press release

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Amsterdam
2 August 2004

Operational performance improves despite a hesitant ICT market

Getronics Q2 and Half-Year 2004 results

- Improved operational performance achieved in ongoing business, compared to Q2 2003
  - Gross margin improved to 17.6% in Q2 2004 compared to 17.0% in Q2 2003
  - EBITA increased by 31% to EUR 17 million in Q2 2004, representing 2.8% of revenue (Q2 2003: EUR 13 million, representing 1.9% of revenue, excluding exceptional items)
- Net result of EUR 4 million in Q2 2004, resulting in minus EUR 12 million for the first half year 2004
- EBITA per employee increased by 41% to EUR 787 in Q2 2004 compared to EUR 558 in Q2 2003
- Net cash of EUR 36 million (versus minus EUR 6 million at 31 December 2003)
- The balance sheet was strengthened: the solvency ratio improved to 30.2% (30 June 2003: 16.7% and 31 December 2003: 15.4%)
- Revenue declined due to the Company's focus on the quality of revenue, its strategy to de-emphasise product revenue, continuing pricing pressure, and currency impact
- Getronics's strategy is to defend and extend its market share through cost-leadership in its core business of Network and Desktop Outsourcing (NDOS). The company will accelerate its moves to provide a higher proportion of managed services from remote locations
- New commercial opportunities increased across the globe in the second quarter of 2004, but conversion to contracted revenue is expected to take at least another six to nine months. This is due to continuing economic uncertainty, particularly in Western Europe

CEO's Comment

Says Klaas Wagenaar, CEO of Getronics: "The operational performance of Getronics continues to improve despite a hesitant and highly competitive ICT market. Management has control of the Company's cost structure and we will maintain our efforts to achieve cost-leadership in our core business of Network and Desktop Outsourcing. As part of this cost-leadership strategy, Getronics will accelerate its moves to provide a higher proportion of managed services from remote locations, such as Mexico and Hungary.

With a renewed service offering portfolio and go-to-market model, a continuing focus on cost-effective and flexible global delivery, and a blue-chip client base that strongly appreciates our flexible high quality solutions, we believe that we will achieve further improvements in our operational performance in line with our EBITA improvement targets".

Management Overview

Getronics is continuing to execute against the strategy it articulated in Q4 2003:

- establish the Company as 'best in class' for its portfolio of market-relevant solutions and services and strengthen its delivery capability across all major geographies
- build and capitalise on its key international clients, building the volume and range of business with them
- increase the depth of collaboration with strategic alliances by capitalising on established relationships
- optimise its own systems and processes

Getronics's strategy is to defend and extend its market share through cost-leadership in its core business of Network and Desktop Outsourcing (NDOS).

Getronics will achieve its strategic objectives and performance targets by driving local business as efficiently and effectively as possible, leveraging our global alliances and local partners, and by using the Company's international network to leverage and optimise the business model. The Company's own global ICT infrastructure will be further consolidated to provide a more effective set of tools and processes to run both the Company and deliver services to clients across the globe.

The Company is well positioned to support clients as they seek to optimise their workforce and demand solutions that reduce high on-site activity to more remotely delivered services supported by the latest technology. The Company continues to invest in developing its remote services capacity to enable it to provide a higher proportion of remote services to its clients. The Mexico Getronics Service Centre (GSC) now has over 250 employees and the Hungarian location will be functioning with an initial staff of approximately 50 employees by early Q4 2004.

The Company is also investing in its ability to deliver its market-relevant portfolio of solutions and services across all major geographies. The portfolio comprises:

- network and desktop outsourcing
- security
- converged communications
- enterprise content management
- mobility
- server, storage, and network integration
- application integration and management

The seven solutions are closely integrated and enable Getronics to deliver a comprehensive range of Information and Communication Technology (ICT) solutions that can be flexibly purchased and delivered. We have received positive reactions from clients, industry analysts and our strategic alliance partners to the solutions portfolio launched in the first half of 2004. Combined with our best-in-class service delivery, this clearly validates our global leadership position in the Network and Desktop Outsourcing business (source: IDC NDOS survey). The Company will launch an international marketing campaign around selected solutions within its global portfolio in September 2004.

