required that we adapt our sales and administrative systems to reinforce the level of synergy among our four businesses: financing, IT products and solutions, managed services for distributed infrastructures (outsourcing, maintenance and consulting) and telecom services.

At the end of 2008, our financial results were higher than the previous year despite the slowdown in the economy that began to gather speed in the fourth quarter. We were able to report growth in three of our four business activities. Faced with today's economic uncertainties, the Management Committee and I have assessed the situation and adjusted our growth and investment forecasts accordingly. We have also asked every employee in the group to improve their productivity by using the best technology available, while at the same time keeping very close control of all spending.

In other respects, in a survey conducted by market research company EquaTerra, Econocom was rated as the most highly-valued outsourcing partner by companies in Belgium and Luxembourg for the second consecutive year. Econocom was at the top of a long list of service companies on the criterion of general satisfaction, which I am particularly pleased about, and which demonstrates that the actions we take to ensure continual improvements in the way we address client expectations is really paying off. It is very important that we continue to do so in the future.

What do your bundled offerings bring to the market?

We operate in a highly competitive market, and we have always believed that innovation is the best way to establish a clear identity and build our leadership.

By analyzing the needs and expectations of our clients, we have been able to design this new range of four bundled offerings: *Desktop on Demand by econocom*, *MyPC by econocom*, *Papyrus by econocom* and *Mobileasy by econocom*. These turnkey solutions offer CIOs a comprehensive response to simplify companies' IT and telecom fleet management needs.

Since the launch of these offerings in 2008, the first contracts have been signed, and we are in promising discussions with a number of major companies. We expect those discussions to reach a successful outcome in 2009, reflecting the relevance of these solutions and their ability to meet market expectations.

How does the opening of your new service center in Morocco fit in with the group's strategy?

The managed services outsourcing market continues to grow at a sustained rate in Europe.

Econocom has already developed leading-edge expertise in delivering managed services for business IT fleets, largely as a result of the relevant acquisitions made in recent years. In 2008, we decided to reinforce our competitive advantage in this market by creating a remote service center in Rabat (Morocco).

The decision to set up this nearshore center increases our production capacity and our ability to offer leading-edge multilingual services at competitive prices by working with a fast-track group of highly competent young professionals. Some recent new business successes are a direct result of this opening.

In association with our existing centers in Belgium and France, this new center in Rabat gives Econocom a multilingual virtual management center to serve the outsourcing market.

Given the current economic crisis, how do you believe 2009 will play out?

The economic crisis is now a reality, and like every other company, Econocom is experiencing the effects of the slowdown. The market is in the process of restructuring itself and becoming more concentrated. I believe that Econocom must approach the coming months as a challenge. Faced with this challenge, I have no doubt that we have what it takes to weather the crisis well, and seize all the opportunities it will undoubtedly present: our experience with similar situations, the complementary nature of our businesses, our innovative offerings, our business model based on variable sales and logistics costs, and our solid financial position will all play a decisive role.

The difficult economic situation makes me all the more confident that we have made the right strategic decision to focus on mobility, because employee adaptability and productivity enhancement are more important than ever for every kind of business. Econocom is the natural choice for companies seeking a reliable and effective partner to support them going forward.

Furthermore, our positive net cash position and independence from financial institutions and IT manufacturers mean that our group is very well positioned to weather the crisis with confidence.

2009 will certainly be a year of vigilance and greater demand in terms of the quality we deliver with all our products and services. 2009 will also be a year in which we continue to pursue our strategy. We are focusing on strengthening awareness of our group amongst companies and organizations through a more aggressive sales strategy.

The Management Committee and every employee in the group are already fully committed to successfully addressing any difficulty we may encounter. United around our five corporate values, we will succeed in the challenges we face, and confirm Econocom as a major player in the market for corporate IT and telecom services.

During the year, you added a new value, "Be responsible", to the four original values of Econocom. What led to this decision?

If a company is to progress and grow, it is vital that its people share the same values. That is why, for nearly ten years now, Econocom has publicly upheld four values: Be enterprising, Bounce back, Face reality and Share. Our group is constantly moving forward in its challenges and aspirations. The world around us is changing too. So it seemed clear to me that we needed to add a fifth core value, particularly this year. As I look at what is happening in our markets and think about the root cause of the financial crisis we are experiencing, I note that more and more people are seeking to exercise their rights without always assuming the responsibility. At Econocom, we take pride in being responsible, and we say so. Accordingly, I decided it was important and useful to add this dimension by creating a new value: Be responsible.
For everyone at Econocom, sharing these values and applying them on a daily basis is an important part of achieving the objectives we have set for ourselves as part of the Horizon 2012 strategic plan.

Corporate values

As a company, we benefit from the resources made available to us by society: infrastructures, education, justice, health, research, security, etc. **That's why we consider it our duty to always create value, i.e., products and services, by exploring new markets and new approaches, so that we can redistribute this bounty throughout our community.**

bounce

We are continually confronted with new obstacles and challenges in our projects and **we draw our strength from our ability to bounce back from our difficulties and setbacks, by learning from them.**

be enterprising

face reality

We firmly believe that, in any undertaking, it is necessary to be knowledgeable, i.e., **constantly monitoring our clients' expectations, and the developments of our markets, and also by knowing ourselves inside out:** our strengths, our weaknesses and our potential. **It is this knowledge that allows us to plan, to decide and to act.**

back

We bear the individual and collective responsibility for all the actions we undertake in relation to our clients, employees, suppliers and the community. Within the Econocom group, each action or decision taken by an employee or a manager is in full conscience of his/her duties. **He/she assumes the consequences and thus engages his/her responsibility for them.**

be responsible

share

In order to win and reinforce our leadership in our markets, we believe it is essential that our teams work closely together, pooling their information, contacts and experiences, and sharing them with their clients. For us, **sharing means partaking in our joys and difficulties, and in the fruits of our labours. It is, in the end, sharing created value.**

The year 2008

In the first year of its new strategic plan, Econocom has continued to grow thanks to improved results, a new acquisition and an extended product range.
Also during the year, Econocom was rated as the most highly valued outsourcing partner for the second consecutive year by companies in Belgium and Luxembourg.
To keep pace with its rate of expansion, Econocom is opening a new nearshore service center in the first half of 2009.

January

The group introduced a **new corporate identity:** user-focused, it combines professional ethos with client proximity, simplicity and modernity.

February

Econocom launched a **new five-year strategic plan** (2008-2012), called **Horizon 2012.**

March

Econocom reported record performances for 2007, with revenue of €700.7 million and recurring operating profit of €24.5 million.

Another year of awards in Belgium and Luxembourg: Econocom received the top rating for general satisfaction, and was rated as the most highly valued outsourcing partner by Belgian companies, according to a survey conducted by EquaTerra institute.

Completion of the Share Five strategic plan: Between 2003 and 2007, the group's four business activities were able to extend their leadership through innovation.

June

Creation of Econocom Telecom Services, the leading global mobile solutions integrator, and **Asystel,** which acts as a reseller for SFR.

October

Acquisition of Databail, the IT and telecom financing and asset management specialist.

Synopse, the Econocom subsidiary that leads the training and consulting ITIL markets in France and Belgium, **opened an office in Barcelona.**

November

Adoption of a fifth value: Be responsible.
This addition enriches the four long-standing values: Be enterprising, Face reality, Bounce back and Share.

Post-year-end events

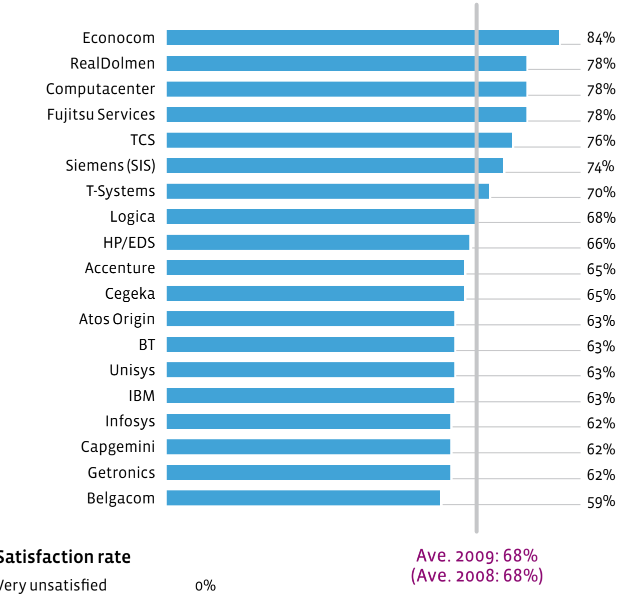
March 2009

Opening in Rabat (Morocco) of a remote service center featuring a helpdesk, service desk and distributed infrastructures supervision.

April

Econocom's services activities consolidated their market-leading position in Belgium and Luxembourg. **For the second consecutive year,** the 2009 EquaTerra institute (formerly Morgan Chambers) survey ranks **Econocom as N°1 in general satisfaction,** ahead of all the major multinational service providers. Econocom was also voted **N°1 in operational customer relationship management, risk management, flexibility** and realistic market **prices.**
Econocom also took the top position as the company most likely to be recommended to others as a partner for outsourcing project management.

General satisfaction



Satisfaction rate

Very unsatisfied	0%
Unsatisfied	20%
Somewhat unsatisfied	40%
Somewhat satisfied	60%
Satisfied	80%
Very satisfied	100%

Study organized by EquaTerra "Outsourcing 2009 - Service provider performance in the Belux", March 2009. Perception from end-user clients.

Throughout 2008, as well as into the first quarter of 2009, Econocom secured a series of major sales successes, underlining its ability to offer customers innovative products and services that meet their specific needs, particularly in terms of information systems mobility.

2008 key figures

€716.9 million
consolidated revenue

€25.6 million
recurring operating profit

2,318
employees

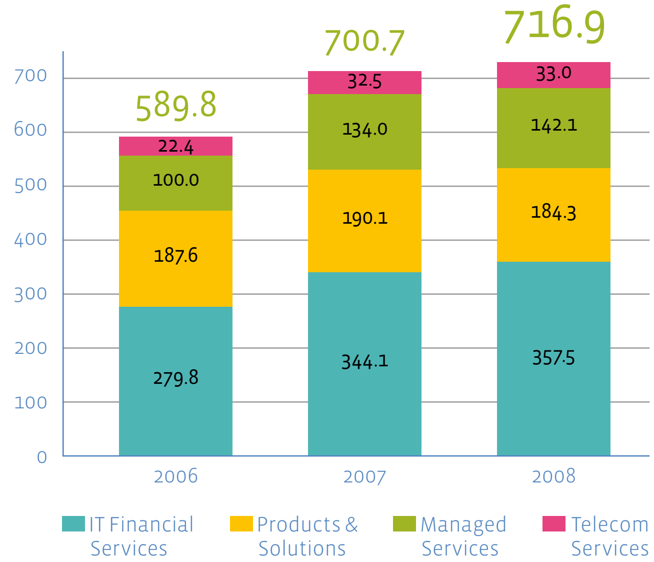
Condensed income statement

in € millions

	2006	2007	2008
Consolidated revenue	589.8	700.7	**716.9**
Recurring operating profit	16.5	24.5	**25.6**
Net profit Group share	10.2	18.0	**18.8**

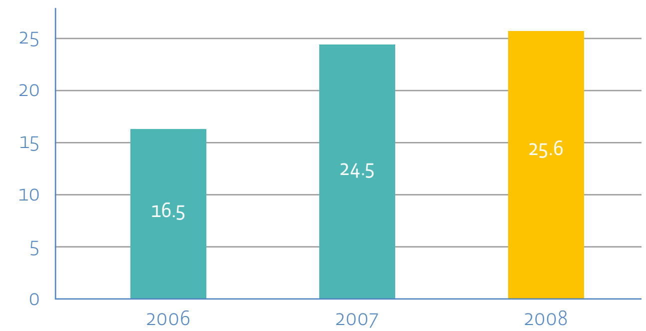
Revenue by activity

in € millions

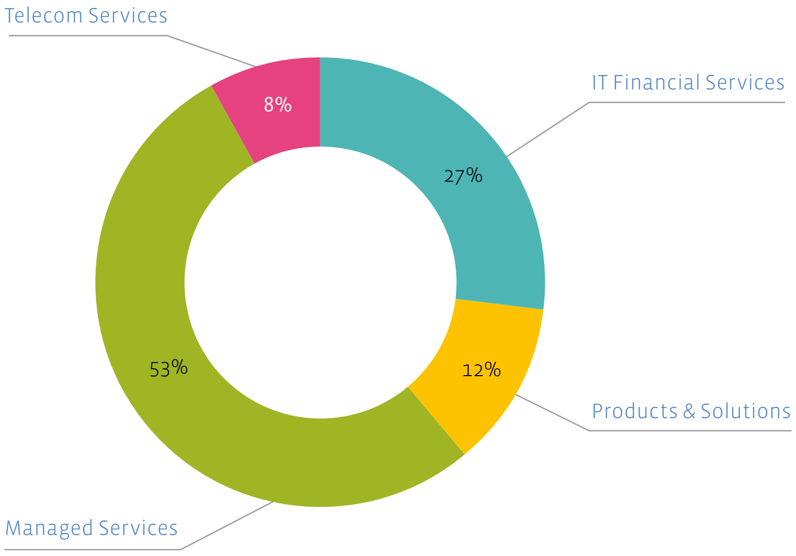


Recurring operating profit

in € millions

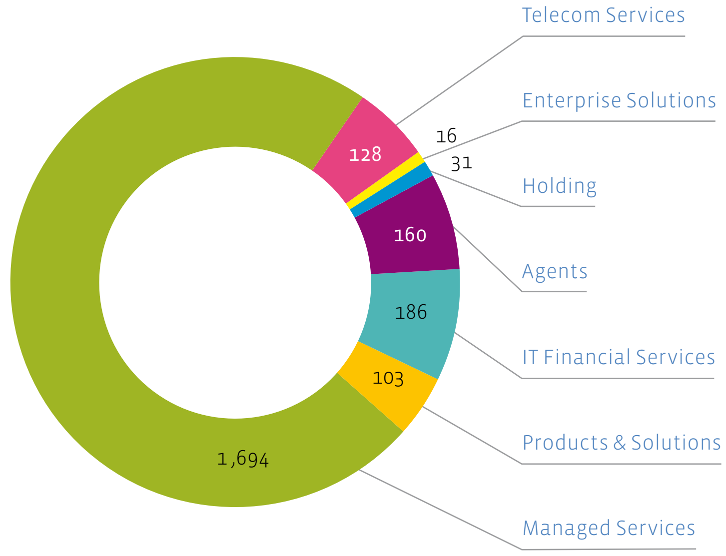


Value added by activity
in %

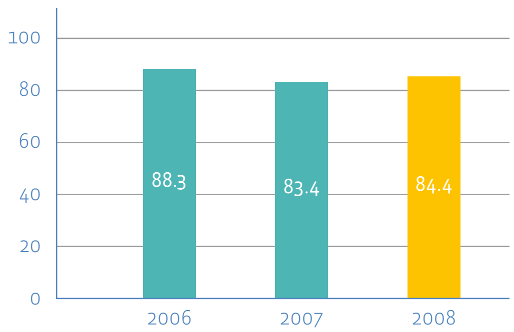


Employees as of December 31

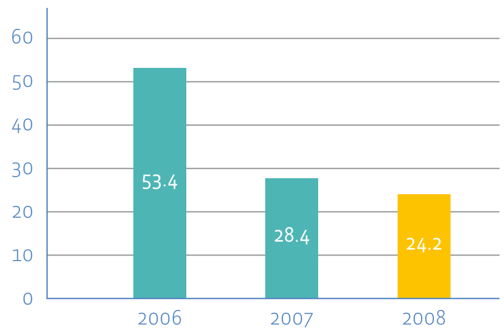
2,318
employees



Shareholders' equity as of December 31
in € millions



Cash net of long-term debt as of December 31
in € millions



€84.4 million
shareholders' equity

€24.2 million
cash net of long-term debt

Econocom Group share performance

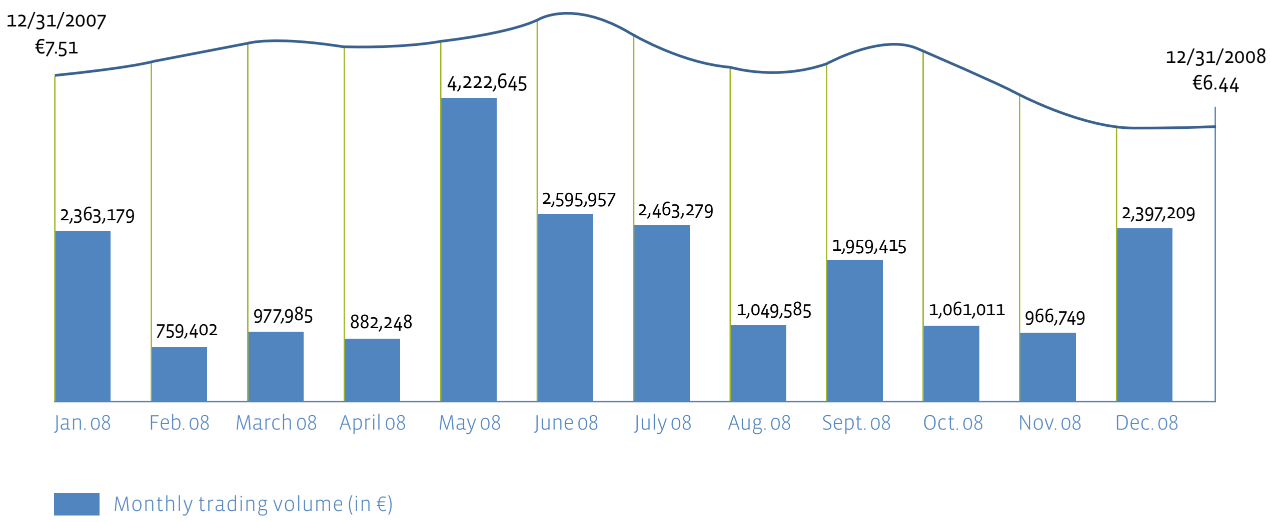
The Econocom Group share is listed on the Eurolist market of Euronext Brussels. Econocom is a member of the Euronext Next Economy index (Compartment B).

ISIN code: BE0003563716

Average daily trading volume in Brussels in 2008: 11,850

Market capitalization as of December 31, 2008: €160 million

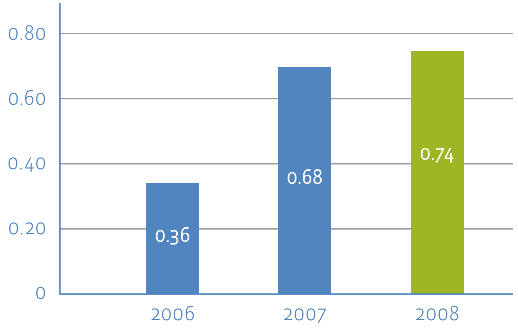
Share performance



	2003	2004	2005	2006	2007	**2008**
High (in €)	5.90	6.23	6.92	7.05	9.93	**8.74**
Low (in €)	3.90	5.03	5.70	5.09	6.69	**5.02**
Closing price as of December 31 (in €)	5.10	5.80	6.62	6.66	7.51	**6.44**
Market capitalization as of December 31 (in € millions)	161	174	192	193	194	**160**
Average daily trading volume	11,992	22,994	19,902	18,955	22,959	**11,850**
Number of shares as of December 31 (in millions)	31.5	30.0	29.0	29.0	25.8	**24.8**

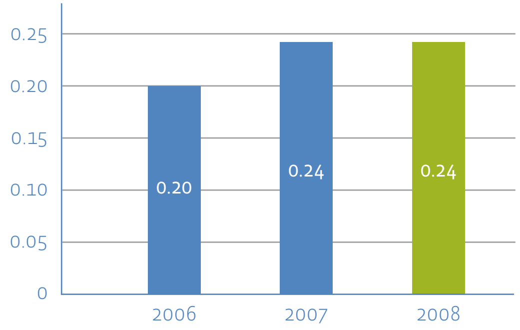
Earnings per share (in €)

€0.74

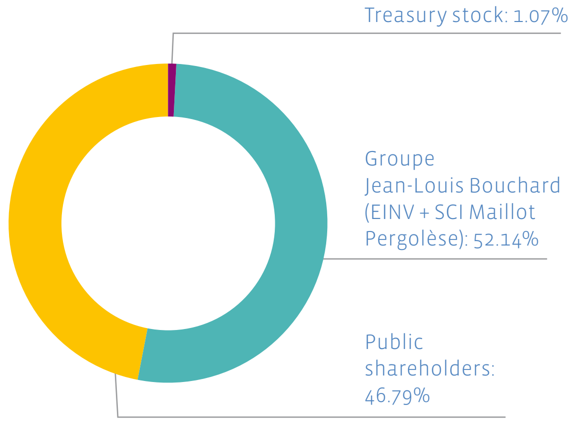


Gross dividend per share (in €)

€0.24



Ownership structure as of December 31, 2008



Dividend

At the Annual General Meeting to be held on May 19, 2009, the Board of Directors will recommend a gross dividend per share of €0.24 (€0.18 net). This dividend will be paid in early June 2009.

www.econocom.com

Financial information in real-time

Shareholders' agenda

April 21, 2009
First-quarter trading statement (Royal decree of November 14, 2007)

May 19, 2009
Annual General Meeting

Early June 2009
Dividend payment date

July 29, 2009
Preliminary half-year figures press release

August 31, 2009
Half-year results press release

September 1, 2009
Information meeting

November 12, 2009
Third-quarter trading statement (Royal decree of November 14, 2007)

January 27, 2010
Preliminary full-year figures press release

March 11, 2010
Audited full-year results press release

Strategy

Information systems make a significant contribution to a company's performance and help improve productivity. They must provide an effective response to the constantly evolving needs of businesses.
CIOs are therefore confronted with multiple and complex challenges: technological, financial, resources, quality, etc.

Econocom's mission is to enable companies' management to gain greater control over their IT and telecommunications assets.

A five-year plan to guide and support the group's business activities.

"Reinforce our leadership by uniting our talents in the scope of bundled offerings"

With its strategic plan designed to cover the years from 2008 to 2012, Econocom aims to strengthen its leading market positions by providing private and public sector clients a comprehensive range of products and services to manage and optimize their IT and telecom assets over entire product lifecycles.

An innovative vision of the market

Since its creation in 1982, Econocom has acquired a consistent and sharp expertise in three businesses: financing, IT products and solutions, and managed services for distributed infrastructures (outsourcing, maintenance and consulting). Then, in 2000, Econocom entered the telecom market as a challenger.
This move towards complementary skill sets demonstrates the group's ability to adapt to the expectations of companies, organizations and public sectors, and deliver the global responses they demand.

In addition to its internal expertise, the external growth policy implemented by Econocom for the last 10 years has made a major contribution to building the group's skill base and expanding its range of services. The acquisition of companies that are well rooted in their markets and that offer leading-edge expertise in telecom, products and solutions supply (Keydata, Infopoint), IT services (Synopse, Kentron, etc.) and financing solutions has consolidated Econocom's leading position in the corporate IT and telecom services market for businesses.

In 2009, the second year of its five-year plan, Econocom will focus on capitalizing on all its competencies and bringing together all that expertise to provide companies with high-level services that deliver maximum added value.

Market positioning squarely focused on IT mobility

Today's key challenge for all innovative companies is to provide their staff with IT and telecom tools that allow them to work productively anytime, anywhere. IT Departments no longer manage only fixed IT installations. They must now ensure that their information systems are mobile: The "anytime, anywhere" revolution is in full swing!

With expertise that spans both the IT and telecom sectors, Econocom is a frontrunner in the field of convergence. The multiplicity of its expertise enables Econocom to handle and deliver major mobility projects.

Today's workplace

is changing.

Econocom has a clear positioning in IT mobility. Introduced just over a year ago, its new slogan "Mobility on Demand" reflects the group's commitment to focusing all its efforts on these challenges.

A powerful business model

The efficient long-term business model introduced by the Group Management Committee is built around variable costs: logistical services are outsourced and the majority of sales team members are independent agents.

Since some of its business activities are cyclical, this model allows Econocom to adapt to any slowdown in client investment during periods of economic difficulty and, conversely, to be ready and waiting when the recovery arrives.

Regularly reviewed and improved (increasingly-efficient logistics centers, optimized independent agent network development plans, etc.), this business model should once again enable Econocom to overcome any obstacles it encounters, and consolidate its position as a leader in its markets.

Against the background of this organizational structure, Econocom has maintained a presence in 8 European countries for over 20 years. This well-established European network ensures local delivery of high-quality services. As a full partner of it clients, **Econocom is totally independent from PC manufacturers and banks, and has adopted a multi-brand strategy that encourages the development of services tailored to the specific needs of each company at the best possible price/performance balance.**

Innovation at the heart of the Econocom corporate culture

In such a competitive market, it is vital to establish a distinctive identity built on quality and service. Econocom has constantly innovated and expanded to satisfy and even anticipate clients' needs. Its services are therefore always in tune with key market trends.

It is on the basis of local initiatives, most of which are developed in direct response to client requirements, that **the group has created its innovative multi-activity bundled offerings. These offerings combine procurement, services and financing solutions, and are built on all Econocom's proven know-how.**

The four bundled offerings launched in 2008 therefore address the need for overall IT and/or telecom portfolio management:

- ***MyPC by econocom:***
  to manage PC portfolios,
- ***Papyrus by econocom:***
  to optimize printing,
- ***Mobileasy by econocom:***
  to manage telecom fleets,
- ***Desktop on Demand by econocom:***
  for a better understanding of procurement lead times and costs.

The Econocom turnkey solution enables clients to gain control of their infrastructures from A to Z as a result of detailed fee (fixed price unit billing system per workstation, per page, per mobile asset or per user).

The aim of Horizon 2012 is to capitalize on these innovations to support double-digit revenue and income growth, and achieve the fixed objectives.

It's anytime,

anywhere.

These bundled offerings are complemented by a comprehensive range of high added-value services, like Master IT and the TRO (Technology Refresh Option) contract in financing, the development of ITIL (Information Technology Infrastructure Library), the Sourcing on Demand procurement contract, etc.

The sales techniques and structure used by Econocom may vary from country to country, reflecting the vital need for local teams to adapt their solutions to the specifics of their markets. For example, the Econocom subsidiary company in the Netherlands has developed a series of offerings specific to individual business sectors: Edulease for education, Gemlease for public sectors, Finance your Franchise for franchise and retail organizations, or Multimedialease for media, etc.

A unique virtual Remote Service Center

Evolving technologies, lower telecommunications costs and a thorough knowledge of the infrastructure market support our strategy of offering companies very high quality remote services.

It is against this background that Econocom has set up a service center in Rabat (Morocco), which will join with the existing centers in Belgium (Woluwe) and France (Les Ulis) in the first half of 2009 to create a unique virtual remote service center dedicated to distributed infrastructure management.

The new virtual center will make full use of the latest advances in technology, including IRP with an online catalog of services, latest-generation ACD, large bandwidth network, a totally secure data center and redundant architecture.
Its multilingual engineers and technicians will be supported by ITIL processes to provide company clients with the assurance of total SLA fulfillment 24/7.

Our recent sales successes confirm the validity and appropriateness of the investments we have made in supporting our remote services development strategy.

In order to achieve the objectives set in its strategic plan, Econocom is committed to:

- generating growth through innovation and improved competitiveness,
- enhancing productivity by continuing to implement initiatives designed to manage and control variable costs.

In 2009, we will also be raising awareness of Econocom and its services in both the private and public sectors through the implementation of a dynamic and targeted sales strategy.

Board of Directors

Jean-Louis Bouchard
Chairman and CEO

Christian Bret

Charles de Water

Gaspard Dürrleman

Rafi Kouyoumdjian

Bruno Lemaistre
CEO

Jean-Philippe Roesch
CEO

Patrik Vandewalle

Group Management Committee

Jean-Louis Bouchard
Chairman and CEO

Jean-Philippe Roesch
CEO

Bruno Lemaistre
CEO

Didier Bertho
Managing Director, Managed Services

Olivier Aldrin
CFO

Statutory Auditors

PricewaterhouseCoopers
Reviseurs d'entreprises SCCRL represented by Josy Steenwinckel

Jean-Louis Bouchard | Christian Bret | Charles de Water | Gaspard Dürrleman | Rafi Kouyoumdjian | Patrik Vandewalle | Jean-Philippe Roesch | Bruno Lemaistre | Didier Bertho | Olivier Aldrin

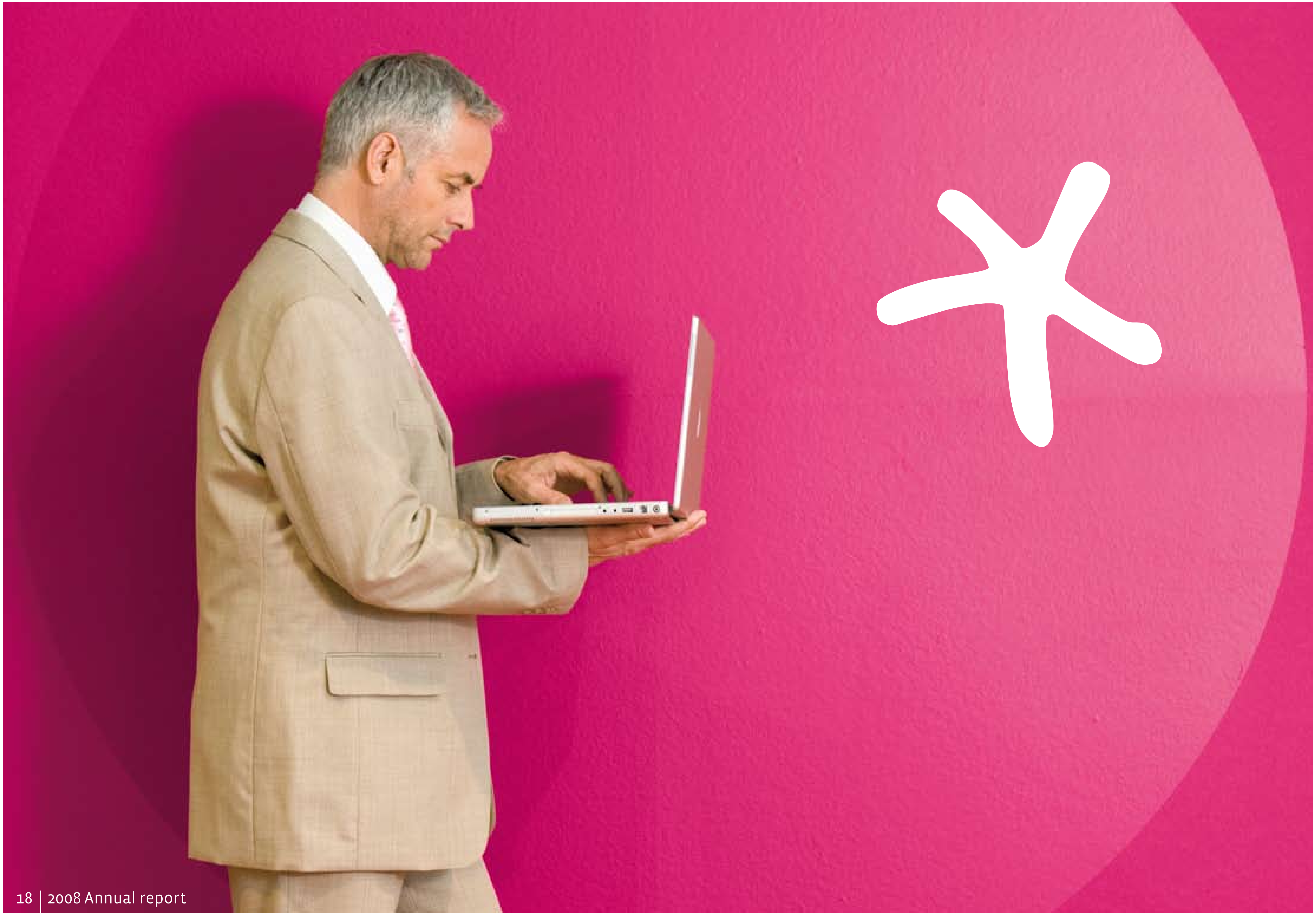
Four complementary fields of expertise

Customized IT products and solutions

Managed services for distributed infrastructures

Telecom services

IT and telecom asset financing and management



Equipping clients with high performance and scalable installations

Customized IT products and solutions

Information technology is a strategic issue that determines the growth of companies. It has become a pivotal point of competitiveness for businesses.
In a constantly-changing economic environment, CIOs are tasked with providing their companies with high-performance and scalable infrastructures, while balancing their budgets and meeting technical and financial requirements.