During the first half year of 2004, Getronics commissioned Gartner Group, leading industry analysts, to conduct a customer satisfaction survey of its top 100 clients for the third year. The survey confirmed continuing high levels of customer satisfaction with the services Getronics provides.

The Company is making good progress in building the volume and range of business undertaken for its international accounts. Cross-selling activities are beginning to produce new opportunities with these clients. Relationships with our three strategic alliances, Cisco, Dell and Microsoft continue to develop well.

During the first half year, the Company was able to renew all material managed services contracts within the planned margin range, and closed a variety of new mid-sized outsourcing deals. As a result the Company was able to maintain and strengthen its market position within the overall managed ICT solutions and services market compared to a year ago.

New commercial opportunities increased across the globe in the second quarter of 2004, but conversion to contracted revenue is expected to take at least another six to nine months. This is due to continuing economic uncertainty, particularly in Western Europe, as well as budget cuts within central governments (e.g. The Netherlands, Belgium and Italy).

Outlook

Getronics believes that the global ICT market will remain highly competitive leading to continuing pricing pressure. The Company will, therefore, continue to focus on cost-leadership, quality of revenue, and improvements in operational effectiveness through system and process standardisation as well as cost-discipline, to improve operational performance.

Getronics's strategy is to defend and extend its market share through cost-leadership in its core business of Network and Desktop Outsourcing (NDOS). Getronics believes it is in a good position to further improve operational results and remain a respected global leader in managed ICT services and solutions, despite challenging market conditions. The Company has strengthened its balance sheet, put productivity improvement actions in place to scale delivery and leverage its global footprint, will further consolidate its own internal ICT systems and processes, and will launch a marketing campaign to promote its renewed service offering portfolio and go-to-market model.

Due to the customary seasonality of the ICT industry in Europe, EBITA for Q3 2004 is expected to be lower than for Q2 2004. However, Getronics expects to see a further improvement in EBITA for the full year 2004 in line with its EBITA improvement targets, barring unforeseen developments.

Overview of Financial results

Consolidated

Consolidated revenue for Q2 amounted to EUR 602 million resulting in EUR 1,188 million for the first half year 2004 (Q2 2003: EUR 699 million and first half 2003: EUR 1,363 million). The decline in Q2 compared to last year is a result of continuing pricing pressure, the divestment of company activities in 2003, the strengthening of the Euro and a continuing focus on the quality of revenue.

Reconciliation Ongoing* Business

(in millions of euros)	1st half year 2004			1st half year 2003		
	Ongoing	Divested	Consolidated	Ongoing	Divested	Consolidated
Revenue	**1,188**	-	**1,188**	1,311	52	1,363
Gross profit (excluding exceptional operating items)	**206**	-	**206**	207	25	232
Selling expenses, general and administrative expenses (excluding exceptional operating items)	**-182**	-	**-182**	-208	-12	-220
EBITA (excluding exceptional operating items)	**24**	-	**24**	-1	13	12
Exceptional operating items			-			-62
EBITA			**24**			-50
Amortisation and impairment of goodwill			**-20**			-21
Operating result			**4**			-71

* The current operations of the company, excluding divested operations (in particular, Getronics Human Resource Solutions in May last year)

Ongoing business

Total Getronics ongoing

	2004		2003		Change		Change at constant rates	
(in millions of euros, unless stated otherwise)	**Q2**	**1H**	Q2	1H	Q2	1H	Q2	1H
Revenue	**602**	**1,188**	678	1,311	-11%	-9%	-10%	-8%
Service revenue	**441**	**878**	495	951	-11%	-8%	-10%	-5%
Product revenue	**161**	**310**	183	360	-12%	-14%	-12%	-13%
Gross profit *	**106**	**206**	115	207	-8%	0%	-6%	2%
Service gross profit *	**88**	**170**	93	165	-5%	3%	-4%	6%
Selling, general and administrative expenses *	**-89**	**-182**	-102	-208	-13%	-13%	-11%	-11%
EBITA *	**17**	**24**	13	-1	4	25	4	26
Average number of employees (in FTE)	**21,590**	**21,676**	23,314	23,511	-7%	-8%		
Ratios								
Service revenue/revenue	**73.3%**	**73.9%**	73.0%	72.5%				
Gross profit/revenue	**17.6%**	**17.3%**	17.0%	15.8%				
EBITA/revenue	**2.8%**	**2.0%**	1.9%	-0.1%				
Average 12 months DSO (in days)	**81**	**81**	91	91	-10	-10	-10	-16
Service gross profit/average number of employees (in euro)	**4,076**	**7,843**	3,989	7,018	2%	12%	3%	15%
EBITA/average number of employees (in euro)	**787**	**1,107**	558	-43	229	1,150	229	1,192

* excluding exceptional operating items

Ongoing revenue for Q2 2004 declined compared to last year by 11%, due to the Company's focus on the quality of revenue, currency impact, longer conversion times from contract into revenue recognition, and continuing pricing pressure. Service revenue Q2 2004 compared to last year declined on a constant basis by 10%, whereas product revenue declined by 12%. The product-service ratio in Q2 2004 compared to last year increased slightly with service now representing 73.3% of total revenue (Q2 2003: 73.0%). Although ongoing revenue declined in both quarters, Getronics was able to continue to improve both gross margin (from 17.0% in Q2 2003 to 17.6% in Q2 2004) and EBITA (from 1.9% in Q2 2003 to 2.8% in Q2 2004).

Selling, general and administrative expenses decreased in Q2 compared to last year by 13% to EUR 89 million, resulting in a total of EUR 182 million for the first half year (Q2 2003 EUR 102 million; first half 2003: EUR 208 million, excluding exceptional operating items).

Ongoing EBITA for Q2 2004 amounted to EUR 17 million (increase of 31% compared to EUR 13 million in Q2 2003) resulting in EUR 24 million for the first half year 2004 (first half 2003: minus EUR 1 million).

Balance Sheet

During the first half of 2004, the Company fully redeemed its 2008 Installment Bonds using the net proceeds of the successful institutional share offer of 100 million shares at EUR 2.40 per share. Furthermore, the Company paid the accumulated dividend over the years 2001, 2002 and 2003 amounting to EUR 40 million to its cumulative preference shareholders in Q2.

	30 June 2004	30 June 2003	31 December 2003
Working capital (excl. cash)	**-112**	-134	-282
Capital employed (excl. cash)	**-21**	11	-178
Interest bearing debt	**201**	339	435
Net cash/(debt)	**36**	-125	-6
Solvency	**30.2%**	16.7%	15.4%
Net debt/group equity	**-7.0%**	38.9%	2.0%

The Company signed a new 3-year credit facility of EUR 175 million consisting of a EUR 100 million Revolving Tranche for general corporate purposes and a EUR 75 million Term Tranche for acquisitions, replacing the previous credit facility of EUR 100 million. In May, Getronics bought back 5.5 million ordinary shares (representing just over 1% of outstanding ordinary shares) in the open market, at an average price of EUR 2.14 per share, to enable the Company, in accordance with its policy, to cover 25% of the options granted in 2003 and 50% of the options granted in 2004. At the end of June 2004, the number of outstanding ordinary shares was approximately 503.8 million.

The Company had EUR 36 million net cash at the end of the first half of 2004, compared to minus EUR 6 million at the end of 2003.

A preliminary reassessment of deferred tax asset valuation has identified the potential for a one-time non-cash release, in the profit and loss account, in the range of EUR 10-15 million. A final assessment of the scope and validity of such a one-time non-cash tax benefit is expected by the end of Q3.

Cash flow

The Company was able to generate a positive cash flow from operating activities of EUR 59 million in Q2 2004 (Q2 2003: EUR 42 million). Getronics was able to improve DSO (Days Sales Outstanding) to 81 in Q2 2004 compared to 84 in Q1 2004.

At 30 June 2004, cash and cash equivalents are EUR 237 million compared to EUR 214 million at 30 June 2003 and EUR 429 million at 31 December 2003. During the first half of 2004, the Company fully redeemed its 2008 Installment Bonds and paid the accumulated dividend over the years 2001, 2002 and 2003 amounting to EUR 40 million to its cumulative preference shareholders.

Human Resources

The average number of employees (full-time employees: FTE) declined substantially during the first half year 2004 to 21,676 (first half 2003: 23,511, a reduction of 7.8%). Management will continue to work on increasing productivity and optimising the balance between market demand and production capacity. The Company expects the usage of remote services by new and existing clients to increase and part of the workforce will be redeployed from on-site to local remote services.