With over 20 years of experience providing IT hardware and solutions, Econocom manages the entire spectrum of service procurement, from the design of turnkey architecture solutions to their full implementation, and with stringent cost management at every stage of the process.

Econocom clients are therefore guaranteed powerful procurement of hardware and software, customization and monitoring of equipment, expert management of large-scale deployments and a completely transparent exchange policy.

Econocom also advises clients on the implementation of complex IT architectures that deliver performance and savings, such as server centralization and virtualization, data archiving and storage, comprehensive printing solutions, etc. This level of expertise ensures rational and rapid installation of hardware.

Controlling and optimizing IT systems

Managed services for distributed infrastructures

Managing hardware in complex technical environments, guaranteeing its availability, security, optimizing IT resources and budgets and controlling distributed IT resources are major challenges for all companies!
IT departments have to provide an effective response to ever-increasing demands for performance, mobility and service quality.

In supporting and helping its clients to succeed in this challenge, Econocom offers customized managed services for distributed infrastructures. They include: IT services management consulting and ITIL methodology recommendations, systems integration, on-site support and the outsourced management of fixed and mobile installations, in the scope of multi-year contracts with SLA.

Infrastructure supervision and user support are delivered by the teams of the international remote service center.

Tailored to suit the requirements of today's market, this organization is built around a technical infrastructure delivering high levels of efficiency and flexibility required to implement shared or dedicated multilingual support processes designed to meet diverse client needs.
Our operational teams provide customers with on-site assistance as well as contractual support services.

1,600 engineers and technicians take day-to-day responsibility for delivering services focused on sustained process of quality and progress.

In Belgium, Econocom has developed A2Z, a business structure dedicated to SMEs. A2Z takes an innovative approach to the delivery of IT and telecom services designed to meet the specific needs of these companies.

Making your IT system mobile

Telecom services

Globalization and new technologies have changed the way companies work, creating new needs among users.
Every innovative company now faces the same key challenge: make sure that their information systems are accessible remotely, enabling its employees to work off site and allowing some of them to achieve their missions by accessing the necessary business applications. This convergence of IT and telecom demands an independent specialized approach capable of ensuring that the solution implemented is the right one at the right price.

With its combined expertise in IT and telecom and its leadership in matters of convergence, Econocom is the partner of choice for companies seeking a global solution.

As the only global integrator of mobile solutions, Econocom advises and supports its clients in their mobility needs through audits and recommendations for device, applications and solutions. Econocom goes beyond the carrier offering, providing procurement and ensuring project deployment. It also manages deployed assets to ensure service quality and return on investment.

With nearly 10 years of expertise in fixed line and mobile telecom services, voice and data, and a powerful network of business partners, manufacturers, carriers, consultants and publishers, Econocom offers its clients access to the full potential afforded by new telecom technologies at the best possible cost.

Adapting installations to user needs at the drop of a hat

IT and telecom asset financing and management

Companies today face a dual challenge: the renewal of their PCs, servers and software packages in order to benefit from the latest technologies, while keeping control of their infrastructures and their spending. Their aim is to improve their productivity and performance by developing their employees' work environment.

The management of IT and telecom investment is therefore becoming a crucial issue for IT and Finance departments, which are seeking flexible and adaptable financial solutions, as well as effective reporting services.

As a European leader in the financing and management of IT and telecom fleets, independent from banks and other financial institutions, Econocom develops innovative solutions designed to meet the new and changing needs of its clients.

Financial engineering solutions and financing solutions such as Technology Refresh Option (TRO) are at the cutting edge of the industry and allow optimized monitoring of equipment lifecycles.

The additional financing services offered by Econocom are enhanced by modular administrative management and personalized web tools, such as Master IT Web reporting service and real-time overviews of the installed infrastructure. These tailored applications offer companies the resources they need for a rigorous cost analysis and accurate monitoring of their IT and telecom assets.

desktop ondemand
by econocom

Automating procurement of IT hardware

mypc
by econocom

Managing your PC population simply and efficiently

papyrus
by econocom

Don’t let your printing run wild!

Bundled offerings

Econocom has built on its extensive expertise and know-how to design four offerings that span its four business activities and enable companies to manage their entire IT and telecom portfolios simply and effectively throughout the product lifecycle. Each offering is designed as an effective response to a specific issue.

mobileasy
by econocom

One-stop-shop for managing projects and mobile fleets

Automating your IT hardware procurement

Reducing workstation costs and procurement time is a pivotal challenge for companies. Employee performance can be improved if the equipment required to meet the specific needs of each staff member can be supplied quickly.

Desktop on Demand by econocom enables companies to rapidly meet the users' needs for new hardware. This fully industrial process automates IT hardware procurement and simultaneously recycles obsolete equipment, thus keeping a lid on procurement costs and ensuring permanent hardware availability through effective inventory management. *Desktop on Demand by econocom* releases companies from all the administrative tasks involved in managing IT equipment lifecycles.

CIAT

CIAT, a European leader in air-conditioning and air handling, employs 2,200 people on 27 sites.

CIAT wanted to optimize its service levels and IT infrastructure availability lead times, while reducing costs involved in managing its portfolio of 2,000 workstations.

It also wanted to delegate administrative tasks and invoice budgetary control.

By managing the IT supply chain as an industrial process, *Desktop on Demand by econocom* enabled the processes to be automated, thereby generating savings, improving availability and boosting productivity.

Econocom took complete control of service provision, from procurement through installation, and now manages the relationship with those manufacturers appointed by CIAT. This arrangement also releases the company from all the logistical, administrative and financial management tasks related to its IT equipment.

The contract also includes Master IT, a web-based tool, which provides a comprehensive overview of investments and facilitates asset management. The adaptable lease solution allows the monitoring of IT portfolio renewal and associated budgets.

desktop on demand
by econocom

Managing your PC portfolio simply and efficiently

Complex hardware management, hidden costs, inefficiency and user dissatisfaction: these problems are major issues for IT departments, but they can all be solved by using *MyPC by econocom*.

MyPC by econocom is a subscription package that allows companies to optimize and simplify the management of their IT portfolio, from hardware procurement to financing and user services.

Simple and effective, this package offers a monthly fixed subscription per workstation supplied and installed. This flexible solution makes it possible to upgrade hardware on demand in accordance with users' needs.

Fabricom GTI

Fabricom is Belgium's leading provider of innovative technical installations and services for the manufacturing, energy generation, service and infrastructure industry markets. Fabricom is part of the Belgian entity of GDF SUEZ Energie Services.

With a portfolio of 2,800 IT hardware assets (PCs, printers and servers) spread over 55 sites, Fabricom GTI has chosen the global approach offered by Econocom to manage the lifecycle of its equipment (from procurement to hardware recovery) and provide managed services to ensure continued high performance from its IT infrastructure.

Under the terms of the contract signed in 2000, Econocom has worked with Fabricom GTI to define the commitments contained in the Service Level Agreement (SLA) and to implement an office systems service desk to ensure that they are met. This service center uses ITIL processes and handles an average of 75 incidents per day (including upgrade requests). It manages all the incidents, problems and IT configuration issues encountered by the company's 2,200 users.

Customer satisfaction is measured monthly, and provides Fabricom GTI with the guarantee of working with professional teams capable of delivering high-quality services to its customers.

mypc by econocom

Don't let your printing run wild!

Companies often have a poor grasp of document printing issues: few are fully aware of the number of peripherals (printers, copiers, etc.) they have, how many pages they print and how many ink cartridges they may use in a year. They often use many different ordering processes, which in turn can generate uncontrolled costs, create user dissatisfaction and increase their environmental footprint.

Papyrus by econocom enables companies to optimize and control their printing under the terms of an innovative service contract and receive a single bill covering every aspect of the cost of use.

The special processes implemented by Econocom offer a new level of visibility of all printing resources, enabling optimum management and reduced usage costs.

Papyrus by econocom also makes a significant environmental contribution by delivering effective consumables procurement solutions, equipment recycling procedures and print flow management systems.

Partena

Partena is a Belgian group of services companies managing salary and social security administration for more than 50,000 Belgian companies and 1,600,000 citizens.

Partena HR has made the decision to outsource all aspects of its printing technology management to Econocom. *Papyrus by econocom* has enabled the optimization and efficient management of the group's printers located over 25 separate sites. This arrangement includes:

- dedicated management processes implemented in partnership with Xerox: reporting systems, alert uploading and local services including IMAC management, maintenance, consumables management and a helpdesk,
- a Service Level Agreement (SLA) and a commitment to comply with the Printing Policy agreed upon by Partena,
- a full-service billing system based on the cost per page, which is adjusted every six months on the basis of the actual volume of printing recorded, and covering the whole contract.

A simplified printing infrastructure with *Papyrus by econocom*.

One-stop-shop for managing your projects and mobile fleets

Mobility is a powerful tool in improving company productivity. It encourages efficiency and responsiveness within organizations, and provides similar benefits for their clients. Ensuring the mobility of information systems and controlling the costs associated are now strategic issues for all companies.

Econocom has exploited its dual expertise in IT infrastructure and telecom management to create *Mobileasy by econocom*. This comprehensive solution gives companies the opportunity to build and deploy their own mobile IT infrastructures. *Mobileasy by econocom* also encompasses outsourced management solutions, including helpdesk, call time controls, maintenance and operation of the mobile fleet, and financing for a pre-determined price.

Dalkia

Dalkia, the European leader in the provision of energy services to companies and local authorities, has chosen *Mobileasy by econocom* to simplify the management and operation of its mobile fleet.

The aim of the project was to equip Dalkia's 3,500 maintenance technicians with a communicating PDA, running a job-specific application to improve productivity and service quality and, at the same time, ensuring security.

Like other Econocom clients, Dalkia was proposed a global contract with a one-stop-shop. Econocom took care of implementing and managing the project and guaranteed total financial, operational and data security.

In fulfilling this task, Econocom was able to rely on its dual expertise in IT and telecom, its ability to offer a financing solution and its experience in managing major projects requiring the implementation of complex technical solutions.

Customer references

Complementary
fields of expertise
that benefit
our clients

PMU

With 6.5 million customers, PMU (Pari Mutuel Urbain) is Europe's largest horse racing bookmaker.

With networked agencies located all over France, PMU needed to resolve issues of infrastructure availability and service quality delivered to users.

In 2008, after more than 10 years of partnership, PMU awarded Econocom:

- a global outsourcing management contract
  - comprehensive management and forward development of the IT portfolio (more than 1,800 hardware and software assets located at the head office and in branches),
  - helpdesk (handling 2,400 calls per month),
  - local support and remote monitoring of servers and network,
  - all these services are provided in compliance with ITIL recommendations and supported by a Service Level Agreement (SLA).

- the migration of its portfolio of 800 PCs
  - procurement,
  - on-site deployment via Econocom's subsidiary Alliance Support Services,
  - installation of a new management system tool called LANDESK, with licenses purchased via Econocom.

Schneider Electric

Schneider Electric is a global specialist in energy management.

In 1998, Econocom offered Schneider Electric a flexible financing solution backed up by leading-edge administrative management. Called Master IT, this solution has enabled the company to significantly reduce its IT budget, while increasing internal customer satisfaction. In practical terms, Master IT has increased process efficiency, bringing relevance and precision in data management and delivering greater control over hardware lifecycles.

In 2008, having worked closely with Econocom for over 10 years, Schneider Electric made the decision to extend these services to the rest of Europe for an initial duration of three years, with the aim of rationalizing the management of its 55,000 IT assets (PCs, monitors, printers, servers, etc.) in 14 countries.

EDF

Econocom is supporting EDF, a leading player in the European energy industry and a leader in the French electricity market, in streamlining and standardizing its workstations. The five-year service contract includes a Service Level Agreement, and covers the provision of local support for 55,000 PCs and 2,300 servers located across more than 800 separate sites.

"I really appreciate the commitment shown by Econocom in its implementation of the contract, and its determination to achieve every target. The detailed management of services, transparency in operational relations and the early anticipation of developments enable a guaranteed quality of service and long-term performance."

Michel Campion, Head of Information Systems & Industrial Policy, Department of Shared Services

Longchamp

Longchamp is a designer brand of luxury leather goods with 2,000 sales outlets in France and around the world.

The international dimension of Longchamp and the geographical spread of its sales outlets were making its IT fleet complex and costly to manage: how could the company maintain maximum visibility and optimum management of a fast-changing environment scattered over a number of remote sites, and allocate the costs involved to a very diverse range of units? What would be the best way to manage installation renewal without compromising hardware and software quality?

In 2006, Econocom offered to guide and monitor Longchamp's investments within a new-generation lease contract: TRO (Technology Refresh Option). This solution delivers improved procurement management, as well as hardware renewal and release. Allocated on a site-by-site basis, the leasing agreement allows internal rebilling to every unit. This solution has enabled Longchamp to improve budget tracking and IT cost control, while effectively renewing its IT portfolio.

Accenture

Accenture France is a global management consulting and technology services company. The increasing complexity involved in managing its telecom portfolio encouraged Accenture to identify a single partner for outsourcing its mobile phone lines.

Selected on the basis of its acknowledged expertise in mobility outsourcing, Econocom now provides day-to-day management of the 4,500 voice and data lines in France, and has notably implemented a local presence to deliver user support.

Econocom also provides invoice monitoring and control, reporting services and telecom cost optimization. It has also been distinctive because of the expertise and professionalism of its teams at every stage of the project (consulting, deployment and helpdesk).

Financing | Telecom services | Procurement | Managed services

Fomento de Construcciones y Contratas

Fomento de Construcciones y Contratas (FCC) is a leader in Spain in the infrastructures and services market.

An Econocom customer since November 2002, FCC decided in February 2008 to transfer all its Classic Lease Econocom contracts into a TRO (Technology Refresh Option). The integration of this operational leasing solution contract in association with the Web reporting service Master IT allows FCC to gain flexibility and control over the main functionalities for its data processing centers situated in various locations in Madrid and Barcelona.

This allowed Econocom to double the investment volume with this strategic client in 2008 and reach new business areas inside the company.

Having a unique contract allows FCC to have visibility of the long term costs, control their IT budget and renew the equipment with sufficient advance planning.

Centre Hospitalier Chrétien

The “Centre Hospitalier Chrétien” (CHC) manages six hospitals and seven convalescent homes in Belgium, with a total of 1,600 PCs and 2,500 users.

All applications are run on interconnected central servers as part of a data storage network.

The main issue for the CHC Information Systems Department is to guarantee continuity of service to its users, and maintain total availability of those applications regarded as critical and vital for the services to run efficiently.

The Econocom solution was chosen on the basis of its dual strategy approach. On the first hand, it involves the virtualization of all server resources to ensure permanent data availability, and on the second hand, it is the implementation of a claims processing center for better management of all incidents.

The opportunity allowed Econocom to demonstrate its expertise in the conception and implementation of IT architecture solutions.

Akerys

Akerys is the French leader of rental investment and new housing commercialization.

Akerys wanted to tailor its IT portfolio management structure to suit the continually-changing nature of its organization. More specifically, the company wanted to implement a management method that would offer a comprehensive overview of its IT portfolio, allowing it to regularly renew its assets and to allocate dedicated costs to individual entities.

Econocom offered Akerys a TRO (Technology Refresh Option) contract under which it would refresh one-third of its IT hardware annually, and its Master IT solution, a unique technical, administrative and financial management package covering all IT infrastructure costs. This solution has given Akerys a clear overview of the costs related to each of its entities by simplifying the internal rebilling procedure, guaranteeing a homogeneous IT portfolio and delivering improved management services.

AW Europe

AW Europe is the world's leading supplier of automatic gearboxes and automobile GPS systems. The company operates on two sites in Belgium: Mons and Braine l'Alleud.

In 2008, AW Europe worked with Econocom to launch the "Private PC" plan, designed to allow its 550 employees to purchase the latest generation of IT hardware.

"In the context of this plan, the service provided by Econocom is a perfect match with our requirements. We are also working closely with Econocom on our hardware purchases and software license management. We recently called them in to conduct an audit on the implementation of a new IT structure."

Vincent Delforce,
ICT Manager, AW Europe

Geodis Logistics Deutschland GmbH

Geodis Logistics Deutschland GmbH is part of the contract logistics division of the Geodis group, a leading European logistics provider.

Essential parts of the Geodis Logistics offer are contract logistics and supply chain management. Besides the head office in Frankfurt, there are 13 sites all over Germany.

According to Mrs. Andrea Rudy, Managing Director, Geodis Logistics Deutschland, *"We were looking for a flexible leasing solution that could support us in providing our customers with tailor-made services which can be chosen individually within our multi-business-offer."*

Econocom was chosen for its pro-active solution based on a TRO that enables Geodis to manage its PC portfolio while keeping control of its budgets.

"Econocom provided us with a transparent and flexible leasing model that will help us to meet the future requirements of our customers," says Andrea Rudy.

In Extenso Deloitte Group

Established in 1991 as part of the Deloitte group, In Extenso offers a range of services dedicated to the VSE and SME market.

In Extenso is now a major player in small business accounts consultancy in France, and employs more than 3,200 people.

As part of supporting changes to its centralized hosted information system, In Extenso wanted to:
- define and implement a new IT support organization,
- identify the key processes required to standardize the relationship with the hosting organization, and ensure a high level of service as part of a Hosting Quality Assurance Plan.

Synopse, the consulting subsidiary of the Econocom group, has provided support for the In Extenso group for nearly three years through consulting services and the implementation of solutions for the Service Center. In 2006, In Extenso adopted the ITIL methodology introduced by Synopse. It integrates and supports the overall IT system redesign project and the significant ongoing growth of the group.

Regional Council of Lorraine

The Regional Council is involved in many different areas of daily life in the region of Lorraine, from the local economy to training, employment, development, transportation and quality of life.

In 2007, the Regional Council of Lorraine (France) called for proposals to replace its entire internal IT portfolio. It also wanted to release itself from all hardware maintenance management issues.

Econocom was chosen on the basis of its expertise and experience in public sector contracting. Econocom has provided and deployed 800 new workstations (desktops and laptops) and over 100 printers on 4 key sites in the Lorraine region under a Classic Lease contract. Over the four-year period, Econocom is also managing the procurement, installation and maintenance services.

In Econocom, the Regional Council has found a single partner capable of offering a comprehensive service for the renewal of its IT fleet, backed up by an effective financing solution.

McGregor Fashion Group B.V.

McGregor Fashion Group B.V. is one of the most successful fashion houses in the upper market segment.

With more than 120 stores in Europe (90 of which are located in the Netherlands), they continue to build on the success of their brands, McGregor and Gaastra, on a daily basis.

Through "Finance your Franchise" – a finance label specialized in offering total financing solutions for retail and franchise organizations – McGregor Fashion Group has realized their complete financing for shop design and automation, using a Technology Refresh Option (TRO) model.

Thanks to this TRO model, the new shops are faster operational and also are able to give McGregor more flexibility to exchange or refresh their inventory, while maintaining equity for core business and/or activities.

The Master IT application offers a clear insight into the total store-inventory as well as their related book values. This simplifies the process for decisions on replacements as well as the internal cost allocation. In this way, they can anticipate market developments quickly and adequately and are allowed to base their considerations upon the exploitation and investments of each location.

"The company cultures of McGregor and Econocom are a perfect match. Our mutual entrepreneurial spirit and company-dynamics are the basis of our successful cooperation."

Remco Vermeij,
Chief Financial Officer,
McGregor Fashion Group B.V.

Speos

Speos is a subsidiary of the Belgian Post, specialized in document management solutions.

"Being able to deal with a single partner for all our IT and telecom infrastructure management needs is an ideal solution. Econocom was able to provide a one-month 15-user trial of a new telephone system. At the end of the 30 days, we were convinced by the benefits of VoIP technology in general, and by the products of that manufacturer in particular. Being familiar with a system before you place the order means you aren't taking a great step into the unknown. Econocom is a real trusted partner, and has supplied us with our IT architecture, as well as other services."

Fabrice Vlassembrouck,
MIS Manager, Speos

Medtronic Italia

Medtronic is the world-wide leader in research, production and distribution of biomedical systems.

Medtronic Italia S.p.A., with a presence throughout Italy and more than 500 employees, is a global partner for medical class and sanitary institutions, offering their products and services, as well as scientific cooperation and continuous technical and clinical support.

In 2006, Medtronic contacted Econocom Italy to test an operating lease for their printer portfolio. Medtronic needed to provide their engineers and pharmaceutical representatives network, all over Italy, with remote workstations.

Medtronic chose a TRO (Technology Refresh Option) in 2008, driven by the need to dynamically manage their printer portfolio and decrease their total cost of ownership. Satisfying printing requirements through the payment of a simple rental allocation enabled Medtronic to benefit from concrete cost savings.

Medtronic is satisfied with the economical and management benefits of TRO and is currently evaluating extending leasing to their entire IT portfolio.

City of Lyon

In 2001, Econocom was contracted to procure IT hardware for the city of Lyon (France).

Since then, the scope of the services supplied to this client has grown to include:

- Procurement
  - PCs in bulk: the renewal of the city of Lyon's PC portfolio at the rate of 800 PCs per year,
  - other hardware and software items: printers, recorders, mouse, etc.,
  - servers and their associated software.

- Outsourcing services
  - a helpdesk to handle requests and incidents for a portfolio of 5,800 PCs in more than 200 sites,
  - workstation management: installation, operation and maintenance,
  - 1st level support for the server and network environment for 150 Wintel servers.

Econocom meets monthly with the city of Lyon Information Systems and Telecommunications Department to analyze a full range of monitoring indicators to ensure compliance with the SLA (Service Level Agreement) defined in the contract.

Financial statements

Contents

Organization of Econocom Group

as of December 31, 2008

1. Board of Directors

Chairman and Chief Executive Officer	Jean-Louis Bouchard
Chief Executive Officers	Jean-Philippe Roesch Bruno Lemaistre
Directors	Christian Bret Charles de Water Gaspard Dürrleman Rafi Kouyoumdjian Patrik Vandewalle

2. Statutory Auditor

PricewaterhouseCoopers
Reviseurs d'Entreprises SCCRL
represented by Josy Steenwinckel

Econocom Group SA/NV share performance

on the Brussels stock exchange since January 1, 2006

Month	Price (€) High (€)	Low (€)	Closing (€)	Average (€)	Volume Number of shares traded	Value (in € thousands)
January	7.05	6.68	6.84	6.90	497,035	3,429.54
February	6.75	6.50	6.55	6.56	405,713	2,661.27
March	6.75	6.50	6.60	6.60	828,352	5,470.35
April	6.82	6.50	6.80	6.66	515,410	3,430.05
May	6.75	6.21	6.42	6.50	446,474	2,900.88
June	6.52	6.23	6.25	6.34	214,245	1,357.73
July	6.55	6.15	6.31	6.33	169,435	1,072.10
August	6.25	5.84	6.00	6.14	206,177	1,265.31
September	6.01	5.65	5.72	5.86	400,926	2,350.39
October	6.00	5.09	5.83	5.70	378,904	2,160.62
November	6.49	5.85	6.25	6.20	320,815	1,987.45
December	6.66	6.28	6.66	6.45	449,971	2,903.26
Total 2006	**7.05**	**5.09**	**6.66**	**6.35**	**4,833,457**	**30,988.96**

Month	Price (€) High (€)	Low (€)	Closing (€)	Average (€)	Volume Number of shares traded	Value (in € thousands)
January	7.20	6.69	7.15	6.94	761,004	5,281.37
February	7.51	7.14	7.14	7.34	821,296	6,028.31
March	8.00	7.22	8.00	7.68	843,375	6,477.12
April	8.49	7.90	8.49	8.11	308,121	2,498.86
May	8.75	8.20	8.25	8.45	310,828	2,626.50
June	9.10	8.25	8.99	8.68	358,498	3,111.76
July	9.93	8.70	8.70	9.35	523,541	4,895.11
August	8.80	8.28	8.70	8.49	301,809	2,562.36
September	8.99	7.32	7.57	8.32	277,863	2,311.82
October	8.42	7.51	8.10	8.14	405,714	3,302.75
November	8.43	7.65	7.80	8.05	716,366	5,766.75
December	7.99	6.99	7.51	7.47	234,255	1,749.88
Total 2007	**9.93**	**6.69**	**7.51**	**8.03**	**5,862,670**	**46,612.35**

Month	Price (€) High (€)	Low (€)	Closing (€)	Average (€)	Volume Number of shares traded	Value (in € thousands)
January	7.51	6.32	7.45	7.00	337,597	2,363.18
February	7.43	7.25	7.40	7.38	102,900	759.40
March	8.18	7.40	7.77	7.82	124,743	977.98
April	7.75	7.46	7.70	7.68	114,876	882.25
May	8.74	7.65	8.37	7.96	530,483	4,222.64
June	8.70	8.12	8.43	8.48	306,127	2,595.96
July	8.30	6.30	6.51	7.39	333,326	263.28
August	8.40	6.65	8.40	7.13	147,621	1,049.58
September	8.00	6.86	6.86	7.76	252,177	1,959.41
October	7.50	6.25	6.46	6.73	157,654	1,061.01
November	6.62	5.02	5.50	5.82	166,108	966.75
December	6.44	5.40	6.44	5.70	420,563	2,397.21
Total 2008	**8.40**	**5.02**	**6.44**	**7.24**	**2,994,175**	**21,698.66**

Shareholders' agenda

First-quarter trading statement (Royal decree of November 14, 2007)	April 21, 2009
Annual General Meeting	May 19, 2009
Dividend payment date	Early June 2009
Preliminary half-year figures press release	July 29, 2009
Half-year results press release	August 31, 2009
Information meeting	September 1, 2009
Third-quarter trading statement (Royal decree of November 14, 2007)	November 12, 2009
Preliminary full-year figures press release	January 27, 2010
Audited full-year results press release	March 11, 2010

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Management report on the financial statements

for the year ended December 31, 2008 to the Annual General Meeting of May 19, 2009

In accordance with prevailing legislation and the company's bylaws, we submit to your approval our report on the company's operations and the financial statements for the year ended December 31, 2008.

1. Scope of consolidation

In October 2008, the Econocom group acquired Databail, specialized in IT infrastructure financing in France.

This acquisition has been integrated into the IT Financial Services business and represents the only change in the scope of consolidation for 2008.

Databail was consolidated as of October 1, 2008 in the financial statements of the Econocom group.

In conjunction with this acquisition, the Econocom group continually adapts its internal legal organization in order to simplify and harmonize its legal and operational structures.

2. Results

2.1. Consolidated results

(in € millions)	2008	2007
Revenue from continuing operations	716.9	700.7
Recurring operating profit	25.6	24.5
Recurring operating margin	3.6%	3.5%
Operating profit	25.0	23.8
Profit before tax	24.7	23.5
Income tax	(5.8)	(5.2)
Profit from continuing operations	18.9	18.3
Discontinued operations	-	(0.3)
Net profit	18.8	18.0
Net profit, group share	18.8	18.0

The group's consolidated revenue rose by 2.3% in 2008 to €716.9 million, versus €700.7 million in 2007.

After recording a first half up by 4.8%, the group's business gained 0.3% in the second half of 2008 over the second half of 2007, thanks in particular to the acquisition of Databail.

In a difficult economic environment, Econocom recorded a satisfactory performance driven by large-scale investments in sales and marketing in recent years and developments of new offerings based on all four of its businesses.

The group's profitability also increased.

Recurring operating profit rose by 4.5% in 2008 to €25.6 million, versus €24.5 million in 2007.

The higher profitability was driven by the slight business increase and a tight grip on general expenses.

The group's tax rate rose to 23.3% versus 22.1% in 2007. This rate can be primarily explained by the robust performance achieved by the Italian and Spanish subsidiaries which benefited from tax loss carryforwards.

Net profit, group share rose by 4.5% in 2008 to €18.8 million, versus €18 million in 2007.

The group has a highly solid financial structure with net cash of €24.2 million and equity of €84.4 million.

The acquisition of Databail in October 2008 had a slight impact on “goodwill” in the financial statements which is detailed below:

Goodwill (including purchased goodwill)

(in € millions)	Net value as of Dec. 31, 2008	Acquisition date
Databail	2.7	2008
Alliance Support Services SA	7.3	2007
The Phone House purchased goodwill	0.8	2007
Kentron SAS	0.7	2007
Tecnolease SpA	1.2	2007
Econocom Albis GmbH	0.3	2006
Avenir Telecom purchased goodwill	1.2	2006
JCA purchased goodwill	0.8	2005
A2Z Holding NV	2.7	2005
Signal Service SA	7.5	2004
CHanSE SA	1.1	2004/2006
Other	2.4	1996 to 2003
Total	**28.7**	

No impairment was recognized for these intangible assets in 2008 given the satisfactory outlook for companies acquired in recent years.

2.2. Results by business segment

Revenue for the group’s different businesses was as follows:

(in € millions)	2008	2007
Managed Services	142	134
Products and Solutions	184	190
IT Financial Services	358	344
Telecom Services	33	33
Total	**717**	**701**

The contribution of these businesses to recurring operating profit (1) can be analyzed as follows:

(in € millions)	2008	2007
Managed Services	5.5	6.0
Products and Solutions	2.6	3.1
IT Financial Services	16.1	15.0
Telecom Services	1.4	0.4
Total	**25.6**	**24.5**

(1) After allocating the recurring operating profit of the holding companies.

Managed Services (€142 million in revenue)

In 2008, the revenue generated by Managed Services amounted to €142 million, representing 6% growth over 2007.

The business performed particularly well in Belgium, driven by a high level of market awareness generated by the quality and performance of the services delivered.

In addition, around mid-2008, the Belgian and French subsidiaries reported a major commercial success which led to the signature of a six-year contract of more than €60 million with a European services leader.

The operating margin generated by Managed Services dipped slightly in 2008 due to investment in the creation of a service center in Morocco and the decrease in non-strategic sub-contracting operations.

The recurring operating profit generated by Managed Services amounted to €5.5 million in 2008.

Products and Solutions (€184 million in revenue)

In 2008, the revenue generated by Products and Solutions amounted to €184 million, down by 3.2% over 2007.

This evolution can be explained by reduced or postponed investments in large companies in 2008.

This phenomenon was partly offset by better penetration of the SME sector. Furthermore, the backlog was boosted in 2008 by the €27 million distribution contract signed by the French subsidiary with the *Conseil Général de l'Oise* in the first quarter.

The profit margin generated by Products and Solutions shrank slightly due to two opposite trends:

- the gross margin of businesses rose by nearly 1% thanks to the larger relative share from SMEs in the operations;
- Products and Solutions continued to significantly invest in its sales and marketing forces and to upgrade its systems.

The operating profit generated by Products and Solutions amounted to €2.6 million.

IT Financial Services (€358 million in revenue)

In 2008, IT Financial Services continued to grow in terms of both revenue (+4%) and profit (+7%).

The growth stems from the success of countries such as Spain and Italy where Econocom has been investing for several years now, and the confirmed dynamic performance of older countries such as Belgium and the Netherlands.

After the strong growth in 2007, the French subsidiary reported stable performance in 2008.

This overall good performance can be explained by the success and control over financing and high value service offerings such as TRO (Technology Refresh Option) contracts.

In 2008, IT Financial Services continued to significantly invest in the definition and promotion of offerings that span Econocom's areas of expertise leveraged by financial solutions, and fully consistent with the Horizon 2012 strategic plan.

Lastly, IT Financial Services acquired Databail in October 2008 to extend its sales and marketing presence in France.

Telecom Services (€33 million in revenue)

After the 2007 period, during which Telecom Services recorded sharp revenue growth but modest profit due to the significant investments in sales and marketing, results were significantly improved in 2008.

Revenue was stable in 2008 for Telecom Services while its profit before tax rose from €0.4 million to €1.4 million.