A number of key management positions at both subsidiary and corporate level have been strengthened during the first half year to reinforce performance improvement activities.

IFRS

The Company has examined the implications of IFRS accounting standards applicable from 2005 onwards. IFRS has an influence on the way financial figures are presented but the business fundamentals of the Company remain unchanged. The anticipated impact on revenue is zero. It is anticipated that there will be less pension costs, elimination of goodwill amortisation, a charge for stock options, and an increase in financial expenses due to the recognition of interest on the cumulative preference shares and additional interest on the convertible bonds. It is anticipated that the operating and net result impact on both a half year and full year basis will be modestly positive. Equity will be negatively impacted by the reclassification of cumulative preference shares as debt and through recognising the net actuarial loss on defined benefit pension plans, on first adoption of IFRS accounting standards.

Geographic developments

The various ICT markets continued to be challenging and recovery in the economies of continental Europe has been slower than expected. This has led to low rates of conversion to contracted revenue.

Europe and Middle East ongoing

Total Europe and Middle East ongoing

	2004		2003		Change		Change at constant rates	
(in millions of euros, unless stated otherwise)	**Q2**	**1H**	Q2	1H	Q2	1H	Q2	1H
Revenue	**435**	**851**	495	946	-12%	-10%	-12%	-10%
Service revenue	**304**	**601**	345	653	-12%	-8%	-12%	-8%
Product revenue	**131**	**250**	150	293	-13%	-15%	-12%	-14%
Gross profit *	**75**	**141**	76	135	-1%	4%	-3%	4%
Service gross profit *	**61**	**114**	59	103	3%	11%	3%	11%
Selling, general and administrative expenses *	**-57**	**-119**	-67	-138	-15%	-14%	-16%	-14%
EBITA *	**18**	**22**	9	-3	9	25	9	25
Average number of employees (in FTE)	**14,552**	**14,639**	16,123	16,352	-10%	-10%		
Ratios								
Service revenue/revenue	**69.9%**	**70.6%**	69.7%	69.0%				
Gross profit/revenue	**17.2%**	**16.6%**	15.4%	14.3%				
EBITA/revenue	**4.1%**	**2.6%**	1.8%	-0.3%				
Average 12 months DSO (in days)	**89**	**89**	105	105	-16	-16	-16	-16
Service gross profit/average number of employees (in euro)	**4,192**	**7,787**	3,659	6,299	15%	24%	15%	24%
EBITA/average number of employees (in euro)	**1,237**	**1,503**	558	-183	679	1,686	679	1,686

* excluding exceptional operating items

Service revenue in Q2 was 12% less than last year. EBITA at EUR 18 million for Q2 2004 doubled compared to last year, EBITA per average employee increased to EUR 1,237 from EUR 558 last year. The Netherlands, Belgium & Luxembourg, France, Spain and the UK performed on target in stabilising, but hesitant markets. Although the competitive market environment in Italy remained difficult, with slow ICT investments and continuing price pressure, operating performance improved significantly. EBITA in Italy was minus EUR 3 million in Q1 2004 and breakeven in Q2 2004 compared to the respective quarters of last year (minus EUR 17 million and minus EUR 27 million).

North America

North America ongoing

(in millions of euros, unless stated otherwise)	2004 Q2	2004 1H	2003 Q2	2003 1H	Change Q2	Change 1H	Change at constant rates Q2	Change at constant rates 1H
Revenue	**103**	**210**	111	224	-7%	-6%	-1%	3%
Service revenue	**97**	**192**	103	206	-6%	-7%	1%	3%
Product revenue	**6**	**18**	8	18	-25%	0%	-25%	6%
Gross profit *	**23**	**46**	25	47	-8%	-2%	0%	10%
Service gross profit *	**22**	**43**	24	45	-8%	-4%	-4%	7%
Selling, general and administrative expenses *	**-16**	**-32**	-17	-36	-6%	-11%	0%	0%
EBITA *	**7**	**14**	8	11	-1	3	-	4
Average number of employees (in FTE)	**3,762**	**3,780**	3,878	3,865	-3%	-2%		
Ratios								
Service revenue/revenue	**94.2%**	**91.4%**	92.8%	92.0%				
Gross profit/revenue	**22.3%**	**21.9%**	22.5%	21.0%				
EBITA/revenue	**6.8%**	**6.7%**	7.2%	4.9%				
Average 12 months DSO (in days)	**40**	**40**	44	44	-4	-4	-3	-3
Service gross profit/average number of employees (in euro)	**5,848**	**11,376**	6,189	11,643	-6%	-2%	-1%	10%
EBITA/average number of employees (in euro)	**1,861**	**3,704**	2,063	2,846	-202	858	56	1,117

* excluding exceptional operating items

Revenue in North America amounted to EUR 103 million in Q2 2004 (Q2 2003: EUR 111 million). At constant rates, service revenue in Q2 2004 improved by 1% compared to last year. The overall economy in North America is doing well, however the ICT services market remains hesitant. This, combined with fierce competition from US based global and local competitors, leads to continuing pricing pressure. In order to respond to this margin erosion trend, the Company has accelerated the re-engineering of its delivery model for Global Remote Services.

EBITA margin in Q2 2004 remained at a high level of 6.8%. Service revenue as part of total revenue increased to 94.2% compared to 92.8% in Q2 2003. North America continued to perform well in the first half year, maintaining high customer satisfaction rates.

Rest of the World

Rest of the World ongoing

(in millions of euros, unless stated otherwise)	**2004 Q2**	**2004 1H**	2003 Q2	2003 1H	Change Q2	Change 1H	Change at constant rates Q2	Change at constant rates 1H
Revenue	**64**	**127**	72	141	-11%	-10%	-11%	-9%
Service revenue	**40**	**85**	47	92	-15%	-8%	-15%	-7%
Product revenue	**24**	**42**	25	49	-4%	-14%	-4%	-12%
Gross profit *	**8**	**19**	14	25	-43%	-24%	-36%	-20%
Service gross profit *	**5**	**13**	10	17	-50%	-24%	-50%	-24%
Selling, general and administrative expenses *	**-10**	**-21**	-11	-22	-9%	-5%	10%	5%
EBITA *	**-2**	**-2**	3	3	-5	-5	-6	-6
Average number of employees (in FTE)	**3,193**	**3,177**	3,202	3,175	0%	0%		
Ratios								
Service revenue/revenue	**62.5%**	**66.9%**	65.3%	65.2%				
Gross profit/revenue	**12.5%**	**15.0%**	19.4%	17.7%				
EBITA/revenue	**-3.1%**	**-1.6%**	4.2%	2.1%				
Average 12 months DSO (in days)	**75**	**75**	72	72	3	3	3	3
Service gross profit/average number of employees (in euro)	**1,566**	**4,092**	3,123	5,354	-50%	-24%	-50%	-24%
EBITA/average number of employees (in euro)	**-626**	**-630**	937	945	-1,563	-1,575	-1,875	-1,890

* excluding exceptional operating items

The activities of Getronics in the Rest of the World relate to Asia Pacific and Latin America. Revenue in the Rest of the World amounted to EUR 64 million in Q2 2004 (Q2 2003: EUR 72 million). Service revenue declined 15% in Q2 2004 compared to Q2 2003. Latin America performed reasonably well, showing both service revenue and EBITA growth. In Asia Pacific, Australia, Singapore, Hong Kong and Malaysia performed on target. In mainland China, the Company is investing in the expected ICT services growth and is aiming to double its presence in the coming two years. Service revenue margins in Asia Pacific were negatively impacted by a one-off charge on capitalised software in Japan. As a result, EBITA for the region declined to a loss of EUR 2 million in Q2 2004 compared to positive EBITA at EUR 3 million in Q2 2003 and breakeven in Q1 2004.

Developments per Business Line

Recurring ICT Solutions and Services

Getronics's core business in Network and Desktop Outsourcing Services (NDOS) is seen as recurring, with a contract length averaging 2.5 years. Due to continuing high levels of client satisfaction, the Company has been able to maintain a renewal rate of more than 90%. NDOS services can be performed either directly on the customer site, or remotely through Getronics Enterprise Service Centres.

Although many large enterprises strive to achieve direct cost savings by outsourcing their ICT infrastructure, this market segment is characterised by fierce competition and ongoing price pressure. In order to safeguard gross margins, Getronics is permanently evaluating efficiency in Managed Services delivery through the use of near-shore service centres in countries such as Mexico and Hungary.