This increase is explained by the activity in France. Belgium, which is a smaller country, implemented a restructuring plan in 2008 which led to greater integration with Products and Solutions and Managed Services.

2.3. Econocom Group SA/NV balance sheet and income statement (non consolidated)

Analysis of 2008 results

Sales of services for Econocom Group SA/NV came to €13.3 million in 2008, versus €10.5 million in 2007. This amount includes all royalties and services billed.

Following the increase in the latter, operating profit increased to €2.5 million versus €0.2 million in 2007. Net financial income came in at €1.8 million in 2008 versus €50.3

million in 2007. Due to internal legal restructuring in its IT Financial Services subsidiaries, Econocom Group received exceptional dividends in 2007, which is the primary reason for the change in financial income.

Net profit for the year amounted to €4.5 million, versus €50.1 million in 2007.

Business overview

1) 2008 movements on the stakes held by Econocom Group SA/NV

The movements in 2008 can be explained by the Econocom group's policy to continually adapt its internal legal organization in order to simplify and harmonize its legal and operational structures. For this purpose, the parent company, Econocom Group SA/NV, carried out the following transactions:

- winding up of Econocom France SAS;
- liquidation of Econocom USA Inc.

2) The MBO venture capital fund

At the end of 2008, the aggregate amount of investments in this fund was €4.7 million out of a total of €5 million which was provided for in an irrevocable commitment signed in 2002. In addition, Econocom Group SA/NV received €1.6 million in repayments of units in the fund, during the year. At the end of 2008, total repayments amounted to more than €3.8 million.

3) Treasury stock

Econocom Group SA/NV has a share buyback program, for the main following reasons:

- issue shares to avoid potential dilution of shareholders' interests due to the exercise of options;
- pay for external growth transactions, if any;
- cancel shares acquired.

In 2008, Econocom pursued its share buy-back program by:

- purchasing 1,335,009 of its own shares for €9.7 million;
- canceling 1,000,000 of its own shares;
- issuing 100,000 of its own shares during the exercise of options.

The Extraordinary General Meeting of December 22, 2008 renewed for a five-year period, beginning as of January 1, 2009, the authorization given to the Board of Directors to buy back the Company's own shares, in accordance with the applicable Belgian legislation, at prices ranging from €2 to €18, subject to a ceiling of 20% of total issued shares. These shares do not carry voting rights.

In addition, the Extraordinary General Meeting of November 28, 2006 renewed for a three-year period the authorization given to the Board of Directors to purchase Econocom Group SA/NV shares without the prior approval of shareholders, if the Company faces a serious and imminent threat to its operations.

As of December 31, 2008, Econocom Group SA/NV held 265,639 shares in treasury stocks (acquired at an average price of €5.67) representing 1.07% of the total number of shares issued.

The unavailable reserves of Econocom Group SA/NV rose by €1.3 million (non-consolidated figure) to €1.5 million.

4) Share capital

As of December 31, 2008, the capital of Econocom Group SA/NV was made up of 24,800,000 ordinary shares with no stated par value, following the cancellation of 1,000,000 shares during the year.

The company's ownership structure is set out in the section "Ownership structure".

3. Share capital, stock option plans and treasury stock

3.1. Share capital

The company's share capital, fully paid up as of December 31, 2008, amounted to €16,180,922.08.

Authorized unissued capital stood at €15,894,722.08.

3.2. Stock option plans

During the year, 100,000 options were exercised for a total of €472,000. This resulted in the transfer by Econocom Group SA/NV of 100,000 shares to option holders.

In accordance with the market authorities' recommendations on corporate governance, at its meeting on February 28, 2003, the Board of Directors set up a Stock Option Committee. This committee, composed of three members, is tasked with implementing the group's stock option plans in accordance with the Board's instructions, and in particular with allocating the options based on a proposal from the Chairman of the Board of Directors or the Management Committee within the limit of 1% of the share capital a year. The Committee is required to report to the Board of Directors as often as it seems necessary and at least once a year.

The Committee met on May 6, 2008 and authorized the grant of 50,000 options in 2008 to one of the group's managers.

There were 922,000 unexercised options as of December 31, 2008 (3.72% of the company's issued shares), representing a potential capital increase (including issue premiums) of €5.8 million.

4. Risk factors

Due to the nature of its business, Econocom Group SA/NV is exposed to certain financial and legal risks. A complete review of the group's risk exposure and management strategy is provided by type of risk in the notes to the consolidated financial statements.

In view of its business model, Econocom Group SA/NV is not significantly exposed to exchange-rate, interest-rate or environmental risks.

The group's dependency on clients is limited, as no client represents over 5% of the group's total revenue. In addition, it does not have a high liquidity risk as it has a net cash surplus.

Econocom Group SA/NV is, moreover, exposed to risks relating to:

- doubtful accounts, which are largely covered by factoring solutions and refinancing of lease contracts on a non-recourse basis;
- the termination of service contracts, as a significant portion of the group's employees have permanent contracts; however, most of these agreements have terms over one year and include reciprocal notice periods.

The group does not have any specific employee-related risks. The vast majority of its staff is employed in France and the Benelux countries.

The IT services market is extremely competitive, and has been so for a long time. Econocom Group SA/NV is therefore accustomed to having to change and innovate in order to maintain and expand its client base.

5. The Audit Committee

Article 96 of the Company code – amended by Article 5 of the law of January 13, 2006 and Article 81 of the law of July 19, 2004 – is completed by the 9th paragraph which requires companies to justify the independence and the accounting and auditing skills of at least one member of the Audit Committee.

Econocom confirms being in accordance with this regulation.

6. Outlook for 2009 and dividends

The economic environment calls for special vigilance and sharp reactivity on general expenses and investments.

However, management remains reasonably confident based on the information it has and Econocom's ability to utilize its strengths to weather this general crisis:

- solid financial situation;
- a business model with a high percentage of variable costs;
- innovative products, source of profitability and savings for companies.

At the forthcoming Annual General Meeting, the Board of Directors will recommend maintaining the gross dividend per share at €0.24.

Brussels, March 12, 2009
The Board of Directors

Group structure

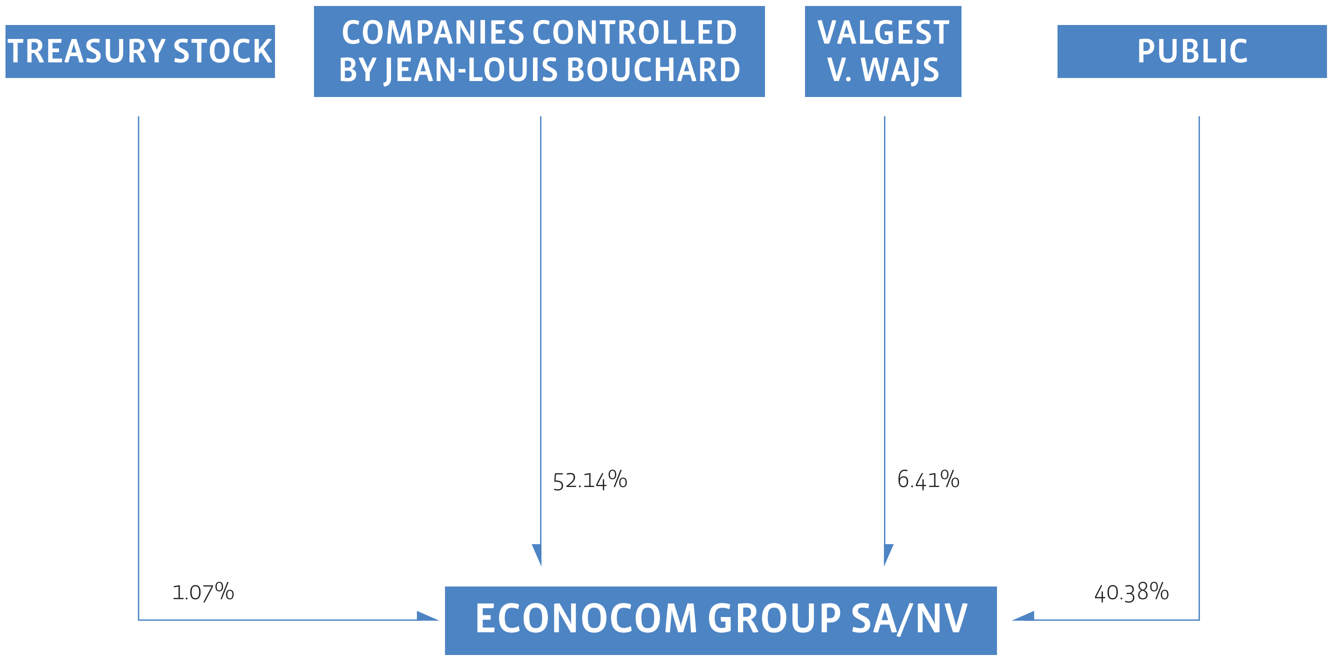
as of December 31, 2008

Econocom Group SA/NV

- 100% ECONOCOM FINANCIAL SERVICES INTERNATIONAL BV
  - 100% ECONOCOM NEDERLAND BV
    - 100% ECONOCOM PRODUCTS SERVICES BV
      - 100% ECONOCOM TELECOM BV
    - 100% ECONOCOM PROMODATA FRANCE SA
      - 100% PROMODATA SNC
  - 100% ECONOCOM LOCATION SAS
    - 100% ATLANCE FRANCE SAS
    - 100% DATABAIL SAS
- 100% ECONOCOM MANAGED SERVICES SA/NV
  - 100% ECONOCOM PRODUCTS & SOLUTIONS SAS
    - 100% ECONOCOM MANAGED SERVICES SAS
      - 100% SYNOPSE SAS
      - 100 % ECONOCOM MAROC SARL
    - 99.90% SCI ALEXANDRE
    - 100% ASYSTEL SAS
    - 100% ECONOCOM TELECOM SERVICES SAS
    - 93.32% ALLIANCE SUPPORT SERVICES SA
- 100% ECONOCOM LEASE SA/NV
  - 100% ECONOCOM LUXEMBOURG SA
  - 100% ATLANCE SA/NV
- 100% ECONOCOM PRODUCTS & SOLUTIONS BELUX SA/NV
- 100% ECONOCOM PSF SA
- 100% A2Z HOLDING NV
  - 100% A2Z SOLUTIONS NV
  - 100% DATA NETWORKS FRANCE SARL
- 50.10% ECONOCOM EXPERT INTERNATIONAL HOLDING BV
- 41.67% GIE ECONOCOM
- 100% ECONOCOM SAS
  - 58.33% GIE ECONOCOM
  - 6.43% ECONOCOM LOCAZIONE ITALIA SPA
- 93.57% ECONOCOM LOCAZIONE ITALIA SPA
- 80% ECONOCOM GMBH
- 100% ECONOCOM UK LTD.
- 100% ECONOCOM SA (SPAIN)

Ownership structure

as of December 31, 2008



Corporate Governance

administrative, management and supervisory bodies and senior management

1. Composition of the Board of Directors and Statutory Auditor (as of December 31, 2008)

Jean-Louis Bouchard
(term of office expiring at the May 2010 Annual General Meeting)
38, avenue Gabriel, 75008 Paris (France)
Chairman of the Board of Directors and Chief Executive Officer of Econocom Group SA/NV, Chairman of Econocom International NV

Jean-Philippe Roesch
(term of office expiring at the May 2014 Annual General Meeting)
21, avenue de la Criolla, 92150 Suresnes (France)
Chief Executive Officer of Econocom Group SA/NV

Bruno Lemaistre
(term of office expiring at the May 2014 Annual General Meeting)
15, avenue des Éperons d'Or 1050 Brussels (Belgium)
Chief Executive Officer of Econocom Group SA/NV

Christian Bret
(term of office expiring at the May 2010 Annual General Meeting)
19, rue de la Côte-d'Argent, 92410 Ville-d'Avray (France)
Director of Econocom Group SA/NV

Charles de Water
(term of office expiring at the May 2011 Annual General Meeting)
Korte Veersteeg 4D, 4157 GR Enspijk (Netherlands)
Director of Econocom Group SA/NV and Econocom International NV

Gaspard Dürrleman
(term of office expiring at the May 2011 Annual General Meeting)
50, avenue Bosquet, 75007 Paris (France)
Director of Econocom Group SA/NV

Rafi Kouyoumdjian
(term of office expiring at the May 2013 Annual General Meeting)
25, rue de Lubeck, 75016 Paris (France)
Director of Econocom Group SA/NV

Patrik Vandewalle
(term of office expiring at the May 2010 Annual General Meeting)
Achiel Cleynhenslaan 13, 3140 Keerbergen (Belgium)
Director of Econocom Group SA/NV

PricewaterhouseCoopers Reviseurs d'Entreprises SCCRL
(term of office expiring at the May 2010 Annual General Meeting)
Statutory Auditor of Econocom Group SA/NV, represented by Josy Steenwinckel
Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe (Belgium)

In 2008, Patrik Vandewalle resigned from his executive functions in Econocom Group to create two service companies. He is still a director of Econocom Group SA/NV.

Bruno Lemaistre was appointed Chief Executive Officer of Econocom Group SA/NV as of the Annual General Meeting of December 22, 2008. He joined the group in 2002 at the acquisition of Promodata, a leasing company where he held the position of Managing Director. He is currently Econocom Group's Managing Director in charge of IT Financial Services and Managed Services and the development of bundled offerings.

The following four members of the Board of Directors served in an executive capacity during 2008: Jean-Louis Bouchard, Jean-Philippe Roesch, Bruno Lemaistre and Patrik Vandewalle until July 2008. Gaspard Dürrleman, Rafi Kouyoumdjian and Christian Bret are non-executive, independent directors of the majority shareholder. Charles de Water is a non-executive director.

The Chairman of the Board of Directors owns controlling interests in several non-group companies, where he serves as a director or Chairman. The other executive directors do not hold directorships outside Econocom Group SA/NV and its subsidiaries.

Gaspard Dürrleman is a member of the Management Committee of Audevard, Chairman and Chief Executive Officer of Pichard Balme, and a director of APL International. Christian Bret is Managing Partner of Eulis, as well as a director of Fontaine Consultants and Prosodie, and a member of the Supervisory Board of Luceor. Charles de Water is a director of Econocom International NV, as well as a member of the Supervisory Board of Rabobank West-Betuwe and a partner of Zuijdplas Beleggingen. Rafi Kouyoumdjian is Chief Executive Officer and a director of RKO Management and Investment BV. He is also Chairman of NextiraOne Management SAS, and performs the duties of director, Chief Executive Officer, and member or Chairman of the Supervisory Board within the various companies of NextiraOne Group BV. Lastly, Patrik Vandewalle is manager of Proudfield BVBA, Ollygos BVBA and Skelia SARL.

The bylaws set the maximum term of office for directors at six years, and state that directors may be re-elected. No other specific rules are laid out, including relating to age limits.

2. Application of the Corporate Governance recommendations

The Board of Directors confirms that it adheres to the principles set out in the Belgian Corporate Governance Code.

In order to comply with the recommendations of the Corporate Governance Code, the Board of Directors drafted and approved internal rules for the Management Committee, the Board of Directors, the Audit Committee and the Stock Option Committee, and drew up a Corporate Governance Charter which can be viewed on the Group's website.

The majority of the recommendations set out in the Code have been implemented within Econocom Group SA/NV. However, there are some recommendations that the Board considers unsuitable to the group's size or that it intends to put in place over the long term. The principles to which Econocom Group SA/NV does not yet adhere to, in whole or in part, are described below.

- The group currently only partially applies the recommendations in Principle 1 of the Belgian Corporate Governance Code. For reasons relating to Econocom Group SA/NV's ownership structure, Jean-Louis Bouchard performs the duties of Chairman of the Board, Chief Executive Officer and Chairman of the Management Committee. This means that the group does not fully respect the principle of segregating the powers of control of the Board of Directors and executive powers. Jean-Louis Bouchard indirectly holds 52.14% of Econocom Group SA/NV's capital and as a result exercises de facto control.
- Econocom Group SA/NV complies with Principle 2 of the Belgian Corporate Governance Code, which recommends that at least half of the members of the Board of Directors should be non-executive. Accordingly, five of the eight members of the Board were non-executive directors as of December 31, 2008.

  However, the Board has not appointed a Secretary to report to it on compliance with the applicable procedures and rules.
- In order to comply with the recommendations in Principle 3 of the Belgian Corporate Governance Code, Econocom Group SA/NV drew up and implemented a procedure relating to transactions and other contractual relations between the companies making up the Econocom group and its directors and senior managers. However, the Board has not drafted any specific procedure with regards to insider trading, as the group considers that the employees concerned should be aware of the law and that it is their responsibility to comply with it.
- Econocom Group SA/NV does not currently apply the recommendations in Principle 4 of the Belgian Corporate Governance Code, which state that the Board should draw up nomination procedures and selection criteria for Board members and that a Nomination Committee should recommend suitable directorship candidates. Principle 4 also recommends a periodic assessment of the performance of each director and of the Board of Directors, in accordance with procedures set by the Board.

  To date, the Board of Directors has not set up a Nomination Committee or any formal procedures for nominating members of the Board of Directors and the Management Committee. Management considers that this recommendation of the Code is not suitable for the Econocom Group in view of its size.

  Although the group has no specific formal procedures for assessing the performance of the members of the Board of Directors, such assessments take place on a continuous informal basis.
- In accordance with Principle 5 of the Belgian Corporate Governance Code, the Board of Directors has set up a Management Committee, an Audit Committee, and a Stock Option Committee.

  The internal rules of each of these committees are in compliance with the principles of the Belgian Corporate Governance Code. Nevertheless, the Board of Directors has not raised the minimum number of members of the Audit Committee from two to three.

  In addition, it has decided not to set up a Compensation Committee as it considers that such a committee would not be suited to the group's organizational structure. Compensation paid to the members of the Management Committee is defined by the Chairman of the Board of Directors and controlling shareholder. Any grants of stock options to members of the Management Committee have to be approved by the Stock Option Committee, which was created in February 2003.

3. Compensation, including social security charges, and benefits in kind granted by Econocom Group SA/NV and its subsidiaries to members of the administrative, management and supervisory bodies for 2008

Since 1999, the bylaws have provided for the compensation of offices held. The Annual General Meeting of May 18, 2004 set the attendance fees of directors at €2,500 per director per Board meeting, subject to actual attendance at the meetings.

Executive directors do not receive any compensation with respect to their directorship but are compensated in connection with their contractual relations with one or more of the group's companies.

Non-executive directors who are members of the Audit Committee and members of the Stock Option Committee receive €1,000 per meeting, subject to actual attendance.

Non-executive directors do not receive any payment other than the above-described attendance fees.

Attendance fees paid to non-executive directors in 2008 were as follows:

Compensation paid to non-executive directors in 2008 (in €)

Christian Bret	11,000
Gaspard Dürrleman	14,000
Charles de Water	12,500
Rafi Kouyoumdjian	11,500
Patrik Vandewalle	7,500
Total	**56,500**

Jean-Louis Bouchard performs the duties of Chairman of the Board and Chief Executive Officer, and Chairman of the group's Management Committee, but does not receive any compensation with respect to these duties from Econocom Group SA/NV or its subsidiaries. Econocom International NV – whose Chairman is Jean-Louis Bouchard – bills fees to Econocom Group SA/NV and its subsidiaries for managing and coordinating the group. These fees amounted to €1,045,000 in 2008, compared with €940,000 in 2007.

Compensation paid to executive directors in 2008 (in €) (1)

Fixed portion	913,709
Variable portion	800,545
Total	**1,714,254**

(1) Including social security charges. The compensation received by Patrik Vandewalle in 2008 is included in these figures.

Compensation paid to members of the Management Committee (other than Board members) in 2008 (in €) (1)

Fixed portion	477,754
Variable portion	357,396
Total	**835,150**

(1) Including social security charges.

Stock options held by members of Econocom's administrative and management bodies

Number of options outstanding as of December 31, 2008	**530,000**

The group duly booked provisions in its accounts for all contractual commitments made to its executive managers in connection with the terms and conditions of their departure, if any.

4. Information on transactions between Econocom Group SA/NV or its subsidiaries and members of its administrative and management bodies that are unusual or carried out on other-than-arm's-length terms

No unusual transactions were carried out in 2008 between Econocom Group SA/NV and its subsidiaries and members of the Board of Directors or Management Committee. No loans or guarantees granted to such parties were outstanding as of December 31, 2008 other than a loan of €13,132 granted to a Management Committee member in connection with the sale to that member of a minority interest in one of the group's subsidiaries. This loan was duly disclosed to the Chairman of the Board of Directors in accordance with the conflict of interest procedure adopted by the company in accordance with the Belgian Corporate Governance Code.

5. Number of shares and stock options held by directors and members of the Management Committee of Econocom Group SA/NV (as of December 31, 2008)

	Shares	Options
Non-executive directors	335,063	400,000
Executive directors		
• Jean-Louis Bouchard (indirectly)	12,931,803	0
• Jean-Philippe Roesch	550,000	0
• Bruno Lemaistre	350,000	0
Members of the Management Committee	60,800	130,000
Total	**14,227,666**	**530,000**

NB: The exercise price of these options is determined on the basis of the same rules as described in section 11 below.

6. Role of the Board of Directors

The Board of Directors meets as often as it deems necessary.

In 2008, the Board met on five occasions, including two meetings to approve the interim and annual financial statements. The overall attendance rate was 89%.

The Board's internal rules were approved on July 3, 2006.

The Board of Directors is responsible for approving the company's overall strategy proposed by the Chairman, authorizing significant projects and ensuring that there are adequate resources to reach the group's objectives. It is entrusted with decision-making outside the scope of day-to-day management.

The group's operational management is entrusted to the Chief Executive Officers and the Management Committee, as defined in article 524bis of the Companies' Act and article 20bis of the bylaws. The Board appoints the members of the Management Committee, as well as the Chief Executive Officer(s). It also oversees the quality of the management duties performed and ensures that they are consistent with the group's strategic objectives.

The Board is validly constituted only if at least half of its members are present or represented. A director may represent one or more other members of the Board. Decisions are adopted on the basis of a majority of votes. In the event of a split decision, the person chairing the meeting has the deciding vote. In exceptional circumstances, when emergency and the best interests of the company so dictate, decisions may be adopted pursuant to the unanimous consent of the directors, expressed in writing. However, this procedure may not apply in relation to approving the annual financial statements and the issuance of authorized capital.

The Board of Directors has implemented an annual budget procedure and quarterly review process for all group subsidiaries, including an examination of individual-entity data such as revenue, margins, costs, balance sheet items, cash flows and various management indicators. The Management Committee is responsible for implementing and ensuring compliance with this procedure.

The members of the Management Committee are responsible for managing the subsidiaries on a day-to-day basis. All subsidiaries transmit monthly income statement and balance sheet data to the group on the seventh and eighth working days, respectively, of the following month. The data submitted are analyzed by a specialized reporting department, which submits a consolidated summary to Group Management each month. Annual budgets and condensed consolidated results are submitted to the Board of Directors on a quarterly basis. The Internal Audit Department operates under the authority of the Chief Executive Officer, Jean-Philippe Roesch. Internal audits of significant subsidiaries are performed over a 12-month cycle. The findings of all internal control activities are communicated to the company's Audit Committee and Statutory Auditor.

7. Committees created by the Board of Directors

Pursuant to the bylaws, as amended by the Extraordinary General Meeting on February 22, 2000, the Board of Directors is authorized to set up specific committees and to determine their tasks and operating rules.

The Management Committee

The Board of Directors used this authorization to set up a Group Management Committee, whose creation was ratified by shareholders at the Extraordinary General Meeting on May 18, 2004.

The Management Committee's internal rules were amended in order to comply with the recommendations of the Belgian Corporate Governance Code and approved by the Board of Directors at its July 3, 2006 meeting.

The role of this Committee is to implement the strategy defined by the Chairman and approved by the Board of Directors, recommend strategic guidelines for the group, coordinate the work of central corporate departments, and carry out any and all duties relating to day-to-day management.

The Management Committee's members are Jean-Louis Bouchard, the Committee's Chairman, Olivier Aldrin, Didier Bertho, Bruno Lemaistre, and Jean-Philippe Roesch.

Bruno Lemaistre and Jean-Philippe Roesch are Managing Directors of the Econocom group. Bruno Lemaistre is in charge of IT Financial Services and Managed Services and the development of bundled offerings, while Jean-Philippe Roesch oversees Products & Solutions and

Telecom Services as well as all the group's central functions.

Didier Bertho is Managing Director of the group's Managed Services subsidiaries.

On May 6, 2008, the Board of Directors appointed Olivier Aldrin to the Management Committee in the capacity of Chief Financial Officer of the group.

Patrik Vandewalle resigned from his directorship as member of the Management Committee effective July 16, 2008.

Three members of the Management Committee are also Chief Executive Officers. At its July 3, 2006 meeting, the Board of Directors appointed Jean-Philippe Roesch as Chief Executive Officer and renewed Jean-Louis Bouchard's term of office as Chief Executive Officer. Bruno Lemaistre was appointed Chief Executive Officer by the Board of Directors, at its meeting of November 20, 2008, subject to his effective appointment as director by the Annual General Meeting of Shareholders. His appointment as Chief Executive Officer was confirmed at the Annual General Meeting of December 22, 2008.

The Stock Option Committee

A Stock Option Committee was set up in February 2003. This Committee, which operates under the supervision of the Board of Directors, is responsible for determining the terms and conditions and ensuring the implementation of stock option plans.

The Stock Option Committee's internal rules were approved by the Board of Directors at its July 3, 2006 meeting.

The Stock Option Committee comprises three members: Christian Bret, Gaspard Dürrleman, and Rafi Kouyoumdjian. The terms of office of these Committee members will expire at the end of 2009.

The Stock Option Committee met once in 2008 in order to authorize the granting of stock options to one group manager, and to define the related terms and conditions. All of the Committee members attended this meeting.

The Audit Committee

The Board of Directors set up an Audit Committee on May 18, 2004 and amended and approved its internal rules on July 3, 2006.

The Committee comprises two independent directors: Gaspard Dürrleman and Rafi Kouyoumdjian.

The Audit Committee met three times in 2008, with all Committee members in attendance, as well as Jean-Philippe Roesch, Chief Executive Officer, and Olivier Aldrin, Group Chief Finance Officer. Whenever it deems it appropriate, the Audit Committee invites the Statutory Auditors and the Head of Internal Audit to Committee meetings.

The Audit Committee is responsible for helping the Board of Directors perform its duty of controlling Econocom group's operations. In particular, it examines the quality and relevance of internal and external audit engagements, monitors internal control and risk management procedures, ensures that the accounting methods used are appropriate, and that the group's financial data are complete and accurate.

8. Day-to-day management

The Management Committee is responsible for the day-to-day management of the group. In this role, it is presented with monthly results and monitors the progress of the group's projects.

The subsidiaries also organize Management Committee meetings at least once a month. Participants at these meetings typically include the CEO and CFO of the subsidiary concerned, and, where appropriate, the Technical Director, Sales & Marketing Director, and Human Resources Director. Other parties may be invited by the committees to take part in meetings to discuss specific issues such as IT, corporate communications or legal matters.

All major decisions concerning subsidiaries are made by their Chairmen or Chief Executive Officer of the subsidiaries, or jointly by two directors, or jointly by a director and a member of the Management Committee. In general, the subsidiaries have no significant delegations of authority other than with respect to day-to-day management. The powers of the senior managers of the Econocom group's subsidiaries as well as the limitations to such powers are set out in a reference document.

9. Appropriation of net profit and dividend policy

The increase in Econocom Group SA/NV's results since 1995 and its stronger financial situation have fueled the steady increase in the amount of the dividend paid, from €0.031 in 1995 to €0.24 in 2007. Specifically, the dividend increased by 25% in 2006 and 20% in 2007 without any adverse impact on the group's investment policy.

The gross dividend per share to be recommended at the Annual General Meeting of May 19 2009 is €0.24 (€5,952,000 for 24,800,000 shares). The group's solid financial situation allows the Board of Directors, despite the current economic environment, to recommend maintaining the dividend amount. This represents a payout rate of 31.6%.

10. Relations with major shareholders

The transparency-related disclosures made to the company designate Econocom International NV as the majority shareholder.

In accordance with Article 74 § 6 of the Belgian law of April 1, 2007 on takeover bids, on August 26, 2008, Econocom Group SA/NV received a notice from Econocom International NV, which is controlled by Jean-Louis Bouchard, indicating that as of that date, Econocom International NV held 12,816,132 Econocom Group shares, representing 49.67% of the capital.

As of December 31, 2008, Jean-Louis Bouchard directly and indirectly held 12,931,803 Econocom Group shares, representing 52.14% of the capital. Jean-Louis Bouchard is the only shareholder who controls more than 30% of the group and does not need to launch a takeover bid as he acquired his 30% interest prior to September 1, 2007 and duly carried out all the legally-required disclosures and publications about his interests.

The company is aware of one other shareholder, Vincent Wajs, who owns more than 5% of the capital (either directly or indirectly through Valgest). Mr. Wajs resides at 40 rue du Village, 91530 Le Val-Saint-Germain (France) and held 6.41% of the capital as of December 31, 2008.

No shareholders have entered into an agreement that may restrict the transfer of shares and/or the exercise of voting rights.

Relations with the majority shareholder, Econocom International NV, correspond to loans granted or received and the provision of standard services on arm's-length terms.

11. Employee share ownership

Since November 1997, Econocom Group SA/NV and various subsidiaries and sub-subsidiaries have set up several stock option plans for their employees, managers and executives. An updated summary of the group's related commitments as of December 31, 2008 is provided below.

	Number of outstanding options	Expiration date	Exercise price (in €)
2004	400,000	November 2009	5.85
2005	40,000	January 2010	5.98
	40,000	May 2010	6.52
2006	255,000	November 2011	5.70
2007	20,000	January 2012	6.94
	130,000	October 2012	8.12
2008	37,000	April 2013	7.70
Total	**922,000**		

These plans cover Econocom Group SA/NV shares listed on the futures market of the Brussels stock exchange. Upon the exercise of options, Econocom Group SA/NV may either transfer existing shares or issue new shares by the way of a capital increase.

The options are granted with a view to involving employees, managers and executives more closely in the group's operations and business development.

Certain options are contingent on the beneficiaries achieving individual objectives and may not be exercised if these performance criteria are not met.

Options are granted under contracts signed between Econocom Group SA/NV and the beneficiary (and, if necessary, the subsidiary that employs the beneficiary).

At its meeting on January 25, 2000, the Board of Directors approved the text of the option contracts. In application of Article 523 of the Companies' Act, three directors who were – or could become – option beneficiaries abstained from voting.

The text of the standard stock option contract was amended to take into account the Belgian law of December 24, 2002. These amendments were approved by the Board of Directors on December 12, 2003.

The exercise price is set in accordance with Article 43 of the Belgian law dated March 26, 1999, and corresponds to the average price quoted for the Econocom Group SA/NV share over the thirty days preceding the grant date.

Other than in certain specific cases, options may not be transferred and Econocom Group SA/NV does not hedge its exposure to changes in the share price.

During 2008, 100,000 options were exercised and 50,000 new options were granted to one manager.

In relation to the stock options exercised, the Board of Directors transferred 100,000 existing shares held in treasury and did not issue any new shares.

As of December 31, 2008, a total of 922,000 options were outstanding (3.72% of the Company's total outstanding shares). These options are exercisable for the same number of shares and represent a potential capital increase of €5.8 million (including the premiums on new shares issued).

12. Statutory Auditors' fees

In 2008, the PricewaterhouseCoopers network provided audit services (reviewing the group's consolidated and parent company financial statements) and non audit-related services to Econocom Group SA/NV and its subsidiaries. Below is a table indicating the type of services provided and the related fees:

(in €)

Consolidated Statutory Auditors' fees for auditing the 2008 financial statements	**419,924**
Fees linked to the functions of the Statutory Auditor and the related functions performed in the group by individuals linked to the Statutory Auditors	**235,349**
Fees for non audit-related engagements carried out by the Statutory Auditors for Econocom group	
Non-audit certification engagements	51,159
Tax advisory work	-
Other	-
Fees for non audit-related engagements or specific assignments performed within the company by individuals linked to the Statutory Auditors	
Non-audit certification engagements	-
Tax advisory work	25,235
Other	19,000

13. Treasury stock

The Extraordinary General Meeting of December 22, 2008 renewed for a period of five years the authorization given to the Board of Directors to buy back the company's own shares, in accordance with the applicable Belgian legislation, at prices ranging from €2 to €18, subject to a ceiling of 20% of total issued shares. This authorization replaces, from January 1, 2009, the authorization given by the Extraordinary General Meeting of May 20, 2008.

In addition, the Extraordinary General Meeting of November 28, 2006 granted the Board of Directors a three-year authorization to purchase Econocom Group SA/NV shares without the prior approval of shareholders, if the company faces a serious and imminent threat to its operations.

In 2008, the shareholders of Econocom Group SA/NV decided to cancel 1,000,000 treasury shares at the Extraordinary General Meeting of May December 22, 2008. As a result, Econocom Group SA/NV now has a total of 24,800,000 shares.

As of December 31, 2008, Econocom Group SA/NV and its subsidiaries held 265,639 Econocom Group SA/NV shares, representing 1.07% of the total number of shares in issue.

Voting rights attached to shares held by Econocom Group SA/NV have been suspended. Dividends on shares held by Econocom Group SA/NV at the time of allotment by the General Meeting have been cancelled.

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Consolidated financial statements

for the year ended December 31, 2008

Consolidated income statement and earnings per share

as of December 31, 2008

(in € thousands)	Note	2008	2007
Revenue from continuing operations	23	**716,886**	**700,664**
Operating expenses		**(691,321)**	**(676,214)**
Cost of sales		(504,290)	(497,419)
Personnel costs	24	(110,186)	(107,253)
External expenses	25	(68,198)	(62,645)
Depreciation, amortization and provisions for impairment	26	(2,412)	(2,185)
Taxes (other than income taxes)		(3,776)	(3,993)
Impairment losses on assets, net	27	(147)	(2,487)
Other operating income and expenses	28	341	490
Net financial expense, operating activities	29	(2,653)	(722)
Recurring operating profit		**25,565**	**24,450**
Other non-recurring operating income and expenses	30	(518)	(54)
Impairment of goodwill	30		(611)
Operating profit		**25,047**	**23,785**
Financial income	31	372	301
Financial expense	31	(720)	(538)
Profit before tax		**24,699**	**23,548**
Income tax	32	(5,843)	(5,215)
Profit from continuing operations		**18,856**	**18,333**
Discontinued operations	11	(35)	(294)
Profit including minority interests		**18,821**	**18,039**
Minority interests			(39)
Profit for the year excluding minority interests		**18,821**	**18,000**
Basic earnings per share - continuing operations	33	0.743	0.688
Basic earnings per share - discontinued operations		(0.001)	(0.011)
Basic earnings per share		0.742	0.677
Diluted earnings per share - continuing operations		0.738	0.682
Diluted earnings per share - discontinued operations		(0.001)	(0.011)
Diluted earnings per share		0.737	0.671

Consolidated balance sheet

as of December 31, 2008

Assets (in € thousands)	Note	**2008**	2007 Pro forma
Non-current assets			
Net intangible assets	5	2,650	1,758
Goodwill	6	28,774	26,035
Net property, plant and equipment	7	9,571	8,397
Investment property	8	530	541
Long-term investments	9	16,578	12,665
Long-term receivables	10	1,459	1,614
Deferred tax - assets	32	7,270	6,984
Total non-current assets		**66,832**	**57,994**
Current assets			
Inventories	12	7,614	8,232
Trade and other receivables	13-14	225,132	180,454
Current tax assets		4,254	3,251
Other current assets	14	7,026	5,582
Cash and cash equivalents	15	56,768	61,255
Total current assets		**300,794**	**258,774**
Assets held for sale	11		**13**
Total assets		**367,626**	**316,781**

2007 Pro forma: see Notes 1.3 and 1.4 of the Summary of significant accounting policies.

Equity and liabilities (in € thousands)	Note	**2008**	2007 Pro forma
Share capital		16,181	16,181
Additional paid-in capital and reserves		49,337	46,900
Profit for the year		18,821	18,000
Total consolidated equity	17	**84,339**	**81,081**
Minority interests	17	110	169
Total equity		**84,449**	**81,250**
Non-current liabilities			
Financial debts	20	11,182	15,246
Provisions	18	862	730
Provisions for pensions and other commitments	19	5,498	5,604
Other liabilities		1,014	1,343
Deferred taxes - Liabilities	32	3,748	2,892
Total non-current liabilities		**22,304**	**25,815**
Current liabilities			
Financial debts	20	21,435	17,656
Provisions	18	3,109	3,293
Income tax liabilities		1,435	2,450
Trade and other payables	21	204,219	152,526
Other current liabilities	21	30,675	33,717
Total current liabilities		**260,873**	**209,642**
Liabilities related to assets awaiting disposal	11		**74**
Total equity and liabilities		**367,626**	**316,781**

2007 Pro forma: see Notes 1.3 and 1.4 of the Summary of significant accounting policies.

Consolidated cash flow statement

(in € thousands)	2008	2007
Consolidated net profit	18,821	18,039
Depreciation of property, investment property, plant and equipment/Amortization of intangible assets	2,612	4,059
Impairment of goodwill	–	611
Impairment of non-current financial assets	42	–
Impairment of non-current trade receivables, inventories and other current assets	148	2,615
(Gains)/losses on the disposal of property, plant and equipment and intangible assets	83	5
(Gains)/losses on the disposal of companies and businesses	(183)	(167)
Non-recurring impact of the recognition of residual interests on TRO contracts [1]	(3,757)	
Change in provisions	376	(1,362)
Income and expenses related to equity-based payment	209	389
Cash flows from operating activities after cost of net debt and income tax	**18,351**	**24,189**
Income tax expense	5,843	5,215
Cost of net debt	4,478	2,644
Cash flows from operating activities before cost of net debt and income tax (a)	**28,672**	**32,048**
Change in inventories	929	361
Change in long-term receivables	206	1,281
Change in current receivables and other current assets	(39,123)	(5,087)
Change in trade payables	39,128	(10,126)
Change in other short-term payables	1,051	740
Change in working capital (b)	**2,191**	**(12,831)**
Income tax paid (c)	(7,094)	(2,670)
Net cash provided by operating activities (a+b+c=d)	**23,769**	**16,547**

(in € thousands)	2008	2007
Net cash provided by operating activities (a+b+c=d)	**23,769**	**16,547**
Acquisition of property, plant and equipment and intangible assets, excluding leasing business	(4,934)	(3,530)
Disposal of property, plant and equipment and intangible assets, excluding leasing business	334	134
Acquisition/disposal of property, plant and equipment allocated to the leasing business	(98)	136
Acquisition of financial assets	(1,006)	(801)
Disposal of financial assets	3,164	3,168
Acquisition of companies and businesses, net of cash acquired	(4,336)	(5,082)
Disposal of companies and businesses excluding discontinued operations, net of cash transferred	453	230
Net cash used in investing activities (e)	**(6,423)**	**(5,745)**
Increase in non-current liabilities	142	10,255
Repayment of non-current liabilities	(4,842)	(1,797)
Increase in current liabilities	8,952	8,645
Repayment of current liabilities	(5,455)	(16,304)
Interest paid	(4,478)	(2,644)
Acquisitions and sale of treasury stock	(9,188)	(18,934)
Dividends paid during the year	(5,990)	(5,284)
Net cash used in financing activities (f)	**(20,859)**	**(26,063)**
Impact of changes in exchange rates	(933)	(100)
Change in cash and cash equivalents (d+e+f)	**(4,446)**	**(15,361)**

(1) See Note 1.13.3: residual values.
The components of cash and cash equivalents are described in Note 15.
The cash flow impact of changes in the scope of consolidation is presented in Note 34.

Consolidated statement of changes in equity

(in € thousands)	Number of shares	Subscribed capital	Additional paid-in capital	Translation adjustments
December 31, 2006	**29,000,000**	**16,181**	**55,038**	**(38)**
Net income/(expense) recognized directly in equity [1]		0	0	0
Profit for the year [1]				
Total recognized income/(expense) [1]		**0**	**0**	**0**
Dividends paid				
Translation adjustments				(389)
Changes related to employee benefits				
Other movements				
Loss arising on exercise of stock options				
Treasury stock	(3,200,000)			
December 31, 2007	**25,800,000**	**16,181**	**55,038**	**(427)**
Net income/(expense) recognized directly in equity [1]		0	0	(1,174)
Profit for the year [1]				
Total recognized income/(expense) [1]		**0**	**0**	**(1,174)**
Dividends paid				
Translation adjustements				
Changes related to employee benefits				
Other movements				
Loss arising on exercise of stock options				
Treasury stock	(1,000,000)			
December 31, 2008	**24,800,000**	**16,181**	**55,038**	**(1,601)**

(1) See table on p. 70.

Reserves related to the fair value changes of financial instruments	Reserves related to employee benefits	Reserves related to actuarial gains and losses	Retained earnings and other reserves	Treasury stock	Consolidated equity	Minority interests	Total equity
883	**736**		**20,443**	**(5,015)**	**88,228**	**113**	**88,341**
1,510	0	(3,183)	1,061	0	(612)	0	(612)
			18,000		18,000	39	18,039
1,510	**0**	**(3,183)**	**19,061**	**0**	**17,388**	**39**	**17,427**
			(5,296)		(5,296)		(5,296)
					(389)		(389)
	310				310		310
			(224)		(224)	17	(207)
			(268)		(268)		(268)
			(23,462)	4,794	(18,668)		(18,668)
2,393	**1,046**	**(3,183)**	**10,254**	**(221)**	**81,081**	**169**	**81,250**
452	0	757	(252)	0	(217)	(59)	(276)
			18,821		18,821		18,821
452	**0**	**757**	**18,569**	**0**	**18,604**	**(59)**	**18,545**
			(6,019)		(6,019)		(6,019)
			(180)		(180)		(180)
	41				41		41
					0		0
			(276)		(276)		(276)
			(7,628)	(1,284)	(8,912)		(8,912)
2,845	**1,087**	**(2,426)**	**14,720**	**(1,505)**	**84,339**	**110**	**84,449**

(1) Breakdown of income and expenses including income and expense directly recognized in equity:

(in € thousands)	2008	2007
Consolidated net profit	**18,821**	**18,039**
Adjustments to the fair value of financial instruments and other financial assets	452	1,510
Changes in translation differentials	(1,174)	
Actuarial gains/losses on employee benefits	757	(3,183)
Taxes related to items directly credited to or debited from equity	(252)	1,061
Other net movements	(59)	
Net income/(expense) recognized directly in equity	(276)	(612)
Total recognized income/(expense)	**18,545**	**17,427**
attributable to the group	*18,604*	*17,388*
attributable to minority interests	*(59)*	*39*

Notes to the consolidated financial statements

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1. Summary of significant accounting policies

1.1. Basis of preparation

The financial statements for the Econocom group as of December 31, 2008 were prepared in compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (regulation 1606/2002 of July 19, 2002). They include the financial statements of Econocom Group SA/NV and its subsidiaries.

They are presented in thousands of euros (€ thousand).

The consolidated and parent company financial statements were approved by the Board of Directors on March 12, 2009 and will be submitted to shareholders for approval at the next Annual General Meeting, on May 19, 2009.

They will be available to shareholders as of May 1, 2009.

1.2. New IFRSs

1.2.1. New standards, revised standards and interpretations adopted by the European Union and obligatorily applicable as of January 1, 2008

The group has adopted all the new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Union and which were applicable to the group's operations as of January 1, 2008.

The group elected for the application of the special provisions of regulation CE n°611-2007 which authorizes a company to defer the adoption of IFRIC 11 "IFRIC 11 interpretation, IFRS 2 – own shares and inter companies transactions" to January 1, 2009.

New and revised standards and interpretations applicable to the group include:

Standards	Application date EU [1]	Application date Group	Group impacts
IFRIC 11 IFRS 2 Own shares and inter companies transactions	March 1, 2008	January 1, 2009	No impact on the financial statements of the Econocom group
Amendment IAS 39 and IFRS 7 Reclassification of financial assets	Reclassification as of July 1, 2008	July 1, 2008	No impact on the financial statements of the Econocom group

(1) Unless otherwise specified, applicable to financial years beginning on and after the date indicated in this column.

1.2.2. Standards, revised standards and interpretations that provide for early application

The Econocom group has decided not to early adopt the following:

Standards		Application date EU [1]	Application date Group	Expected group impacts
IAS 1 revised	Presentation of financial statements	01/01/2009	01/01/2009	Amended presentation of financial statements
IAS 23 revised	Borrowing costs	01/01/2009	01/01/2009	No impact on the financial statements of the Econocom group
IFRIC 13	Customer loyalty programs	01/01/2009	01/01/2009	No impact on the financial statements of the Econocom group
IFRIC 14	IAS 19 – Limitation of assets for defined services	01/01/2009	01/01/2009	No impact on the financial statements of the Econocom group
IFRS 8	Operating segments	01/01/2009	01/01/2009	Ongoing impact study. No material impact has been identified
IFRS 2 Amendment	Share-based payments – Vesting conditions and cancellations	01/01/2009	01/01/2009	No material impact on the financial statements of the Econocom group

(1) Unless otherwise specified, applicable to financial years beginning on and after the date indicated in this column.

1.2.3. Standards, revised standards and interpretations published by the IASB but not yet adopted by the European Union

Standards		IASB application date	Expected group impacts
IAS 39 Amendment	Financial instruments – eligibility of hedged instruments	07/01/2009	No material impact on the financial statements of the Econocom group as of December 31, 2008
IFRS 3 revised	Business combination	07/01/2009	Ongoing impact study
IAS 27 revised	Consolidated and separate financial statements	07/01/2009	Amended presentation of financial statements
IAS 32 and IAS 1 Amendment	Financial instruments puttable at fair value and obligations arising on liquidation	01/01/2009	No impact on the financial statements of the Econocom group
IFRIC 12	Concessions	01/01/2008	No impact on the financial statements of the Econocom group
IFRIC 16	Hedges of a net investment in a foreign activity	10/01/2008	No impact on the financial statements of the Econocom group
IFRIC 17	Distribution of non-cash assets to owners	07/01/2009	No impact on the financial statements of the Econocom group
Exposure draft of annual improvements to IFRS		01/01/2009	Ongoing assessment of impact

1.3. Change of accounting method

Pursuant to the option given by IAS 19 Employee benefits, and in order to better incorporate the impacts in France of the 2008 Social Security financing law, the group elected to recognize in equity, all actuarial gains and losses determined in connection with the assessment of defined-benefits pension plans, in the period in which they occur.

This method, known as SoRIE (Statement of Recognized Income and Expense) replaces the so-called "corridor" method previously used by the group. The corridor method consists of amortizing over the average remaining service life of active employees only a portion of net cumulative actuarial gains and losses that exceeds the greater of 10% of either the projected benefit obligation or the fair value of the plan assets on the balance sheet date.

The change of accounting method had the following impacts:

- income statement: unrecognized actuarial gains and losses can no longer be amortized in the income statement as described above;
- balance sheet: the entirety of previously unrecognized actual gains and losses are now recorded in provisions, and a deferred tax asset is recognized and the net amount is deducted from equity.

The impacts of this change of accounting method are detailed below:

Balance sheet

(in € thousands)

	2008	2007	2007 opening
Change in provision for pension	**757**	(1,478)	(1,705)
Change in related deferred tax assets	**(252)**	493	568
Statement of changes in equity	**505**	(985)	(1,137)

For 2007, this change of method had no impact on the income statement and as a result, on profit per share. In 2008, it had a positive impact of €391,000 on the income statement.

	SoRIE	CORRIDOR	Difference
2007 opening	**(703)**	**(703)**	-
Changes in scope of consolidation	(700)	(700)	-
2007 income statement	**(251)**	**(251)**	-
SoRIE / 2007 equity	(3,183)	-	(3,183)
2007 year end	**(4,837)**	**(1,654)**	**(3,183)**
2008 income statement	**(277)**	**(668)**	**391**
SoRIE / 2008 equity	757	-	757
2008 year end	**(4,357)**	**(2,322)**	**(2,035)**

1.4. Comparative information

Application of the option for the recognition of actuarial gains and losses in equity and the modification of the goodwill of Tecnolease (Note 6) had an impact on the 2007 consolidated financial statements, as shown in the table below.

Balance sheet
(in € thousands)

	2007 Pro forma	Published	Restatement
Goodwill	26,035	25,541	494
Financial assets	12,665	12,993	(328)
Deferred taxes - Asset	6,984	5,923	1,061
Non-current assets	**57,994**	**56,767**	**1,227**
Trade and other receivables	180,454	180,674	(220)
Current assets	**258,774**	**258,994**	**(220)**
Total balance sheet - assets	**316,781**	**315,774**	**1,007**

	2007 Pro forma	Published	Restatement
Equity attributable to shareholders of the group	81,081	83,203	(2,122)
Total equity	**81,250**	**83,372**	**(2,122)**
Provisions for pension and other commitments	5,604	2,421	3,183
Total non-current liabilities	**25,815**	**22,632**	**3,183**
Short-term provisions	3,293	3,347	(54)
Total current liabilities	**209,642**	**209,696**	**(54)**
Total balance sheet - liabilities	**316,781**	**315,774**	**1,007**

1.5. Summary of significant accounting policies, judgments and estimates

When preparing these consolidated financial statements, Econocom group Management had to use judgments to define the accounting policies and estimates to measure assets, liabilities, income and expenses that may have a material impact on the amounts recognized in the financial statements.

1.5.1. Summary of significant accounting policies

The significant accounting principles used by the group are listed below and described in the corresponding notes below:

- Goodwill and impairment tests (see Notes 1.8 and 1.14)
- Recognition of lease contracts in the IT Financial Services business (Note 1.11)
- Classification of financial instruments (Notes 1.17 and 1.20)
- Recognition of revenue from operations (Note 1.24)

1.5.2. Estimates used

The preparation of the consolidated financial statements of the Econocom group requires the use of a certain number of estimates and assumptions considered realistic and reasonable by Management. Certain facts and circumstances may lead to changes in these estimates or assumptions, which would affect the value of the assets, liabilities, equity and profit of the group.

The main accounting methods whose application requires the use of estimates concern the items developed in Note 40 – Assessments made by Management and sources of uncertainty.

1.6. Consolidation methods

Subsidiaries

Subsidiaries are companies over which Econocom exercises exclusive control. Exclusive control is presumed to exist when the parent company holds, directly or indirectly, the power to govern the financial and operational policies of a company in such a way as to obtain benefits from its activities. Subsidiaries are included in the basis of consolidation as of the date on which control is effectively transferred to the group; sold subsidiaries are removed from the basis of consolidation on the date of loss of control.

Exclusively-controlled entities are fully consolidated by the group: the assets, liabilities and expenses of the subsidiary are fully consolidated, line by line in the consolidated statements, and the share of equity and net profit attributable to minority shareholders is presented under the separate item of minority interests in the consolidated balance sheet and income statement.

Associates

Associates are investments in which the group exercises significant influence, meaning that it has the ability to participate in the financial and operational policies of the company without controlling it. Significant influence is presumed when the parent company, directly or indirectly, has a fraction equal to at least 20% of the entity's voting rights.

Such investments in associates are consolidated under the equity method: investment in an associate company is initially stated at cost of acquisition, then its carrying amount is increased or decreased to recognize the group's share in the fair value of the held company's assets and liabilities.

1.7. Translation of items denominated in foreign currency

1.7.1. Translation of the financial statements of foreign entities

The financial statements of foreign entities are translated into euros, the Econocom group's presentation currency. Assets and liabilities are translated at the year-end exchange rate and income and expense items are translated using the average exchange rate for the year. Foreign exchange gains and losses resulting from this accounting treatment as well as from the re-translation of opening equity of subsidiaries using year-end exchange rates are recognized in equity under "Reserves". When a foreign entity is sold or wound up, such exchange differences are taken to the income statement as part of the gain or loss on sale.

Specific rules concerning first-time adoption of IFRS

The group has elected to deem the cumulative translation differences for all foreign operations to be zero at the IFRS transition date, as provided for under IFRS 1. The balance as of January 1, 2004 under Belgian GAAP has been transferred to reserves with no impact on consolidated equity. Therefore, gains or losses on future disposals of consolidated entities will not take any account of cumulative translation differences that predate the IFRS transition date.

1.7.2. Translation of foreign currency transactions

Foreign currency transactions of subsidiaries are initially recorded in their functional currency using the exchange rates prevailing at the dates of the transactions.

On the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the year-end rate and any resulting foreign exchange gains or losses are recorded in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are recognized at historical cost and translated at the historical transaction rate.

	12/31/2008		12/31/2007		12/31/2006	
	Year-end rate	Average rate	Year-end rate	Average rate	Year-end rate	Average rate
USD	0.719	0.680	0.679	0.727	0.759	0.798
GBP	1.050	1.256	1.364	1.458	1.489	1.465
MAD	0.089	0.090				

1.8. Business combinations and goodwill

Business combinations completed prior to January 1, 2004

Business combinations are recognized in accordance with the acquisition method: identifiable assets and liabilities and contingent liabilities of the acquiree that meet the criteria for recognition under IFRS are recognized at fair value at the acquisition date.

The cost of a business combination comprises:

- the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree;

plus

- any costs directly attributable to the business combination.

Any difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date shall be recognized in goodwill.

When goodwill is calculated on a provisional basis at the end of the period in which the acquisition occurred, the group has a one-year window in which to make adjustments to these provisional values. If such adjustments have a material impact on the presentation of the financial statements, the comparative information presented for the period preceding the finalization of the fair values shall be restated as though these values had been finalized as of the acquisition date.

When the difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is negative, this difference is immediately recognized in the income statement.

After initial recognition, goodwill is measured at cost less any impairment write-downs calculated in accordance with the method described in Note 1.14. Impairment losses are recognized in the income statement under operating profit and they may not be reversed.

Specific rules concerning first-time adoption of IFRS

The group has not availed itself of the option available under IFRS 1 of reviewing the amount of goodwill recognized on acquisitions completed prior to January 1, 2004.

1.9. Intangible assets

Separately-acquired intangible assets are measured, either at their acquisition cost, or at their fair value on the acquisition date in the context of a business combination.

Subsequent to their acquisition date, they are measured at their entry cost less the accumulated amortization and accumulated impairment losses.

Intangible assets with definite useful lives are amortized over the economic useful life.

Intangible assets with indefinite useful lives are not amortized.

Intangible assets acquired by the group are measured at their acquisition cost less any accumulated amortization and accumulated impairment losses. They mainly comprise operating licenses and IT software.

They are amortized according to the straight line method over their useful lives.

1.10. Property, plant and equipment

1.10.1. Property, plant and equipment held directly

Property, plant and equipment are carried at acquisition cost less any accumulated depreciations.

Additions to depreciations are booked according to the straight line method or diminishing balance method over the scheduled service life of the assets, taking into account any residual value.

Useful lives (in years)	
Buildings	20-50
Fixtures	10
IT equipment	3-7
Vehicles	4-7
Furniture	10

Land is not amortized.

When an item of property, plant and equipment comprises components with different useful lives, such components are recognized and amortized as separate items under property, plant and equipment.

The profits or losses from the sale of an item of property, plant and equipment are determined by the difference between the income from the sale and the net carrying amount of the sold asset and are included in "Other operating income and expenses".

1.10.2. Property, plant and equipment acquired under finance leases

Finance leases that transfer substantially all the risks and rewards of ownership are recognized in the balance sheet at inception of the lease at the lower of (i) the fair value of the leased item, or (ii) the sum of the future minimum lease payments discounted to present value. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is recognized in the net financial income and expense part of the income statement under "Expenses on long-term liabilities".

Assets acquired under finance leases are depreciated over the same period as items of directly-held property, plant and equipment of an identical category.

1.11. Investment property

Investment property is property held directly or under a finance lease to earn rentals and/or for capital appreciation.

Investment property is initially recognized at cost, including transaction costs.

Latter evaluations are made at acquisition cost less depreciations.

1.12. Other financial assets

Investments in non-consolidated companies are recorded at fair value. Any unrealized gains or losses are recognized directly in equity. When the investment is sold, the accumulated gain or loss previously recognized in equity is included in profit or loss for the period.

1.13. Leases entered into in the IT Financial Services business

Virtually all leases operated by the IT Financial Services business are finance leases although operating leases may also be contracted.

1.13.1 Finance leases

The group's finance leases are mainly refinanced contracts, whereby equipment and related contracts are sold to refinancing institutions at an all-inclusive price representing the present value of future minimum lease payments receivable and the residual value of the equipment. Residual value represents the amount for which the group undertakes to repurchase the equipment upon expiration of the lease. Lease payments due by lessees are paid directly to the refinancing institutions on a non-recourse basis, which means that the group transfers the risk of payment default. From a legal standpoint, Econocom group relinquishes ownership of the equipment on the date of sale and recovers ownership at the end of the lease term by repurchasing the equipment.

Revenue, cost of sales and residual interest are recognized progressively as assets are delivered, pro rata to the amount of each delivery.

IAS 17 states that initial recognition of a lease must take place at the beginning of the lease, i.e., the date from which the lessee is entitled to exercise its right to use the leased asset. Article 5.1 of the group's General Sales Conditions defines this date as the date on which the leased asset is delivered.

Refinanced contracts

Refinanced contracts are accounted for as follows:

In the balance sheet

- Any difference between the residual interest in the leased assets (as defined in the preceding paragraph) and their residual value (the group's repurchase commitment under the finance lease, defined in the introductory paragraph) is booked in assets if it is positive, or in liabilities if it is negative.

In the income statement

- Related revenue corresponds to the present value of future minimum lease payments (corresponding to the payments that the lessee is required to make throughout the collection period and the lease term);
- The cost of sales represents the purchase cost of the asset;
- The Econocom group's residual interest in the leased assets (cf. 1.13.3) is deducted from the cost of sales.

Specific cases of bridges (collateralized short-term loans) on Roll Out Facility (ROF) and Technology Refresh Option (TRO) contracts

These contracts systematically start with an investment period – termed a "realization period" – which precedes the start of the initial lease period.

In order to finance investments made during the realization period, a non-recourse sale is made (so that there is no longer any client credit risk) to a refinancing institution. Econocom accounts for this financing operation as a sale, resulting in the replacement of "revenue accruals" in the balance sheet by a receivable owed by the refinancing institution.

These operations which for administrative reasons are dealt with in two phases – a bridge during the realization period followed by subsequent refinancing at the beginning of the initial lease period – should be considered in substance as a single transaction, provided that the bridge and the subsequent refinancing are carried out with the same refinancing institution and if the refinancing conditions are defined at the time of the bridge.

Specific cases of lease extensions

Revenue is recognized on lease extensions in line with the initial qualification of the lease, i.e.:

- If the initial contract qualifies as an operating lease, revenue from the extension of the lease will be deferred over the period of the lease extension;
- If the initial contract qualifies as a finance lease, revenue from the extension of the lease will be recognized in full on the first day of the lease extension.

Non-refinanced contracts

Non-refinanced contracts mainly concern a very small number of contracts.

They are accounted for as follows:

In the balance sheet

The value of the lease receivables is recorded in the balance sheet rather than the value of the equipment.

In the income statement

Income and expenses are recognized in the following line items as assets are delivered:

- Revenue: present value of future minimum lease payments
- Cost of sales: carrying amount of the leased asset.

It is recognized on a periodic basis:

- The monthly financial income corresponding to the difference between the lease payments invoiced monthly and the monthly portion of the present value of said payments.

1.13.2. Operating leases

The Econocom group retains all the risks relating to operating leases as the significant risks and rewards incidental to ownership of the assets concerned are not transferred.

In the balance sheet

The leased equipment is recorded as an asset in the balance sheet and depreciated on a straight-line basis to write it down to its residual value which represents the company's residual interest in the asset at the end of the lease term.

In the income statement

Income statement entries are made on a periodic basis with the invoiced lease payment recorded as revenue and the depreciation recorded as an expense.

1.13.3. Residual value

As stated above, leased equipment is repurchased from refinancing institutions at the end of the lease term. The residual value of these assets represents a liability – which is generally long-term – and is discounted using the same method as for the related lease contract.

The Econocom group's residual interest in the transferred assets corresponds to an estimated market value.

This residual interest is calculated as follows:

- For all contract types except Technology Refresh Option (TRO) contracts, the estimated market value is calculated using an accelerated diminishing balance method of depreciation, based on the amortization of the original purchase cost of each item of equipment. This residual interest represents a long-term asset which is discounted using the same method as for the related lease contract.

- Due to the specific nature of Technology Refresh Option contracts, the accelerated diminishing balance method of depreciation is not applicable. The estimated market value for these contracts is calculated by using a fixed percentage of the original purchase cost of the equipment. For 2008, the confirmed excellent management of these contracts and acquisition of sufficient background knowledge allowed the group to change the accounting estimate, and incorporate a 2% residual interest for TROs.

The recognition of a residual interest on TRO was applied for the first time in 2008. The result is a gross increase in overall residual interest by €4.8 million in the consolidated financial statements, i.e., €3.7 million net of fees. The impact was recognized through profit or loss and is mostly non-recurring.

The positive or negative differences between the future value of equipment and the financial residual value are recognized on a contract-by-contract basis as financial assets or liabilities, respectively.

1.14. Impairment of non-current assets

At each reporting date, the Econocom group assesses whether there are any internal or external sources of information or evidence that indicate that a non-current asset may be impaired. If such an indication exists, an impairment test is performed by measuring the recoverable amount of the asset, in the same way as the impairment tests carried out on an annual basis for goodwill and intangible assets with indefinite useful lives.

For the purpose of measuring the recoverable amount, assets are grouped into Cash Generating Units (CGUs). A CGU is a homogeneous group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets.

The recoverable amount of a CGU is measured either based on its value in use (i.e., discounting expected net cash flows from the CGU to present value), or on its fair value less sales costs (i.e., the net proceeds if the group were to sell the CGU).

A CGU is impaired if its carrying amount exceeds its recoverable amount – which represents the higher of its fair value less sales costs and its value in use. In such a case an impairment loss is recorded as an operating expense and allocated in priority against goodwill.

The following accounting treatment is applied within the Econocom group:

a) Identifying CGUs

CGUs correspond to the group's businesses by country.

Goodwill is tested by business and by country and by comparing the carrying amount of the assets in the CGU with the recoverable amount of the CGU.

Investment properties are tested individually.

b) Calculating the recoverable amount of CGUs

The valuation is made by reference to net discounted future cash flows, taking a terminal value into account, based on a constant future growth rate of revenues generated by the asset concerned.

Cash flow projections are based on a maximum period of 4 years. The discount rate used for future cash flows is the pre-tax WACC (weighted average cost of capital) of the business. The growth rate used depends on the economic outlook of each of the businesses.

If this valuation generates an impairment loss, it is recognized under "Impairment of goodwill" in the income statement.

In accordance with IAS 36, impairment of goodwill is irreversible.

1.15. Assets and liabilities held for sale and discontinued operations

A non-current asset (or disposal group) is classified as "held for sale" if its carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and if the sale is highly probable. These assets or disposal groups are presented separately from other assets or groups of assets when the amount concerned is material. They are measured at the lower of their carrying amount or estimated sales price less sales costs.

A discontinued operation may be defined as a component of an entity that is being disposed of or is classified as held for sale and represents a major line of business for the Econocom group, or a subsidiary acquired exclusively with a view to resale.

Income and expense and cash flow items relating to discontinued operations are presented separately in the financial statements for all periods presented if the amounts concerned are material.

1.16. Inventories

Inventories are measured either at the lower of their cost price, or at their net realizable value. Cost is measured using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

1.17. Financial assets

Financial assets are broken down into the following four categories: available-for-sale financial assets, loans and receivables, held-to-maturity investments, and financial assets at fair value through profit or loss. They are split between current and non-current assets in accordance with IAS 1. Transactions involving financial assets are recognized at the settlement date.

1.17.1. Available-for-sale financial assets

Available-for-sale financial assets are initially recognized at fair value which corresponds to their acquisition cost plus any transaction costs. After initial recognition, they are remeasured at market value at the balance sheet date, which the Econocom group deems to be their fair value. Any changes in market value are recorded in equity.

Available-for-sale financial assets are tested for impairment on an individual basis and if there is objective evidence of impairment, an impairment loss is recorded in the income statement (impairment losses recognized on equity instruments are irreversible).

1.17.2. Loans and receivables

These financial assets are initially recognized at fair value plus any directly attributable transaction costs; they are subsequently recognized at amortized cost at each balance sheet date using the effective interest method.

This category includes trade receivables and other debtors, loans and security guarantees, receivables from controlled entities, cash and cash equivalents and advances given to associates or non-consolidated entities.

Loans and receivables are assessed on an individual basis for objective evidence of impairment and an impairment loss is recognized if their carrying value is greater than their estimated recoverable amount. Impairment losses are recognized in the income statement and may be reversed in subsequent periods if there is an increase in the estimated recoverable amount of the assets in question.

1.17.3. Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. They are measured and recognized at amortized cost using the effective interest method.

Held-to-maturity financial assets are assessed on an individual basis for objective evidence of impairment and an impairment loss is recognized in the income statement if their carrying value is greater than their estimated recoverable amount.

1.17.4. Financial assets at fair value through profit or loss

These financial assets are measured at fair value; any changes in fair value are booked to the income statement.

This category includes:

- financial assets held for trading, i.e., assets that the group intends to sell in the near term for the purpose of generating gains that are managed as part of a portfolio of financial instruments and for which there exists a past practice of selling in the near term;
- assets designated by the group upon initial recognition as financial assets at fair value through profit or loss.

1.18. Cash and cash equivalents

These include cash on hand and demand deposits, other highly-liquid investments with maturities of three months or less from the date of acquisition and bank overdrafts. Bank overdrafts are posted under current liabilities in the balance sheet, in the Financial liabilities item.

IAS 7 defines cash equivalents as short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

Cash equivalents are booked at fair value; changes in fair value are recognized through profit or loss under "Financial income and expense".

1.19. Treasury stock

Treasury stock is recorded as a deduction from equity. Gains or losses arising from the purchase, sale or cancellation of treasury shares have no impact on the income statement.

1.20. Financial liabilities

Financial liabilities are split into two categories: financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

Financial liabilities at fair value through profit or loss comprise:

- financial liabilities held for trading which include liabilities incurred mainly for the purpose of being sold or repurchased in the near term;
- liabilities designated by the group upon initial recognition as financial liabilities at fair value through profit or loss.

The group's financial liabilities mainly consist of borrowings, current accounts in debit, current bank overdraft facilities, and debt recorded against finance leases and factored debt. They are recorded at amortized cost.

1.20.1. Factoring

Certain subsidiaries of the Econocom group use factoring to cover their cash requirements. Factoring involves the transfer of title of trade receivables and all associated rights to the factor, including the right to receive the related cash inflows.

In accordance with IAS 39 - Financial Instruments: Recognition and Measurement, where substantially all the risks and rewards of ownership relating to trade receivables are transferred, the receivables are derecognized. Where this is not the case they are maintained in the balance sheet after the transfer and a financial liability is recorded to reflect the cash received.

1.21. Derivative financial instruments qualifying as hedges

The group uses swaps (derivative instruments) to hedge its interest rate exposure. It uses the financial markets for hedging the exposure related to its business activities and not for speculation purposes.

For hedge accounting purposes hedges qualify as:

- fair value hedges if they hedge exposure to changes in the fair value of a recognized asset or liability or a firm commitment such as a fixed-rate loan or an asset or liability denominated in a foreign currency;
- cash flow hedges if they hedge the exposure to variability in cash flows attributable to:
  - an asset or liability such as a variable-rate loan;
  - a highly probable future transaction; or
  - a firm commitment in relation to a foreign currency hedge.

As of the date of inception of the hedge, the group formally documents the financial instrument to be used for hedge accounting purposes as well as:

- the hedging relationship;
- the effectiveness of the hedging relationship by testing the effectiveness of the hedge at inception and on an ongoing basis throughout the financial reporting periods for which the hedge has been designated.

Hedging instruments that qualify for hedge accounting are accounted for as follows:

- fair value hedges: changes in the fair value of the hedging instrument and the hedged item are recorded on a symmetrical basis as a loss or gain in the income statement for the period. The hedging instrument and hedged item are marked to market in the balance sheet.

- cash flow hedges: the net after-tax gain or loss on the effective portion and the ineffective portion of the hedging instrument are recognized in equity and profit or loss respectively. The amounts taken to equity are written back to profit or loss in the period in which the transaction impacts the income statement.

1.22. Provisions and contingent liabilities

A provision is recognized when the group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A restructuring provision is recorded when an entity has a detailed formal plan for the restructuring and has announced its main features to those affected by it or has started to implement the plan.

The amount recognized represents the best estimate of the expenditure expected to be required to settle the present obligation at the balance sheet date. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is (i) a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not under the group's control, or (ii) a present obligation that is not recognized because the amount of the obligation cannot be measured with sufficient reliability. No provision is recorded for contingent liabilities.

1.22.1. Long-term provisions

Long-term provisions mainly include the following:

- restructuring provisions that concern:
  - reorganization measures taken at the time of a business combination;
  - the discontinuation of a business line or measures implemented to turn around the financial situation of an entity;
  - steps taken to improve productivity.

Restructuring provisions reflect the company's obligations at the balance sheet date due to commitments made to third parties.

- provisions for litigations

These provisions mainly concern litigations from previous periods.

1.22.2. Short-term provisions

Short-term provisions primarily correspond to provisions for claims and litigation. They are measured by reference to the amount of the probable outflow of resources required to settle claims and disputes in progress where an obligating event exists at the balance sheet date.

Provisions for claims and litigation comprise the estimated amount required to settle claims and disputes filed by third parties. They also include costs concerning employee-related and tax disputes. A provision is booked for tax reassessments notified by the tax authorities if the company concerned has contested or intends to contest the reassessment and does not consider that it is highly probable that the outcome of the appeal procedure will be favorable. Any portion of the reassessment that has not, or will not, be contested is recorded as a liability as soon as the related amount is known.

1.23. Employee benefits

1.23.1. Short-term benefits and defined-contribution post-employment benefit plans

The group recognizes the amount of short-term benefits under Personnel costs, together with the contributions due for general and mandatory pension plans. As the group has no commitments beyond these contributions, no provision was recognized for these plans.

1.23.2. Defined-benefit post-employment benefit plans and other long-term benefits (provisions for pensions and other commitments)

These plans mostly apply to France for the payment of statutory pension indemnities.

Defined-benefit plans are directly borne by the group, which recognizes provisions for the cost of future benefits according to the methods described below.

The group uses the projected credit unit method to calculate the value of its obligation under the defined-benefits plan: according to this method, each service period gives the employee the right to an additional unit of benefits and each unit is measured separately to obtain the final obligation.

These calculations incorporate different actuarial assumptions such as the probability of the employee's future service life, the level of future compensation, the life expectancy and personnel turnover.

The commitment derived from this calculation is then discounted to present value using the interest rate applicable to bonds issued by firms with the highest credit ratings, denominated in the currency in which the benefits are to be paid and with a term comparable to the estimated average maturity of the corresponding obligation.

Changes in these estimates and assumptions may lead to a significant change in the amount of the obligation.

The amount of the provision recognized for pension and other commitments corresponds to the discounted value of the obligation under the defined-benefits plan. Actuarial gains and losses resulting from the change in the value of the discounted obligation under the defined benefits include (i) the effects of the differences between previous and actual actuarial assumptions and (ii) the effects of changes in actuarial assumptions.

As of fiscal 2008 (change in accounting method Note 1.3), actuarial gains and losses are fully recognized in equity, net of deferred taxes, in accordance with the SoRIE option introduced by the option permitted in IAS 19.

1.24. Revenue recognition

The applicable standard is IAS 18 Revenue from ordinary activities.

• IT Financial Services

IAS 17 is applied for revenue recognition, based on the type of contract as specified in note 1.13.

• Products and Solutions and Telecom Services

Revenue from sales of goods is recognized only when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

• Managed Services

The group recognizes revenue from the sale of services when it is probable that future economic benefits will flow to the entity concerned and these benefits can be measured reliably.

Revenue generated from the rendering of services over several accounting periods is recognized by reference to the stage of completion of the transaction on the balance sheet date. The percentage of completion is obtained by comparing the amount of costs incurred at the balance sheet date with the estimated total costs of the transaction. If it seems that total identified costs will exceed the price that the customer is prepared to pay, the expected loss on the transaction is recognized immediately as an expense.

1.25. Other non-recurring operating income and expenses

This caption includes an extremely limited number of income and expense items that are infrequent, unusual and have a material impact on the consolidated financial statements. The Econocom group presents these items on a separate line in the income statement in order to facilitate the assessment of its recurring operating performance.

1.26. Income tax

The "Income tax" line includes both current taxes (payable on taxable profit for the period and any amendments from prior years) and deferred taxes.

Deferred taxes are accounted for using the liability method for all temporary differences existing on the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, except for the specific cases provided for in IAS 12, Income Taxes (notably goodwill).

Deferred tax assets and liabilities are determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which deductible temporary differences or tax loss carry forwards can be utilized.

Taxes relating to items recognized directly in equity are recorded in reserves.

1.27. Basic earnings per share

Basic earnings per share is determined by dividing profit by the weighted average number of ordinary shares outstanding during the year – a calculation that factors in the number of treasury shares held on a pro rata basis.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential financial instruments issued by the group or any of its subsidiaries. Dilution is calculated separately for each instrument, based on market prices at the year-end and excluding anti-dilutive instruments.

Non-dilutive stock options are not included in the calculation.

1.28. Share-based payment

The group has set up a stock option plan for its personnel (Note 17.3.1).

Pursuant to the provisions of IFRS 2, personnel compensation items settled in equity instruments are recognized in Personnel costs in the income statement with a corresponding adjustment to equity.

The final total expense for stock option plans is measured on the options grant date, using the Black-Scholes-Merton model and distributed through profit and loss over the vesting period.

In accordance with the terms of IFRS 1 and IFRS 2, only plans granted to employees after November 7, 2002 that had not vested as of January 1, 2004 have been measured at fair value and recognized in Personnel costs.

1.29. Segment reporting

The Econocom group's operating activities are structured by strategic area and are managed based on the type of services sold in a given economic environment.

The group uses business segments as its primary reporting format and geographical segments as its secondary reporting format.

Segment results, assets and liabilities include the items that are directly or indirectly attributable to the segment.

Segment investments correspond to the acquisition of property, plant and equipment and intangible assets.

Inter-segment sales and transfers are carried out on arm's length terms.

The group's business segments are as follows:

• **IT Financial Services**: the financing of IT and telecom infrastructures for businesses.

• **Managed Services**:

– A full range of IT managed services for distributed infrastructures, including consulting, facilities management and support services.

– For A2Z companies, a specific service offering tailored to the requirements of SMEs, encompassing comprehensive management of workstations and communications technology, invoiced based on a monthly cost per user.

• **Products and Solutions**: services ranging from the sale of hardware and software (PCs, servers, printers and licenses) to systems integration.

• **Telecom Services**: comprehensive management of telecom resources.

The group's geographical segments correspond to the following five areas: France, Belgium/Luxembourg, the Netherlands, Southern Europe (Spain & Italy) and other countries.

The group's segment reporting is prepared based on the same accounting methods as those used for the consolidated financial statements.

1.30. Other information

Current assets and liabilities are those assets and liabilities that the entity expects to be able to realize or settle:

- either in its normal operating cycle; or
- within twelve months after the balance sheet date.

2. Changes in the scope of consolidation

The consolidated financial statements of the Econocom group as of December 31, 2008 include the accounts of the companies listed in Note 3 – List of consolidated companies.

The cash flow impacts of major changes in the scope of consolidation are presented in Note 34.

2.1. Acquisitions, company formations, and purchases of additional equity interests in 2008

2.1.1. Acquisitions

- Econocom Location SAS acquired 100% of the capital of Databail SAS. Databail owns 100% of the capital of Jafa Consulting SAS.
- Atlance France SAS acquired a 20% stake in Broke System SARL.

2.1.2. Company formations

- In October 2008, Econocom Maroc SARL was set up to host a remote service center. It is a wholly-owned subsidiary of Econocom Managed Services SAS (France).
- In December 2008, Econocom Enterprise Solutions France EURL was set up to host the design and marketing of bundled solutions; it is a wholly-owned subsidiary of Econocom Location SAS.
- In December 2008, Econocom Gestion EURL was set up to host the design and marketing of all IT and telecom asset management services; it is a wholly-owned subsidiary of Econocom Location SAS.

2.1.3. Liquidations / Winding up

- Econocom USA Inc., a wholly-owned subsidiary of Econocom Group SA/NV, was liquidated on December 31, 2008.
- Econocom France SAS, a wholly-owned subsidiary of Econocom Group SA/NV, was wound up in November 2008.

2.1.4. Internal restructuring operations with no impact on the scope of consolidation

As part of the group's efforts to streamline the legal structure of Econocom group, the following operations were carried out:

- Merger of Tecnolease with Econocom Locazione SPA;
- Econocom Telecom Services SA/NV and Econocom Telecom SPRL were merged into Econocom Managed Services SA/NV.

2.2. Acquisitions, company formations, and purchases of additional equity interests in 2007

2.2.1. Acquisitions

Econocom Products and Solutions SAS acquired:

- a 93.32% stake in Alliance Support Services (SA);
- the B-to-B business of The Phone House France.

Econocom Managed Services SAS acquired Kentron. Kentron was then merged into Synopse.

At the end of November 2007, Econocom Locazione SPA acquired 100% of the capital of the Italian company Tecnolease, specialized in the leasing of IT equipment.

2.2.2. Company formations

In December 2007, Asystel SAS was set up to host one of the French businesses of Telecom Services; it is a wholly-owned subsidiary of Econocom Products and Solutions SAS (France).

2.2.3. Purchases of additional equity interests

Econocom Locazione Italia SPA acquired the remaining 5% of Aperleasing thus acquiring 100% of the capital of this company. Aperleasing was then merged into Econocom Locazione SPA.

Econocom Managed Services SA/NV acquired all of the capital of:

- Econocom Products and Solutions SAS (France);
- Econocom Telecom Services SA/NV.

2.2.4. Divestments of equity interests

Econocom Group SA/NV sold 20% of its holding in Econocom GmbH to local management.

2.2.5. Internal restructuring operations with no impact on the scope of consolidation

As part of the group's efforts to streamline the legal structures of its direct and indirect investments, the following operations were carried out:

- Aperleasing was merged into Econocom Locazione SPA;
- Econocom Location SAS was sold to Econocom Financial Services International BV;
- Econocom PSF SA was sold to Econocom Group SA/NV;
- Econocom Telecom Services BV was sold to Econocom Products and Solutions BV.

3. List of consolidated companies

Fully-consolidated companies

Company	Registered office	VAT No.	% interest 2008	2007	Immediate holding company
Econocom SAS	Clichy	FR 653 269 667 77	100%	99.99%	Econocom Group SA/NV
Econocom Location SAS	Clichy	FR 513 324 398 68	100%	100%	EFS International BV Econocom Lease SA/NV
Atlance France SAS	Clichy	FR 774 408 146 14	100%	100%	Econocom Location SAS
Econocom Enterprise Solutions France EURL	Clichy	FR 785 096 021 32	100%		Econocom Location SAS
Econocom Gestion EURL	Clichy	FR 915 096 026 86	100%		Econocom Location SAS
G.I.E. Econocom	Clichy	FR 104 082 368 83	41.67% 58.33%	41.67% 58.33%	Econocom Group SA/NV Econocom SAS
Econocom Products and Solutions Belux SA/NV	Brussels	BE 042 685 15 67	100%	99.99% 0.01%	Econocom Group SA/NV Econocom Managed Services SA/NV
Econocom Managed Services SA/NV	Brussels	BE 043 209 34 28	100%	100%	Econocom Group SA/NV
Econocom Telecom Services SA/NV (1)	Brussels	BE 045 618 46 64		100%	Econocom Managed Services SA/NV
Econocom Telecom Sprl (1)	Brussels	BE 047 836 11 41		100%	Econocom Telecom Services SA/NV
Atlance SA/NV	Brussels	BE 047 648 96 35	99.93% 0.07%	99.93% 0.07%	Econocom Lease SA/NV Econocom Managed Services SA/NV
Econocom PSF SA	Luxembourg	LU 181 844 17	0.08% 99.92%	100%	Econocom Products and Solutions Belux SA/NV Econocom Group SA/NV
Econocom Luxembourg SA	Luxembourg	LU 134 543 64	100%	100%	Econocom Lease SA/NV
Econocom Lease SA/NV	Brussels	BE 043 132 17 82	100%	100%	Econocom Group SA/NV
Econocom Nederland BV	Nieuwegein	NL 007 552 506 B01	100%	100%	EFS International BV
Econocom GmbH	Isenburg	DE 225 258 231	80%	100%	Econocom Group SA/NV
Econocom Expert International Holding BV	Nieuwegein	NL 007 552 506 B02	50.1%	50.1%	Econocom Group SA/NV
Econocom Products Services BV	Nieuwegein	NL 007 552 506 B01	100%	100%	Econocom Nederland BV
Econocom UK Ltd	Chertsey	GB 386 394 113	100%	100%	Econocom Group SA/NV
Econocom SA (Spain)	Madrid	ES A78 017 282	100%	99.98% 0.02%	Econocom Group SA/NV Econocom SAS

Company	Registered office	VAT No.	% interest 2008	% interest 2007	Immediate holding company
Econocom Locazione Italia SPA	Milan	IT 076 558 901 55	93.57% 6.43%	93.57% 6.43%	Econocom Group SA/NV Econocom SAS
Tecnolease SPA (1)	Milan	IT 038 225 409 63		100%	Econocom Locazione Italia SPA
Econocom USA Inc. (1)	Memphis			100%	Econocom Group SA/NV
Econocom Promodata France SA	Clichy	FR 953 114 632 77	100%	100%	Econocom Nederland BV
Promodata SNC	Clichy	FR 333 929 453 58	100%	100%	Econocom Promodata France SA
Databail SAS	Clichy	FR 55 345 358 782	100%		Econocom Location SAS
Jafa Consulting SARL	Clichy	FR 10 491 225 330	100%		Databail SAS
Econocom Products and Solutions SAS	Les Ulis	FR 953 315 664 30	100%	99.56%	Econocom Managed Services SA/NV
Econocom Managed Services SAS	Les Ulis	FR 083 422 331 03	100%	100%	Econocom Products and Solutions SAS
Synopse SAS	Les Ulis	FR 064 009 426 11	100%	100%	Econocom Managed Services SAS
Econocom Maroc SARL	Rabat		100%		Econocom Managed Services SAS
SCI Alexandre	Les Ulis	FR 713 789 003 85	99.90%	99.90%	Econocom Products and Solutions SAS
Econocom France SAS (1)	Clichy	FR 804 395 782 53		100%	Econocom Group SA/NV
Econocom Telecom Services SAS	Clichy	FR 503 532 352 45	100%	100%	Econocom Products and Solutions SAS
Alliance Support Services SA	Les Ulis	FR 464 513 670 72	93.32%	93.32%	Econocom Products and Solutions SAS
Asystel SAS	Clichy	FR 185 017 211 53	100%	100%	Econocom Products and Solutions SAS
Econocom Telecom BV	Nieuwegein	NL 811 786 109 B01	100%	100%	Econocom Products Services BV Econocom Telecom Services SA/NV
A2Z Holding NV	Brussels	BE 044 560 86 94	100%	100%	Econocom Group SA/NV
A2Z Solutions NV	Brussels	BE 044 848 72 20	100%	100%	A2Z Holding NV
Data Networks France SARL	Clichy	FR 314 141 463 24	100%	100%	A2Z Holding NV
EFS International BV	Nieuwegein	NL 817 289 094 B01	100%	100%	Econocom Group SA/NV

(1) See Note 2: Changes in the scope of consolidation.

4. Segment reporting

4.1. Business segments

The following table presents the contribution of each business segment to the group's results:

(in € thousands)	IT Financial Services		Products and Solutions		Managed Services		Telecom Services		Other companies[1]		Total consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Revenue												
External revenue	357,496	344,115	184,321	190,050	142,097	133,958	32,966	32,511	6	30	716,886	700,664
Inter-segment revenue	3,427	4,589	10,637	19,807	12,049	14,215	3,676	746	18,416	17,143	48,205	56,500
Total revenue	**360,923**	**348,704**	**194,958**	**209,857**	**154,146**	**148,173**	**36,642**	**33,257**	**18,422**	**17,173**	**716,886**	**700,664**
Operating result												
Segment recurring operating profit/(loss)	**15,968**	**15,315**	**2,571**	**3,279**	**5,398**	**6,146**	**1,288**	**527**	**340**	**(817)**	**25,565**	**24,450**
Segment operating profit/(loss)	**15,654**	**15,397**	**2,571**	**3,279**	**5,398**	**5,747**	**1,084**	**259**	**340**	**(897)**	**25,047**	**23,785**
Interest expense	(25)	(65)	(484)	(342)	(124)	(131)	(87)				(720)	(538)
Interest income	372	293								8	372	301
Financial income and expense	**347**	**228**	**(484)**	**(342)**	**(124)**	**(131)**	**(87)**	**0**	**0**	**8**	**(348)**	**(237)**
Income tax	(4,038)	(4,426)	(217)	129	(1,554)	(1,355)	(377)	(2)	343	439	(5,843)	(5,215)
Income/(expense) from discontinued operations	(35)	(294)									(35)	(294)
Profit for the year	**11,928**	**10,905**	**1,870**	**3,066**	**3,720**	**4,261**	**620**	**257**	**683**	**(450)**	**18,821**	**18,039**
Total current assets	**182,300**	**150,447**	**41,654**	**48,666**	**47,862**	**42,959**	**9,538**	**3,483**	**19,440**	**13,452**	**300,794**	**259,007**
Total current liabilities	**133,933**	**97,500**	**56,203**	**49,065**	**54,714**	**49,163**	**8,186**	**3,605**	**7,837**	**10,437**	**260,873**	**209,770**
Total balance sheet	**197,533**	**161,594**	**48,156**	**59,668**	**72,558**	**63,720**	**13,652**	**5,532**	**35,727**	**25,260**	**367,626**	**315,774**
Capital expenditure (property, plant & equipment and intangible)	(232)	(252)	(233)	(412)	(2,839)	(1,160)	(240)	(113)	(1,389)	(785)	(4,933)	(2,722)
Goodwill	(2,739)	(759)			(60)	(8,004)		(782)			(2,799)	(9,545)
Amortization	(99)	(320)	(340)	(327)	(1,255)	(1,146)	(164)	(52)	(754)	(688)	(2,612)	(2,533)
Impairment of goodwill						(363)		(248)				(611)
Other non-cash items	367	(1,187)	(231)	255	53	165	(100)	(31)	310	(453)	399	(1,251)

(1) "Other companies" include the parent company Econocom Group SA/NV and the non-trading real estate company SCI Alexandre, as well as the holding companies Econocom Expert International NV, EFS International BV, Econocom SAS and GIE Econocom.

4.2. Geographical segments

For geographical segment reporting purposes, segment revenue, assets and investments are split according to the location of the various legal entities.

1) By client location

(in € thousands)	Revenue	
	2008	2007
Belgium	201,983	189,968
The Netherlands	66,400	60,782
France	348,040	351,708
Southern Europe (Spain, Italy)	78,472	69,381
Other	21,991	28,825
Total	**716,886**	**700,664**

2) By asset location

(in € thousands)	Current assets		Capital expenditure		Goodwill for the year	
	2008	2007	**2008**	2007	**2008**	2007
Belgium	71,729	61,214	(1,659)	(758)	2,799	
The Netherlands	33,891	21,714	(592)	(52)		
France	162,882	144,870	(2,532)	(1,762)		(8,786)
Southern Europe (Spain, Italy)	27,026	19,900	(55)	(55)		(759)
Other	5,266	11,309	(96)	(95)		
Total	**300,794**	**259,007**	**(4,934)**	**(2,722)**	**2,799**	**(9,545)**

5. Intangible assets 2008

(in € thousands)	Franchises, patents, licenses, etc.	Other	Total
Acquisition cost			
Gross value as of December 31, 2007	**7,997**	**506**	**8,503**
Acquisitions	1,582	200	1,782
Disposals	(285)		(285)
Changes in scope of consolidation	514		514
Transfers and other movements	129		129
Gross value as of December 31, 2008	**9,937**	**706**	**10,643**
Depreciation and impairment			
Accumulated amortization as of December 31, 2007	**(6,239)**	**(506)**	**(6,745)**
Amortization expense	(852)	(200)	(1,052)
Impairment reversals			0
Disposals	286		286
Changes in scope of consolidation	(430)		(430)
Transfers and other movements	(52)		(52)
Accumulated amortization as of December 31, 2008	**(7,287)**	**(706)**	**(7,993)**
Carrying amount as of December 31, 2007	**1,758**	**0**	**1,758**
Carrying amount as of December 31, 2008	**2,650**	**0**	**2,650**

5. Intangible assets 2007

(in € thousands)	Franchises, patents, licenses, etc.	Other	Total
Acquisition cost			
Gross value as of December 31, 2006	**6,982**	**506**	**7,488**
Acquisitions	958		958
Disposals	(65)		(65)
Changes in scope of consolidation	122		122
Gross value as of December 31, 2007	**7,997**	**506**	**8,503**
Depreciation and impairment			
Accumulated amortization as of December 31, 2006	**(5,541)**	**(506)**	**(6,047)**
Amortization expense	(776)		(776)
Impairment reversals	101		101
Disposals	65		65
Changes in scope of consolidation	(88)		(88)
Accumulated amortization as of December 31, 2007	**(6,239)**	**(506)**	**(6,745)**
Carrying amount as of December 31, 2006	**1,441**	**0**	**1,441**
Carrying amount as of December 31, 2007	**1,758**	**0**	**1,758**

6. Goodwill

In order to carry out impairment testing, consolidated goodwill has been split into Cash Generating Units (CGUs) as follows:

(in € thousands)	Year of acquisition	Net value as of Dec. 31, 2006	Changes in scope of consolidation in 2007	Other	Gross value as of Dec. 31, 2007	Impairment as of Dec. 31, 2007
Products and Solutions Belgium		**461**	**0**	**0**	**461**	**0**
PLI	2000	461			461	
Telecom Services France		**9,524**	**782**	**0**	**10,306**	**0**
The Phone House	2007		782		782	
Avenir Telecom	2006	1,246			1,246	
JCA	2005	760			760	
Signal Service	2004	7,518			7,518	
Telecom Services Belgium		**1,079**	**0**	**41**	**1,120**	**0**
CHanSE	2004	1,079		41	1,120	
Managed Services France		**413**	**8,004**	**10**	**8,427**	**0**
Alliance Support Services	2007		7,306		7,306	
Kentron	2007		698		698	
Synopse	2003	413		10	423	
Managed Services Belgium		**761**	**0**	**0**	**761**	**0**
SX Consultants	2002	656			656	
CSI	2000	105			105	
A2Z		**3,104**	**0**	**0**	**3,104**	**(363)**
A2Z Holding	2005	3,104			3,104	(363)
Managed Services Netherlands		**248**	**0**	**0**	**248**	**(248)**
For Connected	2005	248			248	(248)
IT Financial Services Italy		**0**	**759**	**0**	**759**	**0**
Aperleasing	2007		4		4	
Tecnolease	2007		755		755	
Econocom Locazione	2008				0	
IT Financial Services Germany		**295**	**0**	**0**	**295**	**0**
Econocom Albis	2006	295			295	
IT Financial Services France		**671**	**0**	**0**	**671**	**0**
France Location	1996	671			671	
Databail	2008					
Jafa Consulting	2008					
Total		**16,556**	**9,545**	**51**	**26,152**	**(611)**

Net value as of Dec. 31, 2007	Goodwill adjustment	Net value as of Dec. 31, 2007	Changes in scope of consolidation in 2008	Other	Gross value as of Dec. 31, 2008	Impairment as of Dec. 31, 2008	Net value as of Dec. 31, 2008
461		**461**			**461**	**0**	**461**
461		461			461		461
10,306		**10,306**	**0**	**0**	**10,306**	**0**	**10,306**
782		782			782		782
1,246		1,246			1,246		1,246
760		760			760		760
7,518		7,518			7,518		7,518
1,120		**1,120**	**0**	**0**	**1,120**	**0**	**1,120**
1,120		1,120			1,120		1,120
8,427		**8,427**	**0**	**60**	**8,487**	**0**	**8,487**
7,306		7,306			7,306		7,306
698		698			698		698
423		423		60	483		483
761		**761**	**0**	**0**	**761**	**0**	**761**
656		656			656		656
105		105			105		105
2,741		**2,741**	**0**	**0**	**3,104**	**(363)**	**2,741**
2,741		2,741			3,104	(363)	2,741
0		**0**	**0**	**0**	**248**	**(248)**	**0**
0		0			248	(248)	0
4	**493**	**1,252**	**0**	**0**	**1,252**	**0**	**1,252**
4		4			4		4
755	493	1,248			1,248		1,248
0		0			0		0
295		**295**	**0**	**(59)**	**236**	**0**	**236**
295		295		(59)	236		236
671		**671**	**2,739**	**0**	**3,410**	**0**	**3,410**
671		671			671		671
		0	2,735		2,735		2,735
0		0	4		4		4
24,786	**493**	**26,034**	**2,739**	**1**	**29,385**	**(611)**	**28,774**

Key acquisitions in 2008

The key acquisition in 2008 involved the acquisition of 100% of the capital of Databail in October 2008. Databail is a leading operator of IT infrastructures leasing and financing on the French market. Its client portfolio supplements Econocom's offering in France.

Databail has become part of the IT Financial Services business.

Given the satisfactory outlook for this entity, the group decided to transfer all of Databail tax loss carryforwards at the acquisition date out of goodwill into deferred tax assets (€400,000). The amount of goodwill was accordingly reduced by €2,735,000.

Goodwill adjustments in a transitional period

Tecnolease, a company acquired in December 2007, was merged into Econocom Locazione in 2008. Furthermore, the calculation of initial goodwill was adjusted as the future residual interest had been overestimated on a number of contracts on the acquisition date. The adjustment resulted in an increase in goodwill of €493,000.

Impairment tests on goodwill

The goodwill relating to businesses was tested for impairment in accordance with the procedures outlined in Note 1.12: "Accounting principles - Impairment of fixed current assets". The tests were conducted in accordance with the methods described below and did not reveal any significant impairment as of December 31, 2008.

Telecom Services CGU

The recoverable amount of the Telecom Services CGU was determined by calculating the value in use by reference to the discounted cash flow method. The calculation was performed using four-year cash flow projections based on business plans and forecasts approved by Management. The applicable discount rate was set at 8.5% for the Telecom Services France and Belgium CGU. Cash flow projections beyond this four-year timeframe were extrapolated by applying a 2% and 1% growth rate to perpetuity for the Telecom Services Belgium CGU and 1% for the Telecom Services France CGU, respectively, reflecting the expected long-term growth in the markets in which the entities of the CGU operate, as well as their competitive positioning.

A sensitivity analysis based on changes in the key parameters used did not reveal any probable scenario where the recoverable amount of the CGU would fall below its carrying amount.

A2Z CGU

The recoverable amount of the A2Z CGU was determined by calculating the value in use by reference to the discounted cash flow method. The calculation was performed using five-year cash flow projections based on business plans and forecasts approved by Management. The applicable discount rate was set at 8.5%. Cash flow projections beyond this five-year timeframe were extrapolated by applying a 2% growth rate to perpetuity, reflecting the expected long-term growth in the markets in which the entities of the CGU operate, as well as their competitive positioning.

A sensitivity analysis based on changes in the key parameters used did not reveal any probable scenario where the recoverable amount of the CGU would fall below its carrying amount.

Managed Services CGU

The recoverable amount of the Managed Services CGU was determined by calculating the value in use by reference to the discounted cash flow method. The calculation was performed using four-year cash flow projections based on business plans and forecasts approved by Management. The applicable discount rate was set at 8.5%. Cash flow projections beyond this four-year timeframe were extrapolated by applying a 1% growth rate to perpetuity, reflecting the expected long-term growth in the markets in which the entities of the CGU operate, as well as their competitive positioning.

A sensitivity analysis based on changes in the key parameters used did not reveal any probable scenario where the recoverable amount of the CGU would fall below its carrying amount.

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7. Property, plant and equipment 2008

Changes in the gross value of property, plant and equipment as well as the related depreciation expense is presented below:

(in € thousands)	Land and buildings	Plant & equipment fixtures & fittings	Furniture and vehicles	Other items of property, plant and equipment	Assets held under finance leases (1)	Total
Acquisition cost						
Gross value as of December 31, 2007	**8,073**	**10,607**	**2,507**	**296**	**3,098**	**24,581**
Acquisitions	194	2,600	376	357	12,905	16,432
Disposals		(906)	(479)	(26)	(13,881)	(15,292)
Changes in scope of consolidation		109	133			242
Translation adjustments		(3)			(9)	(12)
Transfers and other movements	92	177	(244)	(154)		(129)
Gross value as of December 31, 2008	**8,359**	**12,584**	**2,293**	**473**	**2,113**	**25,822**
Depreciation and impairment						
Accumulated amortization and impairment losses as of December 31, 2007	**(3,376)**	**(8,133)**	**(2,050)**	**(84)**	**(2,541)**	**(16,184)**
Additions	(385)	(1,361)	(216)	(37)	(348)	(2,347)
Reversals	16		461		120	597
Disposals		875	7		1,002	1,884
Changes in scope of consolidation		(73)	(118)			(191)
Translation adjustments		2			8	10
Transfers and other movements	(33)	(251)	195	71	(2)	(20)
Accumulated amortization and impairment losses as of December 31, 2008	**(3,778)**	**(8,941)**	**(1,721)**	**(50)**	**(1,761)**	**(16,251)**
Carrying amount as of December 31, 2007	**4,697**	**2,474**	**457**	**212**	**557**	**8,397**
Carrying amount as of December 31, 2008	**4,581**	**3,643**	**572**	**423**	**352**	**9,571**

(1) Assets held under finance leases solely comprise IT equipment leased to clients which is classified under furniture and vehicles owned by the group for its own purposes, i.e., not refinanced by the group via a refinancing institution.

7. Property, plant and equipment 2007

(in € thousands)	Land and buildings	Plant & equipment fixtures & fittings	Furniture and vehicles	Other items of property, plant and equipment	Assets held under finance leases [1]	**Total**
Acquisition cost						
Gross value as of December 31, 2006	**8,306**	**6,665**	**3,982**	**1,123**	**27,294**	**47,370**
Acquisitions	150	1,314	156	142	32,332	34,094
Disposals		(256)	(145)	(1)	(38,292)	(38,694)
Changes in scope of consolidation		767	273			1,040
Translation adjustments		(1)			(8)	(9)
Transfers and other movements	(383)	2,118	(1,759)	(968)	(18,228)	(19,220)
Gross value as of December 31, 2007	**8,073**	**10,607**	**2,507**	**296**	**3,098**	**24,581**
Depreciation and impairment						
Accumulated amortization and impairment losses as of December 31, 2006	**(3,387)**	**(4,763)**	**(3,147)**	**(1,043)**	**(25,074)**	**(37,414)**
Additions	(339)	(1,287)	(215)	(47)	(3,074)	(4,962)
Reversals	12		27		1,558	1,597
Disposals		189	77	2	5,813	6,081
Changes in scope of consolidation		(513)	(202)			(715)
Translation adjustments		1			8	9
Transfers and other movements	338	(1,760)	1,410	1,004	18,228	19,220
Accumulated amortization and impairment losses as of December 31, 2007	**(3,376)**	**(8,133)**	**(2,050)**	**(84)**	**(2,541)**	**(16,184)**
Carrying amount as of December 31, 2006	**4,919**	**1,902**	**835**	**80**	**2,220**	**9,956**
Carrying amount as of December 31, 2007	**4,697**	**2,474**	**457**	**212**	**557**	**8,397**

(1) Assets held under finance leases solely comprise IT equipment leased to clients which is classified under furniture and vehicles owned by the group for its own purposes, i.e., not refinanced by the group via a refinancing institution.

8. Investment property

One of the group's French subsidiaries owns an office building at Les Ulis, in the Paris region, and is leased to non-group companies.

Changes in the gross value of this property as well as the related depreciation expense are presented below for 2008 and 2007:

(in € thousands)	2008	2007
Gross value	**1,279**	1,279
Depreciation	**(749)**	(738)
Depreciation expense for the year	***(11)***	*(11)*
Total	**530**	541

The gross value of the building may be broken down by component as follows:

	Allocation	Depreciation rate
Structural frame	30%	2%
Facades	15%	3.33%
General and technical equipment	30%	6.66%
Fixtures and fittings	25%	10%

Investment property is depreciated by the straight-line method.

(in € thousands)	2008	2007
Rental income recorded in the income statement	**116**	116

The carrying amount of this building, which has a floor space of 780 sq.m. and 28 parking spaces, was €530,000 as of December 31, 2008.

In December 2000, an independent valuer valued the building at €900,000. Based on the general trend observed in recent years in the real estate market in the Paris region, management believes that this valuation of the office building is still broadly accurate.

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9. Financial assets

The following table presents a breakdown of financial assets:

(in € thousands)	Investments in non-consolidated companies	Investments accounted for under the equity method	Unguaranteed residual value of leased assets [1]	Other financial assets	**Total**
As of December 31, 2006	**2**	**0**	**1,576**	**10,750**	**12,328**
Increases			395	406	801
Repayments			(238)	(2,903)	(3,141)
Changes in scope of consolidation			608	889	1,497
Translation adjustments			(2)		(2)
Fair value adjustments				1,510	1,510
As of December 31, 2007	**2**	**0**	**2,339**	**10,652**	**12,993**
Increases			5,159	420	5,579
Repayments			(138)	(3,032)	(3,170)
Changes in scope of consolidation		50	360	383	793
Translation adjustments			(1)		(1)
Fair value adjustments				712	712
Other movements			(328)		(328)
As of December 31, 2008	**2**	**50**	**7,391**	**9,135**	**16,578**

(1) The unguaranteed residual value of leased assets is recognized after deduction of the repurchase value. The "Other movements" 2008 line contains the long-term portion (€328,000) of the change to Tecnolease goodwill at the beginning of the year.

Other financial assets comprise:

Other financial assets	MBO Capital venture capital fund	Guarantees and deposits	Total
As of December 31, 2007	**4,914**	**5,738**	**10,652**
Increases		420	420
Repayments	(1,659)	(1,373)	(3,032)
Changes in scope of consolidation		383	383
Fair value adjustments	712		712
As of December 31, 2008	**3,967**	**5,168**	**9,135**

In 2008, a residual value was recognized on IT equipment leased under TRO contracts (Note 1.13).

Other financial assets correspond to guarantees and deposits as well as units held by Econocom Group SA/NV in the MBO Capital venture capital fund. Since October 2002, the Econocom group has invested €4,674,000 in this fund and has irrevocably committed capital of up to €5,000,000. This represents a 10-year unsecured investment, which offers expected returns that exceed the risk-free rate; no liquidity is required in return. The uncalled portion amounts to €326,000. In 2008, the Econocom group received €1,659,000 in repayments. In the absence of any available marked-to-market valuation for the venture capital fund, it is measured at its value in use at the balance sheet date. Fair value changes during the year led to a €712,000 increase in the fund's carrying amount, which was recorded in equity.

Maturities of financial assets

2008	< 1 year	Due in 1 to 5 years	> 5 years
Investments in non-consolidated companies			2
Investment accounted for under the equity method			50
Unguaranteed residual value of leased assets		7,391	
MBO Capital venture capital fund		3,967	
Guarantees given to factors	3,807		
Other guarantees and deposits		757	604
Total 2008 - by maturity	**3,807**	**12,115**	**656**

2007	< 1 year	Due in 1 to 5 years	> 5 years
Investments in non-consolidated companies			2
Unguaranteed residual value of leased assets		2,339	
MBO Capital venture capital fund		4,914	
Guarantees given to factors	4,328		
Other guarantees and deposits	4	833	573
Total 2007 - by maturity	**4,332**	**8,086**	**575**

Breakdown of "Unguaranteed residual value of leased assets"

The positive difference between the future value of equipment on short- and long-term leases and its financial residual value is recognized on a contract-by-contract basis in Financial assets for leases expiring in more than 12 months, and in Other receivables for leases expiring before 12 months.

	2008	2007
Long-term	7,391	2,339
Short-term	1,175	1,401
Unguaranteed residual value of leased assets, net	**8,566**	**3,740**

Gross and net unguaranteed residual value of leased assets by maturity is as follows:

2008	< 1 year	Due in 1 to 5 years	> 5 years	Total
Unguaranteed residual value of leased assets, gross	5,670	16,750	1,841	24,261
Financial residual value	(4,495)	(9,359)	(1,841)	(15,695)
Unguaranteed residual value of leased assets, net	**1,175**	**7,391**	**0**	**8,566**

2007	< 1 year	Due in 1 to 5 years	> 5 years	Total
Unguaranteed residual value of leased assets, gross	4,851	14,964	2,723	22,538
Financial residual value	(3,450)	(12,625)	(2,723)	(18,798)
Unguaranteed residual value of leased assets, net	**1,401**	**2,339**	**0**	**3,740**

10. Long-term receivables

(in € thousands)

Long-term receivables	2008	2007
Long-term tax receivables	–	100
Other long-term receivables	1,459	1,514
Total	**1,459**	1,614

By maturity	2008	2007
1 to 5 years	555	698
> 5 years	904	916
Total	**1,459**	1,614

Other receivables mainly relate to:
– loans to institutions providing regulated housing loans for an amount of €764,000;

– €692,000 representing the revised amount of a receivable owed by a French company that was previously placed in receivership and for which a 10-year recovery plan has been set up.

11. Assets and liabilities held for resale

Following the liquidation of Econocom USA Inc. in 2008, there were no longer any assets and liabilities held for resale as of December 31, 2008.

Balance sheet

(in € thousands)

Description of assets and liabilities held for resale as of December 31, 2007	Assets	Liabilities
Econocom USA Inc.	13	74
Total	**13**	**74**

Income statement

Discontinued operations	2008	2007
Econocom USA Inc.	(3)	11
Econocom Suisse	(32)	(305)
Expenses related to discontinued operations	**(35)**	**(294)**
Loss from discontinued operations before tax	**(35)**	**(294)**
Income tax on discontinued operations	**0**	**0**
Net loss from discontinued operations	**(35)**	**(294)**

12. Inventories

(in € thousands)	2008			2007		
	Gross value	Provisions for impairment	Net value	Gross value	Provisions for impairment	Net value
Equipment in the process of being refinanced	2,396	(38)	2,358	2,641	(1)	2,640
Other inventories	7,002	(1,746)	5,256	7,204	(1,612)	5,592
IT and telecom equipment	*3,193*	*(209)*	*2,984*	*3,265*	*(285)*	*2,980*
Spare parts	*3,809*	*(1,537)*	*2,272*	*3,939*	*(1,327)*	*2,612*
Total	**9,398**	**(1,784)**	**7,614**	**9,845**	**(1,613)**	**8,232**

Gross value

	As of Dec. 31, 2007	Movements in inventories	Changes in scope of consolidation	Other movements	As of Dec. 31, 2008
Equipment in the process of being refinanced	2,641	(738)	555	(62)	2,396
Other inventories	7,204	(191)		(11)	7,002
IT and telecom equipment	*3,265*	*(61)*		*(11)*	*3,193*
Spare parts	*3,939*	*(130)*			*3,809*
Total	**9,845**	**(929)**	**555**	**(73)**	**9,398**

Provisions for impairment of inventories

	As of Dec. 31, 2007	Additions	Reversals	Changes in scope of consolidation	Other movements	As of Dec. 31, 2008
Equipment in the process of being refinanced	(1)		1	(38)		(38)
Other inventories	(1,612)	(301)	83		84	(1,746)
IT and telecom equipment	*(285)*	*(91)*	*83*		*84*	*(209)*
Spare parts	*(1,327)*	*(210)*				*(1,537)*
Total	**(1,613)**	**(301)**	**84**	**(38)**	**84**	**(1,784)**

13. Trade receivables

(in € thousands)	2008	2007
Trade receivables - gross	**216,270**	**170,359**
Refinancing institutions	78,233	50,063
Other	138,037	120,296
Provisions for impairment losses on doubtful debts	**(6,689)**	**(6,259)**
Net	**209,581**	**164,100**

Refinancing institutions correspond to financial institutions which are subsidiaries of banks.

Changes in scope of consolidation in 2008 impacted the "Receivables" in an amount of €5,519,000.

The significant amount recorded under receivables due from refinancing institutions is attributable to high volumes in December for the IT Financial Services business.

	As of Dec. 31, 2007	Additions	Reversals	Changes in scope of consolidation	**As of Dec. 31, 2008**
Provisions for impairment losses on doubtful debts	(6,259)	(930)	948	(448)	(6,689)

A provision for impairment is booked when there is a major doubt as to whether the group will be able to collect the debt in question.

14. Other receivables and other current assets

(in € thousands)	2008	2007
Recoverable VAT	5,018	3,630
Due from suppliers	5,066	2,166
Short-term portion of the residual value of leased assets	1,175	1,401
Advances to agents	842	874
Factoring receivables	1,620	4,161
Other receivables	1,830	4,342
Other receivables - Total	**15,551**	**16,574**

	2008	2007
Prepaid expenses	6,099	4,200
Miscellaneous current assets	662	1,285
Other current assets	**6,761**	**5,485**

Other receivables represent advances to employees as well as miscellaneous receivables owed by external parties (including tax receivables and amounts due from suppliers) and by related parties.

Prepaid expenses primarily relate to maintenance contracts within the Managed Services business.

15. Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

(in € thousands)	2008	2007
Cash	**27,273**	**40,204**
Cash on hand	9	11
Demand accounts	27,264	40,193
Cash equivalents	**29,495**	**21,051**
Term accounts	13,354	10,923
Marketable securities	16,141	10,128
Cash and cash equivalents	**56,768**	**61,255**

Cash equivalents consist of investments of less than three months that are readily convertible into cash and are not exposed to any material risk of impairment.

None of the group's cash or cash equivalents are subject to any restrictions.

As of December 31, 2008:

1 - The specific accounting treatment of bridges on ROF (Roll Out Facility) and TRO (Technology Refresh Option) contracts mentioned in Note 1.13.1 contributed €45 million to net cash and cash equivalents as of December 31, 2008 compared with €36 million for the year ended December 31, 2007.

2 - Any negative difference between the future value of equipment and its financial residual value, calculated on a contract-by-contract basis, is recognized under financial liabilities. This calculating method had a €15.7 million impact on net cash and cash equivalents as of December 31, 2008 versus €18.8 million one year earlier.

3 - The amount of factored receivables derecognized in accordance with the accounting method described in Note 1.20.1 is as follows:

12/31/2008:	€43.8 million
12/31/2007:	€52.7 million

16. Fair value of financial assets

Financial instruments are measured using market prices resulting from trades on a national stock market or over-the-counter markets. If listed market prices are not available, fair value is measured using other valuation methods such as future cash flows discounted to present value.

In any event, estimated market values interpret the market in a certain way for measurement purposes.

As such, these estimates do not necessarily reflect the amounts that the group would actually receive or pay out if the financial instruments were to be traded on the market and the use of different estimates, methods and assumptions may have a material impact on estimated fair values.

In view of their short-term nature, the carrying value of trade and other receivables, and cash and cash equivalents is an estimate of their fair value.

The group's financial assets as of December 31, 2008 can be analyzed as follows (in € thousands):

Notes	Balance sheet headings	Loans and receivables	Available-for-sale financial assets	Carrying value
9	Financial assets	12,611	3,967	16,578
	Guarantees and deposits	*5,168*		*5,168*
	Unguaranteed residual value of leased assets (long-term portion)	*7,391*		*7,391*
	MBO Capital venture capital fund		*3,967*	*3,967*
10	Long-term receivables	1,459		1,459
13	Trade receivables	209,581		209,581
14	Other receivables	15,551		15,551
	Other receivables	*14,376*		*14,376*
	Unguaranteed residual value of leased assets (short-term portion)	*1,175*		*1,175*
15	Cash and cash equivalents	56,768		56,768
	Total financial assets	**295,970**	**3,967**	**299,937**

Based on available information, the fair value of the group's financial assets is equal to their carrying value.

17. Consolidated equity

17.1. Share capital and additional paid-in capital

As of December 31, 2008, the group's capital was made up of 24,800,000 fully paid-up ordinary shares, representing €16,181,000.

The shares have no stated par value and all carry the same voting and dividend rights. There are no different classes of shares.

As of December 31, 2008, the number of bearer or dematerialized shares and registered shares totaled 11,785,469 and 13,014,531, respectively.

Additional paid-in capital amounted to €55,038,000.

As of December 31, 2008, authorized capital stood at €15,895,000, with the related authorization valid until 2010.

17.2. Currency translation reserves

Currency translation reserves represent the cumulative translation adjustments arising from consolidation of subsidiaries that use a functional currency other than the euro.

Exchange differences recognized in equity break down as follows:

(in € thousands)

Exchange differences by currency	2008	2007
US dollar		(180)
Pound sterling	(1,601)	(248)
Total	**(1,601)**	**(428)**

Equity was therefore reduced by this amount as of December 31, 2008.

17.3. Changes in equity not recorded in profit or loss

17.3.1. Stock option plans

Since 1998, certain employees, managers and corporate officers have been awarded stock options based on agreed exercise prices. The terms and conditions of the stock option plans in force are as follows:

Plan	Number of options outstanding	Expiration date	Exercise price (in €)
2004	400,000	November 2009	5.85
2005	40,000 40,000	January 2010 May 2010	5.98 6.52
2006	255,000	November 2011	5.70
2007	20,000 130,000	January 2012 October 2012	6.94 8.12
2008	**37,000**	**April 2013**	**7.70**
Total	**922,000**		

General disclosures		Specific disclosures in accordance with IFRS 2				
Plan	Number of options outstanding	Fair value (1)	Volatility	Life	Dividends (in €)	RFIR (2)
2004	400,000	2.10	43%	5 years	0.10	3.5%
2005	40,000 40,000	1.84 1.98	40% 38%	5 years 5 years	0.15 0.15	2.8% 2.8%
2006	255,000	1.95	23%	5 years	0.20	4.0%
2007	20,000 130,000	1.99 2.32	32% 32%	5 years 5 years	0.24 0.24	4.0% 4.0%
2008	37,000	1.82	40%	5 years	0.24	4.0%

(1) Fair value of options (in €).

(2) RFIR: risk-free interest rate.

The weighted average price of the options granted is equal to their exercise price.

The expected volatility is calculated by the stockbroker that manages the group's shares on a daily basis and over an appropriate period based on the life of the options and historical movements in the share price.

A detailed description of these stock option plans is provided in paragraph 11 of the Corporate Governance section.

Movements in the number of options outstanding during 2008 and 2007 can be analyzed as follows:

	2008	2007
Options outstanding as of January 1	1,005,000	1,098,500
Options granted during the year	50,000	170,000
Options exercised during the year	(100,000)	(84,000)
Options expired during the year and forfeited	(33,000)	(179,500)
Options outstanding as of December 31	**922,000**	**1,005,000**

In accordance with IFRS 2 – Share-based payment, stock options granted after November 7, 2002 have been measured and recognized in the group's financial statements.

Stock option plans had a €1,087,000 impact on consolidated equity as of December 31, 2008.

The related expense for the year came to €209,000.

17.3.2. Provisions for pension and other commitments

The impacts on equity of these consolidated obligations are presented in Note 19.

17.3.3. Treasury stock

The treasury stock reserve comprises own shares held by the group. The following table provides details of treasury shares purchased and cancelled in 2008 and 2007:

	Number of shares	Value (in € thousands)
December 31, 2007	**30,630**	**221**
Acquisitions	1,335,009	9,660
Disposals	(100,000)	(748)
Cancellations	(1,000,000)	(7,628)
December 31, 2008	**265,639**	**1,505**

These treasury shares are held by Econocom Group SA/NV. The overall number of treasury shares held may not exceed 20% of the total number of issued shares making up the group's capital.

The acquisition cost of treasury shares purchased during the year was deducted from equity and any disposal gains on treasury shares sold were also recognized in equity.

17.3.4. Dividends

The following table shows the dividend per share paid by the group with respect to previous periods as well as the dividend to be recommended by the Board of Directors for 2008 at the Annual General Meeting of May 19, 2009.

	Payable in 2009	Paid in 2008	Paid in 2007
Total dividend (in € thousands)	**5,952**	**6,192**	**5,800**
Dividend per share (in €)	**0.24**	**0.24**	**0.20**

Insofar as this dividend is subject to the approval of the General Meeting, it was not considered as a liability in the financial statements of December 31, 2008.

17.4. Minority interests

Movements in minority interests over the period can be analyzed as follows:

(in € thousands)

As of December 31, 2007	**169**
2008 profit attributable to minority interests	1
Sale of 20% stake in Econocom GmbH	(60)
As of December 31, 2008	**110**

18. Provisions

The following table breaks out current and non-current provisions by type:

(in € thousands)

Provisions	Restructuring	Employee-related contingencies	Tax and legal contingencies	Deferred commissions	Other contingencies	Total
As of December 31, 2006	**336**	**751**	**1,169**	**1,663**	**1,304**	**5,223**
Additions		370	103	188	159	820
Reversals	(66)	(49)	(460)	(768)	(98)	(1,441)
Utilizations	(169)	(716)	(240)		(230)	(1,355)
Changes in scope of consolidation		336		89	10	435
Translation adjustments				(4)		(4)
Other movements					345	345
As of December 31, 2007 (Pro forma)	**101**	**692**	**572**	**1,168**	**1,490**	**4,023**
Additions		350	450	225	465	1,490
Reversals	(4)	(154)	(116)	(44)	(192)	(510)
Utilizations		(301)	(298)	(171)	(485)	(1,255)
Changes in scope of consolidation				222	16	238
Translation adjustments				(5)		(5)
Other movements					(10)	(10)
As of December 31, 2008	**97**	**587**	**608**	**1,395**	**1,284**	**3,971**
Current		587	285	1,395	842	3,109
Non-current	97		323		442	862

	2008	2007 (Pro forma)
Non-current provisions	862	730
Current provisions	3,109	3,293
Total provisions	**3,971**	**4,023**

Impact (net of incurred expenses)	Additions	Reversals (unused provisions)
Recurring operating profit	1,190	(981)
Non-current operating items	300	
Total	**1,490**	**(981)**

A provision is recognized when an obligation (legal or constructive) resulting from a past event with regard to a third-party will cause, in an unquestionable or probable way, an outflow of resources whose amount can be estimated in a reliable way. Provisions are reviewed at each balance sheet date and adjusted where appropriate to reflect the best estimate of the obligation at that date.

Non-current provisions

The restructuring provisions recorded in the balance sheet as of December 31, 2008 relate to the impacts of various restructuring operations carried out in 2003 and 2004 concerning the French subsidiaries Econocom Managed Services SAS and Econocom Products and Solutions SAS.

Provisions for other contingencies relate to a litigation concerning Promodata SNC. At the time of the acquition of this company in October 2002, four managers were beneficiaries under a share purchase plan relating to Promodata SNC's American parent company, Comdisco Inc., having used a loan obtained from a US bank. Comdisco Inc. was subsequently declared bankrupt and the shares lost all value, following which one of the managers filed a claim against his employer, Promodata SNC. A settlement was reached in 2008. The other managers concerned with the affair may also file claims. The provision therefore corresponds to an estimate of this risk.

Non-current provisions are not discounted.

Current provisions

Provisions for employee-related contingencies primarily concern claims brought before the French labor courts.

Provisions for deferred commissions are calculated contract-by-contract based on the unguaranteed residual value of leased assets, less any residual commercial value of the contracts concerned.

Other contingencies mainly comprise the group's best estimate of its exposure in relation to a number of commercial litigations – in some cases legal proceedings have been issued against the group.

19. Provisions for pensions and other commitments

As recalled in Note 1.3, the Econocom group changed the method used to calculate these provisions in 2008. The previously-used Corridor method has been replaced with the SoRIE (Statement of Recognized Income and Expense) method.

These provisions have been recognized for non-financed defined benefit plans in France.

(in € thousands)	12/31/2007	Actuarial gains/ losses 2007	12/31/2007 (Pro forma)	Increases for the year	Reversal for the year	Changes in actuarial gains/losses	12/31/2008
Provision for pension	1,654	3,183	4,837	327	(50)	(757)	4,357
Other commitments	767		767	374			1,141
Total	**2,421**	**3,092**	**5,604**	**701**	**(50)**	**(757)**	**5,498**

In France, the defined benefit plan concerns the payment of retirement indemnities. Econocom recognizes provisions for its employee commitments in accordance with the terms of the Syntec collective bargaining agreement regarding retirement and mandatory retirement, provisions amended in 2004 following the pension plan law of August 21, 2003. The provision for retirement indemnities is measured on an actuarial basis as outlined in Note 1.23.2.

The main actuarial assumptions used for this plan are as follows:

	2008	2007
Discount rate for commitments	5.5%	4.3%
Average rate of future salary increase	2.64%	2%
Retirement age	65 years	65 years
Mortality table	INSEE 2000-2002	INSEE 2000-2002

Statement of changes in provision for retirement

	Discounted value of non-financed obligation
December 31, 2006	**2,489**
Cost of services rendered	176
Financial cost	75
Changes in scope of consolidation	700
Changes in unrecognized net actuarial gains/losses	1,397
December 31, 2007	**4,837**
Cost of services rendered	223
Financial cost	96
Benefits paid to employees	(42)
Changes in actuarial gains/losses 2008	(757)
December 31, 2008	**4,357**

20. Financial debts

(in € thousands)	2008	2007
Finance lease liabilities	5,307	6,935
Finance lease liabilities - real estate	*3,320*	*3,540*
Financial residual value (1)	*1,782*	*2,240*
Other finance lease liabilities	*205*	*1,155*
Bank borrowings (2)	5,875	7,705
Other borrowings		606
Non-current liabilities bearing interest	**11,182**	**15,246**
Bank borrowings (2)	5,687	3,150
Finance lease liabilities	1,162	1,784
Finance lease liabilities - real estate	*193*	*183*
Financial residual value (1)	*722*	*822*
Other finance lease liabilities	*247*	*779*
Bank overdrafts	955	128
Other borrowings	13,631	12,593
Factoring payables (3)	*12,090*	*9,690*
Other	*1,541*	*2,903*
Current liabilities bearing interest	**21,435**	**17,655**
Total cost of debt	**32,617**	**32,901**

(1) Econocom compares the future value of equipment and the financial residual value of each contract. The net financial residual value revealed by the comparison on a contract-by-contract basis, is recognized as a financial liability. The difference is recognized in financial assets in the absence of any net financial residual value. The netting (offsetting assets and liabilities) of this repurchase commitment with the future value of equipment resulted in a €15.7 million decrease in financial liabilities as of December 31, 2008, compared to €16.7 million on December 31, 2007.

(2) In 2007, the group contracted a variable-rate bank loan of €10.5 million hedged by an interest rate swap. This loan is intended to refinance external acquisitions.

(3) The group has entered into 2 agreements to factor its receivables. In case of bad debtors, payment of 50% for these factored receivables is guaranteed by the factor. Residual risks for 2008 amounted to €6.0 million compared to €4.8 million in 2007.

(in € thousands)

Non-current liabilities bearing interest, analyzed by maturity	Total 2008	Due in 1 to 5 years	> 5 years
Finance lease liabilities	5,307	3,183	2,124
Finance lease liabilities - real estate	*3,320*	*1,196*	*2,124*
Financial residual value	*1,782*	*1,782*	
Other finance lease liabilities	*205*	*205*	
Bank overdrafts	5,875	5,875	
Other borrowings			
Total	**11,182**	**9,058**	**2,124**

Non-current liabilities bearing interest, analyzed by maturity	Total 2007	Due in 1 to 5 years	> 5 years
Finance lease liabilities	6,935	4,448	2,487
Finance lease liabilities - real estate	*3,540*	*1,053*	*2,487*
Financial residual value	*2,240*	*2,240*	
Other finance lease liabilities	*1,155*	*1,155*	
Bank borrowings	7,705	7,705	
Other borrowings	606	606	
Total	**15,246**	**12,759**	**2,487**

Analysis of "Financial residual value"

The negative difference between the future value of equipment on short- and long-term leases and its financial residual value, calculated on a contract-by-contract basis, is recognized in Non-current liabilities bearing interest for leases expiring in more than 12 months, and in Current liabilities bearing interest for leases expiring before 12 months.

	2008	2007
Long-term	1,782	2,240
Short-term	722	822
Total financial residual value, net	**2,504**	**3,062**

Gross and net financial residual value recognized in financial liabilities can be analyzed by maturity as follows:

(in € thousands)

2008	< 1 year	Due in 1 to 5 years	> 5 years	Total
Total financial residual value, gross	5,214	11,141	1,841	18,196
Unguaranteed residual value of leased assets	(4,492)	(9,359)	(1,841)	(15,692)
Total financial residual value, net	**722**	**1,782**	**0**	**2,504**

2007	< 1 year	Due in 1 to 5 years	> 5 years	Total
Total financial residual value, gross	4,511	15,117	2,232	21,860
Unguaranteed residual value of leased assets	(3,689)	(12,877)	(2,232)	(18,798)
Total financial residual value, net	**822**	**2,240**	**0**	**3,062**

Average effective interest rates can be analyzed as follows by type:

Average effectives interest rate	2008	2007
Bank borrowings	4.43%	4.43%
Finance lease liabilities	1.70%	2.20%
Bank overdrafts	4.88%	4.29%
Factoring payables	4.97%	4.80%

All non-current liabilities bearing interest are denominated in euros.

Operating lease liabilities can be broken down as follows:

(in € thousands)

Analysis of operating lease liabilities by maturity	< 1 year	Due in 1 to 5 years	> 5 years	Total as of Dec. 31, 2008	Total as of Dec. 31, 2007
Minimum future lease payments:					
Operating lease liabilities - Real estate	*2,163*	*3,912*	*29*	*6,104*	*8,901*
Operating lease liabilities - Vehicles	*4,593*	*5,593*	*564*	*10,750*	*10,323*
Total	**6,756**	**9,505**	**593**	**16,854**	**19,224**

Operating lease payments during the year	2008	2007
Operating lease expenses - Real estate	3,425	3,461
Operating lease expenses - Vehicles	5,155	4,372
Total	**8,580**	**7,833**

21. Trade and other payables and other current liabilities

(in € thousands)	2008	2007
Trade payables	161,599	115,277
Other payables	42,620	37,249
Trade and other payables	**204,219**	**152,526**

Other payables can be analyzed as follows:

(in € thousands)	2008	2007
Accrued taxes and personnel costs	39,643	34,162
Dividends payable	137	108
Customer prepayments	2,840	2,979
Other payables	**42,620**	**37,249**

Other current liabilities can be analyzed as follows:

(in € thousands)	2008	2007
Other liabilities	3,275	8,227
Deferred income	19,235	20,551
Miscellaneous current liabilities	8,165	4,939
Other current liabilities	**30,675**	**33,717**

The other items primarily correspond to a €2,445,000 loan granted to Econocom Expert International Holding BV by Econocom International NV.

Econocom International NV is a related party (see Note 38).

This item also includes commitments to purchase minority interests (see Note 36, Off balance sheet commitments).

Deferred income relates to maintenance contracts, up-front billing and the IT Financial Services business (€15,732,000).

22. Fair value of financial liabilities

In view of their short-term nature, the carrying value of trade and other payables is an estimate of their fair value.

The market value of financial instruments is measured based on valuations provided by bank counterparties or financial models widely used on financial markets, and on market information available at the balance sheet date.

The group's financial liabilities as of December 31, 2008 can be analyzed as follows:

Notes	Balance sheet heading	Financial liabilities at amortized cost	Carrying value
20	Current and non-current liabilities bearing interest	32,617	32,617
	Bank borrowings	*11,562*	*11,562*
	Finance lease liabilities	*6,469*	*6,469*
	Bank overdrafts	*955*	*955*
	Other borrowings	*13,631*	*13,631*
	Non-current liabilities not bearing interest	1,014	1,014
	Trade payables	161,597	161,597
21	Other payables	42,622	42,622
	Total financial liabilities	**237,850**	**237,850**

Based on available information, the fair value of the group's financial liabilities is equal to their carrying value.

23. Revenue from continuing operations

Revenue from continuing operations can be analyzed as follows:

(in € thousands)	2008	2007
Sales of goods	217,287	222,561
Finance leases	357,496	344,115
Sales of services	142,103	133,958
Other revenue from continuing operations		30
Total	**716,886**	**700,664**

24. Personnel costs

The following table presents a breakdown of personnel costs:

(in € thousands)	2008	2007
Wages and salaries	(77,233)	(75,144)
Payroll costs	(26,997)	(26,306)
Contributions to defined contribution supplementary pension plans	(1,527)	(1,287)
Provision expense for pension and other post-employment benefit obligations	(651)	(613)
Employee profit-sharing	(508)	(840)
Other	(3,270)	(3,063)
Total	**(110,186)**	**(107,253)**

Expenses relating to defined benefit pension plans only concern the group's French subsidiaries.

Further details about these plans are provided in Note 19.

The impact of share-based payment plans can be analyzed as follows:

	2008	2007
Stocks options	(209)	(389)
Total	**(209)**	**(389)**

Details of the group's stock option plans are presented in Note 17.3.1.

25. External expenses

The following table presents a breakdown of external expenses:

(in € thousands)	2008	2007
External services (rent, maintenance, insurance, etc.)	(10,758)	(10,421)
Agents' commissions	(20,958)	(19,613)
Fees paid to intermediaries and other professionals	(17,170)	(14,741)
Other services and sundry goods (sub-contracting, public relations, transport, etc.)	(19,312)	(17,870)
Total	**(68,198)**	**(62,645)**

26. Allowance and adjustment for depreciations

Allowance and adjustment for depreciations can be analyzed as follows:

(in € thousands)	2008	2007
Intangible assets – Franchises, patents, licenses, etc.	(1,052)	(675)
Property, plant and equipment – Finance leases	(228)	(1,522)
Other items of property, plant and equipment	(1,523)	(1,851)
Investment property	(11)	(11)
Provision for operating contingencies and expenses	402	1,874
Total allowance and adjustment for depreciations	**(2,412)**	**(2,185)**

Allowance and adjustment for restructuring provisions are included in operating profit.

Impairment losses booked on inventories are recorded under “Impairment losses on current assets, net”.

The net adjustment for provision corresponds to the resolution of a dispute during the period.

27. Impairment losses on assets, net

The following table breaks out impairment losses on current assets by category.

(in € thousands)	2008	2007
Impairment of inventories	(300)	(197)
Reversal of impairment of inventories	85	155
Impairment losses on doubtful debts	(931)	(3,320)
Reversal of impairment losses on doubtful receivables	999	844
Other reversals of impairment	-	31
Total	**(147)**	**(2,487)**

28. Other operating income and expenses

Other operating income and expenses can be broken down as follows:

(in € thousands)	2008	2007
Gains on sales of property, plant and equipment and intangible assets – recurring operating activities		9
Other recurring operating income	1,062	1,023
Other operating income	**1,062**	**1,032**
Gains on sales of property, plant and equipment and intangible assets – recurring operating activities	(84)	(13)
Losses on sales of trade receivables	(131)	(72)
Other recurring operating expenses	(506)	(457)
Other operating expenses	**(721)**	**(542)**
Total	**341**	**490**

29. Net financial expense, operating activities

The following table breaks out net financial expense from operating activities by type of income/expense:

(in € thousands)	2008	2007
Financial income related to the leasing business	1,524	1,473
Income from current assets	901	490
Miscellaneous financial income from operating activities	480	782
Exchange gains	1,775	954
Total financial income from operating activities	**4,680**	**3,699**
Financial expenses related to the leasing business	(2,785)	(1,147)
Financial expenses related to bank overdrafts	(541)	(514)
Financial expenses related to factoring	(2,023)	(1,954)
Financial expenses related to miscellaneous operating activities	(353)	(402)
Exchange losses	(1,631)	(404)
Total financial expenses from operating activities	**(7,333)**	**(4,421)**
Net financial expense – operating activities	**(2,653)**	**(722)**

Net exchange gains/(losses) recorded in the income statement	2008	2007
USD	(318)	545
GBP	462	5
Total	**144**	**550**

30. Other non-recurring operating income and expenses

(in € thousands)	2008	2007
Other operating expenses		(182)
Impairment of goodwill		(611)
Provisions for litigation – non-current	(300)	
Reorganization costs	(392)	
Total other operating expenses	**(692)**	**(793)**
Other operating income	173	26
Release of provisions for non-current contingencies		102
Total other operating income	**173**	**128**
Total	**(518)**	**(665)**

31. Other financial income and expense

(in € thousands)	2008	2007
Gains on disposal of financial assets		167
Other financial income	372	134
Financial income	**372**	**301**
Expenses on long-term liabilities	(653)	(500)
Other financial expense	(67)	(38)
Financial expense	**(720)**	**(538)**
Other financial income/(expense),net	**(348)**	**(237)**

32. Income taxes

32.1. Recognition of current and deferred taxes

32.1.1. Income statement

The group's income tax expense can be broken down as follows:

(in € thousands)	2008	2007
Current tax	(5,208)	(6,138)
Deferred tax	(635)	923
Income tax expense – continuing operations	**(5,843)**	**(5,215)**
Income tax related to discontinued operations		
Total income tax expense	**(5,843)**	**(5,215)**

32.1.2. Reconciliation of actual tax charge and theoretical tax charge

(in € thousands)	2008	2007
Profit before tax including profit from discontinued operations	24,664	23,254
Total income tax expense	(5,843)	(5,215)
Group nominal rate related to profit before tax	**23.69%**	**22.43%**

The following table provides a reconciliation between profit before tax and income tax expense:

(in € thousands)	2008	2007
Profit for the year	18,821	18,000
Minority interests		39
Total income tax expense	5,843	5,215
Profit before tax	**24,664**	**23,254**
Theoretical tax expense calculated at the Belgian standard tax rate (2008: 33.99%; 2007: 33.99%)	(8,383)	(7,904)
Tax proof:		
Permanent differences	(718)	(1,479)
Tax losses incurred in the year and unrecognized	(8)	
Tax losses used in the year and previously unrecognized	2,422	2,627
Other previously unrecognized tax losses	296	276
Differences in tax rates (between the standard Belgian tax rate and the tax rates of foreign subsidiaries)	607	126
Deferred tax assets related to tax loss carryforwards		1,173
Tax credits and other taxes	(59)	(34)
Actual income tax expense	**(5,843)**	**(5,215)**

Permanent differences mainly relate to the following items:

(in € thousands)	2008	2007
Goodwill and excess depreciation and amortization	(3)	(208)
Tax-exempt profit	(47)	(943)
Other non-taxable or non-deductible income and expenses	(668)	(328)
Total	**(718)**	**(1,479)**

32.2. Deferred tax assets and liabilities

32.2.1. Movements in deferred tax liabilities

(in € thousands)	2008	2007
As of January 1	**(2,892)**	**(2,742)**
(Increase)/decrease	(751)	54
Impacts of exchange rate fluctuations, changes in the scope of consolidation and reclassifications	(105)	(204)
As of December 31	**(3,748)**	**(2,892)**

32.2.2. Movements in deferred tax assets

(in € thousands)	2008	2007 (Pro forma)
As of January 1	**6,984**	**3,858**
(Increase)/decrease	116	869
Tax assets not recorded in profit or loss	(252)	1,061
Impacts of exchange rate fluctuations, changes in the scope of consolidation and reclassifications	422	1,196
As of December 31	**7,270**	**6,984**

32.2.3. Main sources of deferred tax assets and liabilities

	Assets		Liabilities		Net	
(in € thousands)	12/31/2008	12/31/2007 (Pro forma)	12/31/2008	12/31/2007 (Pro forma)	12/31/2008	12/31/2007 (Pro forma)
Intangible assets		81				81
Property, plant and equipment	376	288	(45)	2,747	331	3,035
Inventories		86		(2)		84
Financial instruments				(23)		(23)
Other assets	453	851	(2,868)	(5,601)	(2,415)	(4,750)
Provisions	1,841	1,597	(392)	(492)	1,449	1,105
Other liabilities	328	(102)	(146)	479	182	377
Tax loss carryforwards	4,272	4,183	(297)		3,975	4,183
Deferred tax assets (liabilities), net	**7,270**	**6,984**	**(3,748)**	**(2,892)**	**3,522**	**4,092**
Deferred tax assets recognized in the balance sheet	7,270	6,984			7,270	6,984
Deferred tax liabilities recognized in the balance sheet			(3,748)	(2,892)	(3,748)	(2,892)
Net balance					**3,522**	**4,092**
Recoverable within 12 months	1,877	1,740	(668)	(2,892)	1,209	(1,152)
Recoverable beyond 12 months	5,393	5,244	(3,080)		2,313	5,244

32.2.4. Unrecognized deferred tax assets

As of December 31, 2008, the group's tax loss carryforwards can be analyzed as follows by expiration date:

(in € thousands)	2008	2007
2009		265
2010		536
2011	18,531	18,533
Beyond	829	827
Evergreen tax loss carryforwards	31,530	42,264
Total	**50,890**	**62,425**

The group's unrecognized deferred tax assets as of December 31, 2008 were related to the following items:

	2008			
(in € thousands)	Gross value	Total deferred tax assets	Recognized deferred tax assets	Unrecognized deferred tax assets
Tax loss carryforwards	50,890	16,185	4,272	11,913
Other tax credits	2,120	628		628
Total	**53,010**	**16,813**	**4,272**	**12,541**

Deferred tax assets are recognized if future taxable profits are probable. The application of this prudent accounting method in the financial statements of Econocom results in unrecognized deferred tax assets corresponding to tax loss carryforwards whose utilization is considered uncertain.

33. Earnings per share

Basic earnings per share	2008	2007
Operating profit *(before tax, in € thousands)*	25,047	23,785
Profit for the year *(in € thousands)*	18,821	18,000
Average number of shares outstanding	25,358,554	26,647,677
Operating profit (before tax) per share (in €)	**0.988**	**0.893**
Basic earnings per share (in €)	**0.742**	**0.677**

Diluted earnings per share	2008	2007
Diluted operating profit *(before tax, in € thousands)*	25,047	23,785
Diluted profit for the year *(in € thousands)*	18,821	18,000
Average number of shares outstanding	25,358,554	26,647,677
Impact of stock options	167,638	219,533
Diluted average number of shares outstanding	25,526,192	26,867,210
Diluted operating profit (before tax) per share (in €)	**0.981**	**0.885**
Diluted earnings per share (in €)	**0.737**	**0.671**

Earnings per share is calculated based on the weighted average number of ordinary shares outstanding during the year.

This average takes into account movements in the number of ordinary shares during the year, adjusted for changes in the number of treasury shares held.

Changes in treasury shares are analyzed in Note 17.3.3.

The diluted average number of shares outstanding represents the weighted average number of ordinary shares outstanding during the year, adjusted for changes in the number of treasury shares held and the impact of the conversion of all dilutive potential ordinary shares.

The dilutive impact corresponds to the exercise of stock options and is calculated using the treasury stock method.

No transactions have occurred since the balance sheet date relating to the Company's ordinary shares or dilutive potential ordinary shares that could have a material impact on the group's published earnings figures.

34. Notes to the consolidated cash flow statement

34.1. Definition of cash flows

The cash flows analyzed in the following table include changes in all activities, including continuing activities as well as activities sold or awaiting disposal.

Companies sold in 2008 are subsidiaries of Databail, the company acquired in October 2008, of which Econocom had no wish to retain control.

Consolidated cash flows include cash and cash equivalents.

Year-over-year changes in cash and cash equivalents analyzed in the cash flow statement can be broken out as follows:

(in € thousands)	2008
Cash and cash equivalents at beginning of year	**61,255**
Change in gross cash and cash equivalents	(4,446)
Impairment of cash and cash equivalents	(41)
Cash and cash equivalents at end of year	**56,768**

34.2. Impact of changes in scope of consolidation on cash and cash equivalents

The impact of financial investments on cash flows is as follows:

(in € thousands)	Databail Group	Non-material acquisitions and earnout	Total
Cash and cash equivalents acquired	4		
Acquisition of non-current assets	1,751		
Acquisition of current assets	8,488		
Acquisition of minority interests			
Acquisition of non-current liabilities	(205)		
Acquisition of current liabilities	(8,497)		
Net assets acquired (A)	1,541		
Goodwill (B)	2,739	60	2,799
Cash out (A) + (B)	**4,280**	**60**	**4,340**
Cash and cash equivalents acquired	(4)		(4)
Net cash out	**4,276**	**60**	**4,336**

Net cash outflows, excluding cash and cash equivalents acquired can be broken down as follows:

(in € thousands) Acquires	Acquisition date	% interest	Acquisition price	Acquisition-related costs	Total acquisition cost
Databail group	10/21/08	100%	4,184	96	4,280
Non-material acquisitions			60		60
Total			**4,244**	**96**	**4,340**

The impact of the disposal of group investments on cash flow was as follows:

(in € thousands)	2007
Cash in	453
Cash out	0
Net cash in	**453**

The impact of changes in the scope of consolidation on cash flow in 2008 was as follows:

(in € thousands)	2008
Net cash out	(4,336)
Net cash in	453
Impact of changes in the scope of consolidation, net	**(3,883)**

35. Risk management

35.1. Capital adequacy framework

Debt/equity ratio (2008: 38.67%; 2007: 39.46%)

The group uses a number of different ratios including the debt/equity ratio which provides investors with a snapshot of the group's level of debt in relation to its consolidated shareholders' equity. It is calculated by taking aggregate debt as presented in Note 20, and consolidated shareholders' equity on the balance sheet date.

The group seeks a level of gearing that maximizes value for shareholders while maintaining the financial flexibility required to implement its strategic projects.

35.2. Risk management policy

The group's activities are subject to certain financial risks: market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk.

The group's overall risk management program focuses on reducing exposure to credit risk and interest rate risk by transferring finance lease receivables to refinancing institutions and by using factoring solutions – on a non-recourse basis for a number of subsidiaries.

Financial market risks (interest rate and currency risk) and liquidity risks are handled by Group management.

35.2.1. Market risk

At the end of the year, Group management fixes the exchange rates to be applied in the following year's budgeting process.

The group uses hedging instruments such as swaps to hedge its interest rate exposure. Derivative financial instruments are used purely for hedging and never for speculation purposes.

35.2.1.1. Foreign exchange risk

95% of the group's business takes place in the euro zone. Only the operations of the group's UK and Moroccan subsidiaries, and certain contracts denominated in foreign currencies are exposed to foreign exchange risk on the pound sterling, the US dollar and the Moroccan dirham. This exposure is limited by purchases and sales being denominated in the same currency. The Econocom group does not hedge its exposure to foreign exchange risk as this is not deemed to be material.

35.2.1.2. Interest rate risk

The operating income and cash flows of Econocom Group SA/NV are substantially independent of changes in interest rates. Sales of leases to refinancing institutions are systematically based on fixed rates. The income arising on these contracts is therefore set at the outset and only varies if the contract is amended.

As of December 31, 2008, the group's variable-rate debt comprised a five-year loan hedged by an interest rate swap and a short-term loan within the scope of a factoring agreement.

35.2.1.3. Price risk

Econocom Group SA/NV holds units in the MBO Capital venture capital fund. These assets are held for sale and the funds invested are not accessible. In the absence of any available marked-to-market valuation for the venture capital fund, it is measured at its value in use at the balance sheet date.

The group is also exposed to the risk of fluctuations in the future values of leased equipment within the scope of its IT Financial Services business. It deals with this risk by calculating future values using the strongly diminishing balance method of depreciation, which is described in Note 1.13.3.

The method is regularly compared with actually made transactions, and annual statistics are compiled to validate the suitable and conservative nature of the selected method.

35.2.1.4.Liquidity risk

The Finance Department ensures that the group has a constant flow of sufficient funding:

- by analyzing and updating consolidated cash flow requirements on a monthly basis;
- by negotiating sufficient lines of financing on an ongoing basis.

Maturity analysis for financial liabilities (excluding derivative instruments)

The following maturity analysis for financial liabilities (principal and interest) shows remaining contractual maturities on an undiscounted basis:

(in € thousands) 2008	Total commitment	< 1 year	Due in 1 to 5 years	> 5 years
Finance lease liabilities - real estate	4,731	403	1,614	2,714
Financial residual value	18,403	5,137	11,771	1,495
Other finance lease liabilities	452	247	205	
Bank borrowings	12,168	6,245	5,923	
Trade and other payables	204,219	204,219		
Factoring	12,090	12,090		
Other financial liabilities	2,557	1,542	666	349
Total	**254,620**	**229,883**	**20,179**	**4,558**

(in € thousands) 2007	Total commitment	< 1 year	Due in 1 to 5 years	> 5 years
Finance lease liabilities - real estate	5,134	403	1,614	3,117
Financial residual value	17,946	3,952	12,708	1,286
Other finance lease liabilities	1,935	780	1,155	
Bank borrowings	11,853	3,547	8,306	
Trade and other payables	152,526	152,526		
Factoring	9,939	9,939		
Other financial liabilities	3,388	2,782	606	
Total	**202,721**	**173,929**	**24,389**	**4,403**

35.2.2. Credit and counterparty risk

The group has no significant exposure to credit risk. It has policies in place to ensure that sales of goods and services are made to clients with an appropriate credit history. The group's exposure is also limited as it does not have any concentration of credit risk and uses factoring solutions for the Products and Solutions and Managed Services businesses, as well as non-recourse refinancing with bank subsidiaries in the IT Financial Services business.

The group only invests with first-rate counterparties thus limiting its exposure to credit risk.

Maximum credit risk exposure

As the group has no specific credit risk *per se*, its maximum exposure in this respect is equal to the balance sheet amount of its financial assets (Note 16).

Aged balance of receivables past due but not impaired

(in € thousands)			Receivables past due			
2008	Carrying amount	Receivables not past due	Total	< 60 days	Between 60 and 90 days	> 90 days
Refinancing institutions [1]	78,233	14,610	63,623	60,963	1,343	1,317
Other receivables [2]	138,036	97,796	40,240	24,182	5,134	10,924
Impairment losses on doubtful debts	(6,688)		(6,688)			(6,688)
Trade receivables and other debtors, net	**209,581**	**112,406**	**97,175**	**85,145**	**6,477**	**5,553**

(1) Refinancing institutions correspond to financial institutions which are bank subsidiaries. The significant amount recorded under receivables due as of December 31, 2008 is attributable to the buoyant business of IT Financial Services in December. The bulk of these past due amounts are usually paid in the first two weeks of January.
(2) Other receivables: the carrying amount is impacted by transferred receivables (€44,626,000).

35.2.3. Equity risk

The group does not hold any unlisted or listed shares apart from treasury shares.

As the treasury shares held by Econocom Group SA/NV as of December 31, 2008 are deducted from shareholders' equity in the consolidated financial statements; it is not necessary to compare their carrying amount to their actual market value.

The group is exposed to a non-material equity risk in view of the carrying amount of its treasury shares.

35.3. Operating risk management policy

35.3.1. Risks relating to Managed Services contracts

The main risk in relation to Managed Services contracts is the notice period for contract terminations. This period is traditionally long enough to enable the group to make the appropriate staffing changes, particularly for major contracts. However, in certain circumstances the notice period may be limited to one month, in which case the Econocom group has to anticipate the possibility of the contract being terminated in order to take the necessary measures, particularly in relation to redeploying employees. A portion of Econocom's revenues are generated by sub-contractors, with the aim of increasing flexibility.

35.3.2. Dependency risks

The Econocom group continually strives to broaden its client portfolio as part of its development strategy to gain market share. None of the group's client accounts for more than 5% of total consolidated revenue, and no supplier accounts for more than 25% of its total purchases. The group's operations are not dependent on any specific patents or on any licenses for brands which it does not own.

35.3.3. Competitive risks

The IT services market is extremely competitive, and has been for a long time. There are a limited number of competitors at an international level for all of the group's businesses. However, in each country where it has operations and in each of its businesses, the group faces strong competition from international, national or local players.

35.3.4. Legal risks

The group operates as a service provider in various Western European countries and is therefore subject to numerous different laws as well as customs, tax and labor regulations. In order to limit its exposure to legal risks, the group has set up subsidiaries in each country run by managers who are fully aware of the applicable local laws and regulations.

Through its headquarters in Brussels, Econocom keeps abreast of new European legislation and regulations.

The group is not aware of any exceptional events or litigation likely to have a substantial impact on its financial position, assets, business or the results of its operations. Any pending litigation is covered by provisions for appropriate amounts calculated by Group management.

Disclosures concerning litigation or arbitration likely to have a substantial impact on the Econocom group's financial position, assets, business or the results of its operations as of December 31, 2008 are presented in Note 40.

Liabilities are recognized in line with current accounting practices (Note 1.22).

Provisions for claims and litigation are described in Note 18.

35.3.5. Employee-related risks

As far as Group management is aware, the group is not exposed to any employee-related risks other than those arising in the normal course of business for companies of a comparable size based in Europe. The majority of the workforce is employed in the group's French and Belgian subsidiaries.

35.3.6. Environmental risks

The Econocom group does not destroy the machines purchased from refinancing institutions at the term of the related contracts. The machines are sold to brokers who are responsible for managing the applicable end-of-life procedures and have provided the group with guarantees that they respect the related regulations.

35.3.7. Insurance against risks

The group is covered against liability claims and property damage via insurance policies taken out with first-rate insurers. It has elected not to take out business interruption insurance.

The group reviews and evaluates its risks on an ongoing basis in conjunction with its insurers and experts so as to ensure optimal coverage in both the insurance and reinsurance markets.

35.3.8. Pledges, guarantees and collateral provided for borrowings

The group has not provided real security interest for material amounts as collateral for borrowings or financial liabilities. The amount of pledged and mortgaged assets is disclosed in Note 36.

35.4. Sensitivity analysis

Using data published in 2008, the group conducted sensitivity analysis in order to measure the impact on profit before tax and non-recurring items of a strong change in the pound sterling/euro exchange rate. This analysis shows that, on the basis of a constant performance of the UK subsidiary, fluctuations in 2009 in the pound sterling value equal to that of the change in 2008 would not have a material impact on the group's profit.

The group has entered into a major finance lease agreement denominated in dollars in its IT Financial Services business. The terms and conditions of this contract are such that the foreign exchange risk is automatically hedged and fluctuations in the dollar exchange rate do materially impact profit or non-recurring items.

As regards interest rates, the sensitivity analysis shows that a 1% (100 base point) change in short-term interest rates would impact profit before tax and non-recurring items to the tune of +/- €0.5 million.

36. Off balance sheet commitments

36.1. Commitments to purchase shares (see Note 6 for details concerning goodwill)

Econocom GmbH: put option granted on the 20% interest held by local managers

The German subsidiary Econocom GmbH is 20% owned by its local managers while Econocom Group SA/NV owns the remaining 80% of its capital.

Econocom Group SA/NV has a call option on the total amount of the capital held by each manager and has also granted each manager a put option on their investment.

These options may be exercised at any time between January 1, 2011 and December 31, 2012.

The price of the put and call options will be based on a multiple of Econocom GmbH's average profit before tax during the year in which the option is exercised and the three fiscal years preceding the year of exercise, and on the evolution of the company's net worth between December 31, 2006 and the balance sheet date preceding the year in which the option is exercised.

Given the uncertainty that Econocom Group SA/NV will actually purchase the remaining stake and the low profitability of this recently created subsidiary (in 2005), no commitment was recognized in the financial statements as of December 31, 2008.

Alliance Support Services

The managers of the French subsidiary Alliance Support Services own 6.68% of its capital.

Econocom Group SA/NV and the executive shareholders have signed put and call options on the total amount of the company's capital held by each manager.

The parties have agreed to extend these put and call options by two years. The options may be exercised at any time once the Board of Directors of Alliance Support Services has signed off on the company's financial statements for 2009 and until June 30, 2010.

The share sale price will be based on the profitability of Alliance Support Services in 2007, 2008 and 2009.

Based on the company's results for 2007, a liability of €135,000 was recognized in the 2007 consolidated financial statements. In light of the results achieved by the company in 2008, no additional liability must be recognized.

36.2. Commitments to pay additional purchase consideration (see Note 6 for details concerning goodwill)

Synopse SAS

Synopse SAS specializes in consulting and IT integration and has been at the forefront of the implementation of the IT Infrastructure Library (ITIL) in France.

Synopse SAS was acquired in 2003 by Econocom Managed Services SAS (France) for a price that may be supplemented by an additional purchase consideration.

Following the acquisition in February 2007 by Econocom Managed Services SAS (France) of Kentron – a competitor of Synopse in the area of ITIL consulting, and the decision to merge Kentron and Synopse, the methods for calculating the earn-out entitlements for the three former Synopse shareholders were reviewed. An addendum to the original share sale agreement was signed on January 23, 2007 that amended the formula used to calculate the additional purchase consideration. Under this amendment, the price of Synopse will be based on a multiple of the average pre-tax consolidated profits of Synopse and Kentron – since May 2007 these comprise the profits of the new Synopse entity following its merger with Kentron – between January 1, 2007 and December 31, 2010.

Two of the three former shareholders cleared their earn-out in 2007 and 2008 and one of them left the Econocom group.

Based on 2007 and 2008 results, 2009 budget and forecast results for 2010, the earn-out entitlements of the former Synopse shareholder will be less than the minimum amount of €196,933; i.e., the amount recognized at the time of the acquisition in 2003.

Kentron SAS

Kentron SAS is specialized in IT Infrastructure Library (ITIL) consulting.

It was acquired on February 1, 2007 by Econocom Managed Services SAS (France). Additional purchase consideration may be payable based on a multiple of the average pre-tax consolidated profits of Synopse and Kentron – since May 2007 these comprise the profits of the new Synopse entity following its merger with Kentron – between January 1, 2007 and December 31, 2010.

Additional purchase consideration shall not be less than €200,000 provided that Kentron's former owner-manager has not resigned or been dismissed for gross or serious misconduct before December 31, 2009.

Based on 2007 and 2008 results, 2009 budget and forecast results for 2010, the group estimates the earn-out entitlements of the founder of Kentron at €260,000. A provision of €60,000 was recognized in 2008 in addition to the €200,000 already recognized in 2007.

For Connected Services

On August 8, 2005, Econocom Telecom Services SA acquired the entire capital of Econocom Telecom BV (formerly known as For Connected Services), a Dutch company specializing in Data Mobile services. The purchase price for this company may include additional purchase consideration.

The total purchase price shall not be less than €175,000, the amount recognized in the consolidated financial statements in 2005.

Econocom Telecom BV merged with Econocom Products Services BV, a Dutch company specialized in corporate IT services in order to create synergies and market similar offerings in the corporate IT and telecom sector.

Consequently, the additional purchase consideration payable for Econocom Telecom BV will be based on the aggregate results of Econocom Telecom BV and Econocom Products Services, i.e., the average combined operating profit of the merged entity between January 1, 2006 and December 31, 2009.

Based on 2006, 2007 and 2008 results, the 2009 budget, the amount payable to the former shareholders will be less than the minimum payment of €175,000.

The contingent liability represented by this commitment which falls due in 2009 is therefore estimated at €175,000. This amount has already been recorded in the financial statements.

36.3. Commitment to invest in a venture capital fund

MBO Capital venture capital fund

Since October 2002, Econocom Group SA/NV has invested €4,674,000 in the MBO Capital venture capital fund and has irrevocably committed capital of up to €5,000,000 to the fund.

This represents a 10-year unsecured investment, which offers expected returns exceeding the risk-free rate.

In 2008, in the absence of any available marked-to-market valuation the venture capital fund was measured at its fair value in use on the balance sheet date in accordance with IAS 32-39, Financial instruments, i.e., €4.0 million.

36.4. Guarantees

(in € thousands)

Mortgages	
Carrying amount of buildings pledged as collateral	1,717
Collateral value	1,692
Guarantees given	**38,379**
Carrying amount of assets pledged by certain subsidiaries as guarantees for factors	4,221
Securities pledged	4,106
Guarantees given (amounts authorized) by Econocom Group SA/NV to third parties (banks and/or suppliers) on behalf of subsidiaries	30,052

36.5. Finance lease commitments

(in € thousands)

Guarantees in respect to future lease payments (lease on the Belgian head office)	3,546

36.6. Commitments to acquire property, plant and equipment

(in € thousands)	
Lease contracts for delivery in 2008 and subsequent years	54,647

36.7. Commitments to sell property, plant and equipment

(in € thousands)	
Lease contracts for delivery in 2008 and subsequent years	54,647

36.8. Commitments received: deposits and guarantees

(in € thousands)	
Guarantees payable on first call and pledges	1,034

Off balance sheet commitments by maturity and type of commitment are presented in the following table:

(in € thousands)	‹ 1 year	Due in 1 to 5 years	› 5 years	Total 2008	Total 2007
Commitments given:					
Mortgages		1,692		1,692	3,332
Assets pledged as guarantees for factors	4,221			4,221	3,710
Securities pledged		4,106		4,106	4,106
Assets pledged as guarantees for third parties	818	29,234		30,052	29,133
Finance leases	228	1,306	2,012	3,546	3,750
Property, plant and equipment	52,108	1,052	1,487	54,647	19,983
Commitments received:					
Guarantees and pledges	1,034			1,034	975

37. Contingent liabilities

At the end of December 2007, legal proceedings were instituted against one of the group's subsidiaries involving a large sum. The group is not disclosing details of these proceedings so as not to prejudice the outcome of the case. In the light of the verdict issued by the lower court in 2008, it considers that adequate provisions have been set aside in the accounts.

38. Related-party transactions

38.1. Management remuneration

(in euros)

	2008	2007
Remuneration allocated to non-executive directors (including attendance fees)	**56,500**	57,000
Remuneration allocated to executive directors	**1,714,254**	1,152,148
Remuneration allocated to the Management Committee (excluding directors)	**835,150**	1,255,385
Stock options held by members of Econocom's administrative and management bodies		
Number of stock options outstanding as of December 31	530,000	600,000

Moreover, within the scope of the sale of shares in Alliance Support Services and Econocom GmbH to local managers, the group granted loans backed by pledges on the shares in question, in 2007 and 2008. These loans bear interest at market rates.

As of December 31, 2008, the outstanding balance on these loans came to €271,000 (excluding capitalized interests).

The remuneration of these loans amounted to €14,000 in 2008.

38.2. Related-party transactions

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not presented in this note. The transactions with related parties summarized below mainly concern the principal transactions carried out with companies in which the Chairman of Econocom Group's Board of Directors holds a directorship.

	Income		Expenses		Receivables		Payables	
(in € thousands)	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Econocom International NV	68	10	(1,125)	(1,159)	2		3,232	6,665
SCI Pergolèse	12	12	(1,054)	(909)	448	411	317	267
Audevard	20	3				5		
Total	**100**	**25**	**(2,179)**	**(2,068)**	**450**	**416**	**3,549**	**6,932**

Econocom International NV is an unlisted holding company which has a 50.38% stake in Econocom Group SA/NV.

SCI Pergolèse holds 1.76% of Econocom Group SA/NV's capital.

39. Subsequent events

No significant events have taken place since December 31, 2008.

40. Assessments made by management and sources of uncertainty

The main areas in which judgment was exercised by Management were as follows:

- Goodwill impairment (Note 6): every year, Econocom group tests the goodwill in its consolidated financial statements for impairment, in accordance with the procedures outlined in Note 1.14. These impairment tests are particularly sensitive to medium term financial forecasts and to the discount rates used to estimate the value in use of CGUs.
- Assessment of provisions for retirement indemnities (Note 19): an actuary calculates the provision for retirement indemnities based on the projected unit credit method described in Note 1.23. This calculation is particularly sensitive to discount rate, salary increase rate and turnover rate assumptions.
- Valuation of the stock options granted since November 2002: the actuarial formulae used are affected by assumptions concerning employee turnover, developments and volatility of the share price of Econocom Group SA/NV, as well as the probability of managers achieving their objectives (see Note 17.3.1).
- Assessment of the probability of recovering the tax loss carryforwards of the group's subsidiaries.
- Determining the risk of non-recovery of the lease payments due on self-financed contracts in France: as Econocom generally puts in place non-recourse refinancing for its contracts, the group has no historical statistics relating to the non-recovery of such payments. In addition, no non-payment incidents have arisen in the recent past. As a result, provisions have been recognized on the basis of a risk assessment. These provisions are reviewed at least every six months taking into account any changes in the situation of the clients and contracts concerned.
- Provisions (Note 18): provisions are recognized to meet the probable outflow of resources with the profit of third-party with no corresponding consideration for the group. They specifically include provisions for all kinds of litigation which are estimated on the basis of the most probable settlement assumptions. To determine these assumptions, group management relies, if necessary, on assessments made by external consultants.
- Consideration of residual interests on financing contracts (Note 1.13.3).

Report of the Statutory Auditors on the consolidated financial statements for the year ended December 31, 2008

PRICEWATERHOUSECOOPERS

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDER'S MEETING ON THE CONSOLIDATED ACCOUNTS OF THE COMPANY ECONOCOM GROUP SA/NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2008

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our opinion on the consolidated accounts and the required additional disclosure.

Unqualified opinion on the consolidated accounts

We have audited the consolidated accounts of Econocom Group SA/NV and its subsidiaries (the "Group") as of and for the year ended 31 December 2008, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated accounts comprise the consolidated balance sheet as of 31 December 2008 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to EUR (000) 367.626 and the consolidated statement of income shows a profit for the year, group share, of EUR (000) 18.821.

The company's board of directors is responsible for the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Réviseurs d'Entreprises / Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the consolidated accounts taken as a whole. Finally, we have obtained from the board of directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts as of 31 December 2008 give a true and fair view of the Group's net worth and financial position and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The company's board of directors is responsible for the preparation and content of the management report on the consolidated accounts. Our responsibility is to include in our report the following additional comment, which does not have any effect on our opinion on the consolidated accounts:

- The management report on the consolidated accounts deals with the information required by the law and is consistent with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Brussels, 20 April 2009

The statutory auditor
PricewaterhouseCoopers Reviseurs d'Entreprises / Bedrijfsrevisoren
represented by

J. Steenwinckel
Réviseur d'Entreprises / Bedrijfsrevisor

PricewaterhouseCoopers Bedrijfsrevisoren coöperatieve vennootschap met beperkte aansprakelijkheid, burgerlijke vennootschap met handelsvorm
PricewaterhouseCoopers Reviseurs d'Entreprises société coopérative à responsabilité limitée, société civile à forme commerciale
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING 310-1381195-01

We hereby declare that to the best of our knowledge, the consolidated financial statements for the year ended March 30,2009, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and with the legal provisions applicable in Belgium, give a true and fair view of the assets, financial positions and profit or loss of the Company and the undertakings in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business, profit or loss and financial positions of the Company and the undertakings in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors
Jean-Louis Bouchard, Chairman of Econocom Group

Condensed parent company financial statements*

as of December 31, 2008

Parent company financial statements

Income statement

Balance sheet

Cash flow statement

* The parent company financial statements are presented under Belgian GAAP.

Econocom Group SA/NV parent company financial statements

In accordance with article 105 of the Belgian Company Code, Econocom Group SA/NV hereby states that the following financial statements are an abridged version of the full annual financial statements that can be obtained from the company and which will be filed with the Banque Nationale de Belgique. This abridged version does not contain all of the notes to the parent company financial statements or the Statutory Auditors' report, which contained an unqualified audit option in relation to the annual financial statements of Econocom Group SA/NV.

Parent company income statement

as of December 31, 2008

(in € thousands)

Expenses	2008	2007
II. Cost of sales	**10,798**	**10,373**
B. Services and miscellaneous goods	7,465	6,736
C. Personnel costs (incl. social security charges) and pensions	3,077	2,742
D. Amortization/depreciation and impairment of start-up costs, property, plant and equipment and intangible assets	261	298
E. Impairment of inventories, work in-progress and trade receivables (increases +, releases -)	3	33
F. Provisions for contingencies and charges (increases +, releases -)	(15)	(80)
G. Other operating expenses	7	644
V. Financial expense	**1,995**	**1,826**
A. Interest expense	1,623	856
B. Impairment of current assets other than those referred to in II E (increases +, releases -)		597
C. Other financial expense	372	373
VIII. Exceptional expenses	**560**	**506**
B. Impairment of long-term investments	560	500
C. Provisions for contingencies and charges (increases +, releases -)		
D. Losses on disposal of fixed assets		6
E. Other exceptional expense		
X.A. Income tax	**38**	**20**
XI. Profit for the year	**4,541**	**50,070**
Total	**17,932**	**62,795**

(in € thousands)

Income	2008	2007
I. Sales of services	**13,323**	**10,548**
A. Revenue	9,537	8,221
D. Other operating income	3,786	2,327
IV. Financial income	**4,046**	**52,152**
A. Income from long-term investments	3,083	51,656
B. Income from current assets	481	487
C. Other financial income	482	9
VII. Exceptional income	**563**	**89**
B. Reversals of impairment of long-term investments	17	70
D. Gains on disposal of fixed assets	546	19
E. Other exceptional income		
X. Tax adjustments and reversals of tax provisions		**6**
Total	**17,932**	**62,795**
Appropriation of profit		
A. Total profit available for distribution	55,784	75,598
1. Profit for the year	*4,541*	*50,070*
2. Retained earnings	*51,243*	*25,528*
C. Appropriation to equity	(8,740)	(18,163)
2. Legal reserve		
3. Other reserves	*(8,740)*	*(18,163)*
D. Appropriation to retained earnings	(41,092)	(51,243)
1. Amount carried forward	*(41,092)*	*(51,243)*
F. Profit available for distribution	(5,952)	(6,192)
1. Dividends	*(5,952)*	*(6,192)*

Parent company balance sheet

as of December 31, 2008

(in € thousands)

Assets	12/31/2008	12/31/2007
Fixed assets	**148,059**	**151,118**
II. Intangible assets	**52**	**36**
III. Property, plant and equipment	**959**	**709**
A. Land and buildings	465	489
B. Plant and equipment, fixtures and fittings	471	197
E. Other property, plant and equipment	23	23
IV. Financial assets	**147,048**	**150,373**
A. Related parties	146,185	147,851
1. Shares	*116,843*	*117,312*
2. Receivables	*29,342*	*30,539*
C. Other financial assets	863	2,522
1. Shares	*862*	*2,521*
2. Receivables and cash guarantees	*1*	*1*
Current assets	**23,605**	**7,415**
VI. Inventories and work in-progress	**72**	**80**
A. Inventories	72	80
VII. Receivables due within 1 year	**6,341**	**3,249**
A. Trade receivables	2,169	922
B. Other receivables	4,172	2,327
IX. Cash investment	**14,097**	**221**
A. Treasury stock	1,505	221
B. Other investments	12,592	0
X. Cash and cash equivalents	**3,038**	**3,788**
XI.Accruals and other assets	**57**	**77**
Total assets	**171,664**	**158,533**

(in € thousands)

Equity and liabilities	12/31/2008	12/31/2007
Equity	**118,372**	**127,239**
I. Share capital	**16,181**	**16,181**
A. Subscribed capital	16,181	16,181
II. Additional paid-in capital	**55,038**	**55,038**
III. Revaluation reserve	**2,520**	**2,520**
IV. Other reserves	**3,541**	**2,257**
A. Legal reserve	1,618	1,618
B. Unavailable reserves	1,505	221
1. For treasury stock	*1,505*	*221*
D. Available reserves	418	418
V. Retained earnings	**41,092**	**51,243**
Provisions and deferred taxes	**131**	**145**
VII. A. Provisions for contingencies and charges	**131**	**145**
4. Other contingencies and charges	131	145
Liabilities	**53,161**	**31,149**
IX. Short-term liabilities due within 1 year	**53,161**	**30,605**
A. Current portion of long-term liabilities		
B. Borrowings	44,408	21,164
1. Bank borrowings	*0*	*0*
2. Other borrowings	*44,408*	*21,164*
C. Trade payables	1,790	2,135
1. Amounts due to suppliers	*1,790*	*2,135*
E. Accrued taxes and personnel costs	873	445
1. Taxes	*440*	*20*
2. Personnel costs (incl. social security charges)	*433*	*425*
F. Other liabilities	6,090	6,861
XII. Accruals and other liabilities		**544**
Total equity and liabilities	**171,664**	**158,533**

Parent company cash flow statement

(in € thousands)	**2008**	2007
Profit for the year	4,541	50,370
Income tax expense	38	14
Depreciation, amortization and impairment	824	1,358
Change in provisions	(15)	(81)
Gains/losses on disposals of long-term investments	(545)	(19)
Dividends received from investments	(1,224)	(48,750)
Interest received on financial receivables due in more than 1 year	(1,787)	(3,198)
Gains/losses on sales of treasury shares	276	267
Operating cash flow (a)	**2,108**	**(39)**
Change in receivables due within 1 year	(2,717)	(1,151)
Change in other current assets	25	(58)
Change in trade payables	(345)	550
Change in accrued taxes and personnel costs due within 1 year	428	(47)
Change in other current liabilities	(1,105)	830
Change in working capital (b)	**(3,714)**	**124**
Income tax expense (c)	(38)	(14)
Net cash provided by/(used) in operating activities (a+b+c) = d	**(1,644)**	**71**

(in € thousands)	2008	2007
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets for internal use	(526)	(126)
Disposal of property, plant and equipment and intangible assets for internal use		
Acquisition of investments	(1,447)	(2,625)
Disposal of investments	2,462	230
Acquisition of financial receivables due in more than 1 year	(935)	(3,742)
Repayment of financial receivables due in more than 1 year	1,197	6,247
Acquisition of other long-term investments		9
Disposal of other long-term investments	1,659	1,173
Dividends received from investments	1,224	450
Interest received on financial receivables due in more than 1 year	1,787	3,198
Net cash provided by investing activities (e)	**5,421**	**4,814**
Cash flows from financing activities		
Inscrease in capital and issue premiums		
Change in financial liabilities due within 1 year	23,244	5,792
Acquisition of treasury stock	(9,660)	(19,291)
Sale of treasury stock	472	357
Dividends paid during the year	(5,990)	(5,284)
Net cash used in financing activities (f)	**8,066**	**(18,426)**
Change in cash and cash equivalents (d+e+f)	**11,843**	**(13,541)**

Information about the company

1. General information

- Company name: Econocom Group SA/NV
- Registered office: 81 avenue Marcel Thiry, Woluwe-Saint-Lambert - 1200 Brussels. The Econocom group registered office, formerly located Clos du Parnasse 13 AB – 1050 Brussels (Ixelles) has been transferred following a decision of the Board of Directors on January 22, 2009.
- Legal form, constitution, published documents:

Econocom Group SA/NV is a *société anonyme* governed by the laws of Belgium. It was incorporated under a deed filed by Jacques Possoz, notary, on April 2, 1982, which was published in the appendices to the Moniteur Belge of April 22, 1982 (Nr 820-11).

Econocom Group SA/NV is a company that publicly raises, or has publicly raised, capital under the terms of company law.

It is registered with the Brussels corporate register under number 0422.646.816.

- Term: indefinite.
- Financial year: January 1 to December 31.
- Consultation of legal documents:

  – The parent company and consolidated financial statements and related reports may be consulted at the Banque Nationale de Belgique.

  – The bylaws and above-mentioned financial statements and related reports may be consulted at the registry of the Commercial Court.

  – All of the above-mentioned documents may be consulted at the registered office at 81 avenue Marcel Thiry, Woluwe-Saint-Lambert - 1200 Brussels, Belgium.

2. Corporate purpose (Article 3 of the bylaws)

The company's purpose, in Belgium and abroad, is:

- the purchase, sale, lease and supply of computers and IT products generally, and all related financial operations;
- the negotiation of any and all business process engineering contracts with companies and the provision of any and all technical assistance in the field of information technologies;
- the design and implementation of electronic services and any and all related programming systems.

To this end, the company may acquire, manage, operate and sell patents, trademarks, and technical and industrial know-how.

The company may establish branch offices or subsidiaries in Belgium or abroad.

The company may deal with any and all Belgian or foreign companies with similar or complementary activities by means of asset transfers, partial or total mergers, subscription to initial capital or capital increases, financial investments, disposals, loans or any other means.

Competition and recruitment

Competition

Econocom group stands out from its competitors thanks to its:

- comprehensive and specialized offering in the management of corporate distributed infrastructures;
- dual skills in IT services and telecommunications;
- independence from IT equipment manufacturers and financial companies;
- presence in eight European countries and in Morocco.

Econocom operates in four independent and complementary activities: financing solutions and asset management (IT Financial Services), IT products and solutions (Products and Solutions), IT services (Managed Services) and telecom (Telecom Services). The group offers an unrivalled array of services in the IT and Telecom areas. Its capacity to combine these four activities into bundled offerings, tailored to market expectations, sets it apart from the competition. Econocom's new strategic plan, Horizon 2012, capitalizes on this competitive edge.

Comprehensive offering

Econocom is currently the only independent player in Europe that can design, supply, manage and finance corporate IT and telecommunications infrastructures.

The group launched a telecommunications offering as early as 2000, well before its main competitors, and intends to draw on these strengths to leverage the expected sharp growth in the market for mobile services and voice/data convergence solutions. It has the required capabilities to meet strong future demand for mobile solutions and for managing telecommunications fleets.

Econocom has also launched cross-disciplinary offerings, involving several of its businesses, to respond to companies' growing need for global solutions. These four new offerings allow companies to optimize and control the entire lifecycle of their resources, including their:

- IT fleet;
- telecom fleet;
- printer portfolio;
- procurement lead times and costs.

At the same time, through A2Z, the group boasts an innovative offering of IT and telecom services for SMEs, combining procurement with operational, administrative and financial services. This comprehensive management solution is billed on the basis of a detailed fee (fixed price unit billing system per workstation, per page, per mobile asset or per user).

Geographic presence

Econocom has a substantial presence in Europe, dating back over 25 years. It offers solutions to the needs of its major clients through its subsidiaries in eight European countries and strategic alliances with partners abroad.

The group further strengthened its international presence at the end of 2008 through the creation of a subsidiary in Morocco to complete its service offering and, specifically, its multilingual remote service offering.

Main competitors

None of Econocom's competitors has as large a product and service offering. The main competitors in each of its businesses are as follows:

- Managed Services: Cap Gemini, Atos, Steria, EDS, Logica-CMG, and GFI, which have an international presence but do not offer distribution or flexible leasing services. However, many service companies develop application software (accounting, inventory management, sales management, etc.), which is not part of Econocom's current offering.
- Products & Solutions: Systemat and Realdolmen (Belgium and Luxemburg), Computacenter (France, Belgium, Germany and the United Kingdom), and SCC (France and the United Kingdom).
- IT Financial Services: the financial subsidiaries of manufacturers such as IBM, HP and Dell, and banks' leasing subsidiaries (ECS and Arius) do not offer the same degree of independence or IT specialization as Econocom. CHG (Germany) does not carry out distribution and service activities.
- Telecom Services: Econocom has few competitors in the telecommunications field. Nevertheless, the various market players have come to understand the importance of developing a service offering in this sector. Certain mobile telephone operators have acquired computer services firms specialized in network integration, such as Belgacom with Telindus. The major IT services companies such as CSC, EDS and Cap Gemini already have specific outsourced telephone service offerings, mainly in the network sector of the market. On the other hand, Econocom manages whole telecommunications fleets (mobile handsets, PDAs, etc.) along with the corresponding subscriptions. Lastly, the operators' distributors are primarily specialists in selling mobile phone hardware and voice subscriptions. While some – such as LCO (Orange), Mobilitys and Coriolis (SFR) – are beginning to develop services,

none benefits from the expertise acquired by Econocom in the corporate IT services sector for more than a quarter-century.

Recruitment

As a group specializing in IT and telecommunications services, Econocom's ability to attract and retain talented new employees is paramount to its success.

Econocom's strategic plan, Horizon 2012, underscores the group's expansion program and ambitious growth objectives, hence the considerable importance of recruitment and career development for the group.

It has specialized recruitment units in its largest subsidiaries.

The group's European presence, reputation, broad business base and listing on the Euronext market in Brussels all serve to attract young graduates and experienced staff alike.

The group seeks committed, innovative employees who are enthusiastic about sharing Econocom's corporate values: Be Enterprising, Bounce Back, Face Reality, Share and Be Responsible.

In step with its growth and its clients' changing needs, the group recruited 400 employees in 2008, mainly new top-level technical employees and in particular systems and network engineers and administrators, micro technicians and consultants.

To boost its expansion and sharpen its competitive edge, the group also concentrated on strengthening its sales and pre-sales teams, especially within its IT Financial Services, Telecom Services and Products & Solutions businesses. At the end of 2008, the group had a 365-person sales and marketing team.

Econocom's growth is taking place in a constantly changing environment. The group is therefore patently aware of the importance of enhancing its employees' technical skills, now a major focus of its human resources policy.

In conjunction with partners, the group has implemented various diploma courses and e-learning programs. These are particularly suited to employees working on-site at clients' premises. In France, where over half of the group's staff is located, training expenses came in at 2.3% of total payroll.

Career development is one of the group's primary objectives. Employees are individually monitored, especially through their annual assessments, which touch on achievements, objectives and training targets.

As of December 31, 2008, the Econocom group had 2,318 employees, including its sales and marketing team.

Recent developments and outlook

The Econocom group's development strategy combines both organic and external growth objectives.

1. Principal investments

As well as developing new products and software tools and recruiting new sales agents, engineers and technicians, Econocom Group SA/NV carries out external growth transactions each year in order to acquire specific skills or step up its expansion. The group's main investments over the last three years were as follows:

2006

In 2006, the group pursued its strategy of expanding in the corporate telecom services business through the following transactions:

- The purchase of the B-to-B business of Avenir Telecom, a major player in France's mobile telecom market. This transaction enabled the group to bolster Econocom Telecom Services' business of distributing and managing mobile fleets, and to extend its sales and marketing presence to the southeast of France.
- Econocom also increased its stake in Belgium-based Econocom Telecom Services (formerly CHanSE) from 74.57% to 96.68%.

Also during the year, Econocom Group SA/NV acquired a 35% stake in the German company Econocom Albis, increasing its interest to 100%. Econocom Albis specializes in administrative and financial management services.

These acquisitions represented an aggregate investment of some €2 million.

Lastly, in order to concentrate its managerial and financial resources on its strategic businesses, the group sold its interest in the Dutch company Econocom Services BV. Specialized in mainframe services, this company was no longer part of the Econocom Group's core business.

2007

The group carried out four acquisitions in 2007, with the aim of strengthening its skills base and stepping up its growth in the IT and telecommunications services field in France, as well as in asset management services (IT Financial Services business) in Italy.

In the first six months of 2007, the group acquired:

- 93.32% of Alliance Support Services, one of France's leading third-party IT maintenance players generating revenue of €34 million in 2007. With around thirty technical centers throughout France, Alliance Support Services will considerably boost Econocom's French IT and telecommunications offering.
- The French consulting company Kentron. The reconciliation between Kentron and Synopse (acquired in 2003) has strengthened the group's domination in the area of ITIL consulting (optimization of IT information technology service management). Thanks to this acquisition, Econocom now has 35 specialist consultants in this domain in France, along with some 30 consultants in Benelux.
- The B-to-B business of The Phone House France, through which Econocom has accelerated its diversification into corporate telecom services. At the end of 2007, the group was managing almost 100,000 fixed and mobile lines under its facility management business in France and Benelux.

In the last quarter of 2007, the group also acquired an Italian company, Tecnolease, active in IT asset leasing and management, thus enhancing its growth in one of its five strategic markets and consolidating its number two position in Italy.

Finally, Econocom increased its stake in Belgian company Econocom Telecom Services (formerly CHanSE) from 96.68% to 100% and sold 20% of its German subsidiary Econocom GmbH to the company's local managers.

These acquisitions represented an aggregate investment of some €11 million.

Until recently, most of the group's acquisitions had been equity-financed. However, in 2007, the group borrowed €10 million through its subsidiary Econocom Products and Solutions, which in 2007 acquired Alliance Support Services and the B-to-B operations of The Phone House.

2008

Econocom bolstered the group's IT Financial Services activity in France by acquiring 100% of Databail shares from Arès. This acquisition represents an equity-financed aggregate investment of some €4 million.

2. Changes in capital

As of December 31, 2008, the company's share capital stood at €16,180,922.08 and was composed of 24,800,000 ordinary shares with no stated par value, held in registered, bearer or dematerialized form. The capital is fully paid-up.

In compliance with the Belgian law of December 14, 2005 on the elimination of bearer shares, on December 7, 2007 the Econocom group's Board of Directors amended the company's bylaws to inform holders of Econocom Group bearer shares that they have until January 1, 2014 to convert such shares into dematerialized shares through registration in a share account. Bearer shares registered in a share account as of December 31, 2007, automatically became dematerialized shares on January 1, 2008.

As of December 31, 2008, authorized unissued capital stood at €15,894,722.08.

Changes in the company's capital since 2002 correspond to capital increases carried out for the purpose of allocating shares on the exercise of employee stock options.

In 2008, Econocom Group SA/NV cancelled 1,000,000 shares pursuant to a decision of the Extraordinary General Meeting of shareholders of December 22, 2008. In accordance with the law of May 2, 2007 on announcements for important investments, Econocom published details of this operation on its corporate website detailing the number of shares and voting rights (denominator) resulting from this operation, totaling 24,800,000 in all.

The cancellation of shares in 2002, 2004, 2005, 2007 and 2008 had no impact on share capital.

Changes in the Company's share capital and number of shares since January 1, 2002 are summarized in the table below.

Date of operation	Type of issue	Change in the number of shares	Change in capital (€)	Issue premium (€)	Total amount of the operation (€)	Number of shares	Share capital (€)
01/01/2002						8,149,105	16,018,319.08
04/30/2002	Exercise of stock options	9,900	19,503.00	96,087.36	115,590.36	8,159,005	16,037,822.08
06/27/2002	Four-for-one stock split					36,636,020	16,037,822.08
12/18/2002	Cancellation of treasury shares	(1,136,020)				31,500,000	16,037,822.08
12/22/2004	Cancellation of treasury shares	(1,500,000)				30,000,000	16,037,822.08
07/20/2005	Exercise of stock options	265,000	143,100.00	966,650.00	1,109,750.00	30,265,000	16,180,922.08
12/22/2005	Cancellation of treasury shares	(1,265,000)				29,000,000	16,180,922.08
05/15/2007	Cancellation of treasury shares	(2,200,000)				26,800,000	16,180,922.08
12/20/2007	Cancellation of treasury shares	(1,000,000)				25,800,000	16,180,922.08
12/22/2008	Cancellation of treasury shares	(1,000,000)				24,800,000	16,180,922.08
12/31/2008						**24,800,000**	**16,180,922.08**

At the Extraordinary General Meeting of May 17, 2005, the shareholders renewed, for a five-year period, the authorization given to the Board of Directors to increase the Company's capital on one or several occasions, by a maximum amount of €16,037,822.08.

Pursuant to its policy relating to treasury shares, Econocom Group SA/NV and its subsidiaries held 265,639 Econocom Group SA/NV shares as of December 31, 2008, representing 1.07% of the total number of shares in issue.

3. Outlook

In the current uncertain economic and financial climate, the group's Management will exercise particular vigilance in 2009 and will take every action necessary to boost segment productivity and group profitability. It remains confident in the ability of Econocom to fully utilize its competitive strengths inherent in its structure and business model to weather the crisis and emerge even stronger.

10-year consolidated highlights

(in € millions)	BELGIAN GAAP 1999	2000	2001	2002	2003	IFRS 2004	2005	2006	2007	2008
Balance sheet										
Fixed assets (excl. goodwill)	24.89	47.29	47.76	124.42	74.01	39.19	34.20	31.02	31.23	38.06
Goodwill	10.52	8.92	7.68	10.35	7.68	10.62	14.66	16.56	25.54	28.77
Current assets (excl. cash and cash equivalents and short-term investments)	77.54	181.59	171.01	182.11	152.71	183.30	167.86	180.77	197.75	244.03
Short-term investments	46.09	53.64	57.46	71.50	102.27	60.05	60.07	76.62	61.25	56.77
Total assets	**159.04**	**291.44**	**283.91**	**388.39**	**336.67**	**293.16**	**276.79**	**304.96**	**315.77**	**367.63**
Equity attributable to shareholders of the parent company	57.01	74.28	84.48	87.27	72.80	83.18	87.69	88.23	83.20	84.34
Minority interests	0	0	0.40	0.55	0.76	0.35	0.36	0.11	0.17	0.11
Provisions	8.36	11.10	11.18	28.27	30.44	13.28	6.20	5.22	4.08	3.97
Financial debts	16.14	23.43	17.08	20.12	21.19	16.79	17.84	23.24	32.90	32.62
Other liabilities	77.53	182.63	170.77	252.19	211.48	179.56	164.70	188.16	195.42	246.59
Total equity and liabilities	**159.04**	**291.44**	**283.91**	**388.39**	**336.67**	**293.16**	**276.79**	**304.96**	**315.77**	**367.63**
Income statement										
Consolidated sales of products and services	630.77	730.15	968.99	976.59	1,041.74	602.39	550.94	589.81	700.66	716.89
Profit from ordinary activities before amortization of goodwill	12.24	17.27	21.68	22.13	11.94	-	-	-	-	-
Operating profit						17.83	18.99	14.50	23.79	25.05
Profit before tax	9.75	14.47	18.06	19.37	8.94	17.61	19.03	14.49	23.55	24.70
Profit/(loss) before amortization of goodwill	8.92	11.85	19.49	13.22	(4.48)	-	-	-	-	-
Profit/(loss) for the year	6.43	9.05	15.86	10.47	(7.48)	13.43	14.18	10.17	18.00	18.82
Cash flow [(a)]	14.48	15.22	26.11	32.50	22.57	8.16	21.99	20.19	32.05	32.15
Return on equity [(b)]	17%	19%	21%	22%	12%	21%	22%	16%	28%	29%

(a) Consolidated cash flow corresponds to profit/(loss) for the year + amortization/depreciation and impairment (of non-current assets, inventories and receivables) + provisions for contingencies and charges + amortization of goodwill (ordinary and exceptional) + exceptional impairment, provision charges and reversals – debt waivers.

(b) Return on equity corresponds to profit from ordinary activities before tax/equity as of December 31.

	BELGIAN GAAP					IFRS				
(in € millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Breakdown of revenue by business										
Products and Solutions	192	300	418	308	242	203	191	188	190	184
Managed Services	56	87	123	119	149	100	111	100	134	142
IT Financial Services	380	338	424	545	647	299	248	280	344	358
Telecom Services								22	33	33
Total	**628**	**725**	**965**	**972**	**1,038**	**602**	**550**	**590**	**701**	**717**
Breakdown of revenue by geographical region										
Belgium and Luxembourg	202	213	215	209	207	165	173	174	204	211
Netherlands and Germany	156	87	153	198	232	78	69	68	70	71
France	160	307	464	463	514	286	264	302	352	348
U.K.	27	23	29	18	9	8	9	5	7	8
Switzerland	58	58	36	21	22	-	-	-	-	-
Spain	11	9	13	20	38	17	13	20	30	49
U.S.A.	14	28	55	39	12	31	-	-	-	-
Italy	-	-	-	4	4	17	22	21	38	30
Total	**628**	**725**	**965**	**972**	**1,038**	**602**	**550**	**590**	**701**	**717**

	BELGIAN GAAP					IFRS				
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of shares (as of December 31)										
Ordinary shares	28,192,176	32,422,892	32,596,420	31,500,000	31,500,000	30,000,000	29,000,000	29,000,000	25,800,000	24,800,000
AFV (preferred shares)	0	0	0	0	0	0	0	0	0	0
Total	28,192,176	32,422,892	32,596,420	31,500,000	31,500,000	30,000,000	29,000,000	29,000,000	25,800,000	24,800,000
Free float	42.54%	49.21%	46.34%	44.70%	45.01%	43.19%	43.13%	40.15%	41.97%	40.38%
Per share data (in €)										
Net dividend (on ordinary shares)	0.038	0.053	0.075	0.075	0.075	0.112	0.12	0.15	0.18	0.18
Gross dividend (on ordinary shares)	0.05	0.07	0.10	0.10	0.10	0.15	0.16	0.20	0.24	0.24
Payout rate (c)	14%	16%	22%	22%	41%	33%	33%	58%	34%	32%
Profit from ordinary activities before amortization of goodwill	0.435	0.535	0.65	0.70	0.38	-	-	-	-	-
Recurring operating profit						NS	0.65	0.57	0.95	1.03
Operating profit						0.60	0.65	0.50	0.92	1.01
Profit before tax	0.345	0.445	0.555	0.61	0.28	0.59	0.66	0.50	0.91	1.00
Profit/(loss) before amortization of goodwill	0.318	0.388	0.585	0.42	(0.14)	-	-	-	-	
Profit/(loss) for the year	0.228	0.28	0.488	0.33	(0.24)	0.45	0.49	0.35	0.70	0.76
Consolidated cash flow	0.513	0.47	0.695	1.03	0.72	0.27	0.76	0.70	1.24	1.30
Equity attributable to shareholders of the parent company	2.023	2.29	2.593	2.77	2.31	2.77	3.02	3.04	3.23	3.41
Price/earnings (before goodwill)	26	9	9	9	N/A	-	-	-	-	
Price/earnings (after goodwill) (d)	36	12	11	11	N/A	13	13	19	11	8
Price/cash flow (d)	16.0	7.0	8.0	4.0	7.1	22	8	10	6	5
Net yield (e)	0.46%	1.57%	1.43%	2.00%	1.47%	1.93%	1.80%	2.25%	2.40%	2.80%
Gross yield (e)	0.61%	2.09%	1.91%	2.66%	1.96%	2.59%	2.42%	3.00%	3.20%	3.72%

(c) Payout rate = gross dividend/consolidated profit from ordinary activities after tax and before amortization of goodwill.
(d) Share price as of December 31/cash flow.
(e) Net or gross dividend/share price as of December 31.

	BELGIAN GAAP					IFRS				
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Stock market data (in €)										
Average share price	8.90	6.27	4.32	4.80	4.97	5.84	6.42	6.35	7.20	7.24
As of December 31	8.20	3.34	5.24	3.75	5.10	5.80	6.62	6.66	7.51	6.44
High	12.50	8.88	5.60	6.13	5.90	6.23	6.92	7.05	9.93	8.74
Low	5.63	3.34	2.68	2.50	3.90	5.03	5.70	5.09	6.69	5.02
Annual return (at end-December) (f)	42%	(58%)	59%	(27%)	38%	16%	16%	3%	15%	(11.85%)
Annual market return (g)	(7.20%)	(5.02%)	(4.91%)	(22.50%)	16.01%	38.19%	28.09%	26.17%	(1.95%)	(47.56%)
Annual trading volume (in units)	8,456,600	3,918,372	3,685,716	3,105,787	3,034,001	5,880,902	5,127,011	4,833,457	5,862,670	3,021,641
Average daily trading volume	38,440	15,680	14,624	12,318	11,992	22,994	19,903	19,098	22,991	11,850
Annual trading volume, in absolute value (in € millions)	78.52	25.66	14.93	14.92	14.68	34.32	32.61	30.99	46.61	21.70
Market capitalization as of December 31 (in € millions)	231.18	108.21	170.72	118.13	160.65	174	192	193	193	160
Listing market (h)	TSC	TC	TC	TC	TC	TC	TC	TC	TC	TC
Number of employees as of December 31	1,088	1,682	1,859	2,390	2,355	1,700	1,770	2,200	2,307	2,318

(f) Annual return = (change in share price as of December 31 relative to December 31 of the prior year + net dividend)/share price as of December 31 of the prior year.
(g) Return index (Belgian All Shares) of Euronext Brussels.
(h) Listing market = Brussels. SM = Second Marché from June 9, 1988; CSF = Marché au Comptant Simple Fixing from December 13, 1996;
CDF = Marché au Comptant Double Fixing from March 11, 1998; and TSC = Marché à Terme semi-continu from March 11, 1999.
The Econocom Group share has been listed on the Marché à terme continu (TC) since March 16, 2000.

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