Recurring ICT Solutions and Services ongoing

	2004		2003		Change		Change at constant rates	
(in millions of euros, unless stated otherwise)	**Q2**	**1H**	Q2	1H	Q2	1H	Q2	1H
Recurring ICT Solutions and Services revenue	**352**	**694**	391	747	-10%	-7%	-9%	-5%
Recurring ICT Solutions and Services gross profit *	**75**	**139**	67	133	12%	5%	12%	8%
Recurring ICT Solutions and Services gross margin	**21.3%**	**20.0%**	17.1%	17.8%				

* excluding exceptional operating items

ICT Projects

Projects in first half year 2004 have been limited, and consisted predominantly of system upgrades to existing infrastructures and system and application migrations to generate cost savings. With the exception of investments in security, new technologies like Voice over IP and Wireless Technology are being carefully evaluated by large enterprises, but not yet being implemented on a large scale.

ICT Projects ongoing

	2004		2003		Change		Change at constant rates	
(in millions of euros, unless stated otherwise)	**Q2**	**1H**	Q2	1H	Q2	1H	Q2	1H
ICT Projects revenue	**89**	**184**	104	204	-14%	-10%	-15%	-8%
ICT Projects gross profit *	**13**	**31**	26	32	-50%	-3%	-48%	0%
ICT Projects gross margin	**14.6%**	**16.8%**	25.0%	15.7%				

* excluding exceptional operating items

Products

Product revenue declined, due to a combination of the Company's strategy to de-emphasise non-strategic product revenue, currency impact, and price erosion.

Products ongoing

(in millions of euros, unless stated otherwise)	2004 Q2	2004 1H	2003 Q2	2003 1H	Change Q2	Change 1H	Change at constant rates Q2	Change at constant rates 1H
Product revenue	**161**	**310**	183	360	-12%	-14%	-12%	-13%
Product gross profit *	**18**	**36**	22	42	-18%	-14%	-14%	-15%
Product gross margin	**11.2%**	**11.6%**	12.0%	11.7%				

* excluding exceptional operating items

Total business lines

Total ongoing

(in millions of euros, unless stated otherwise)	2004 Q2	2004 1H	2003 Q2	2003 1H	Change Q2	Change 1H	Change at constant rates Q2	Change at constant rates 1H
Revenue	**602**	**1,188**	678	1,311	-11%	-9%	-10%	-8%
Gross profit *	**106**	**206**	115	207	-8%	0%	-6%	2%
Gross margin	**17.6%**	**17.3%**	17.0%	15.8%				

* excluding exceptional operating items

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CONSOLIDATED INCOME STATEMENT

(in millions of euros, unless stated otherwise)

	2004			2003		
	Q2	**Q1**	**1st half year**	**Q2**	**Q1**	**1st half year**
Revenue ongoing	**602**	**586**	**1,188**	678	633	1,311
Revenue divestments	**-**	**-**	**-**	21	31	52
Total revenue	**602**	**586**	**1,188**	699	664	1,363
Cost of sales ongoing	**-496**	**-486**	**-982**	-563	-541	-1,104
Cost of sales divestments	**-**	**-**	**-**	-12	-15	-27
Cost of sales exceptional	**-**	**-**	**-**	-32	-	-32
Total cost of sales	**-496**	**-486**	**-982**	-607	-556	-1,163
Gross profit ongoing	**106**	**100**	**206**	115	92	207
Gross profit divestments	**-**	**-**	**-**	9	16	25
Gross profit exceptional	**-**	**-**	**-**	-32	-	-32
Total gross profit	**106**	**100**	**206**	92	108	200
Operating expenses						
Seling expenses ongoing	**-46**	**-41**	**-87**	-44	-47	-91
General and administrative expenses ongoing	**-43**	**-52**	**-95**	-58	-59	-117
Amortisation of goodwill ongoing	**-10**	**-10**	**-20**	-13	-8	-21
Operating expenses ongoing	**-99**	**-103**	**-202**	-115	-114	-229
Operating expenses divestments	**-**	**-**	**-**	-6	-6	-12
Operating expenses exceptional	**-**	**-**	**-**	-23	-7	-30
	-99	**-103**	**-202**	-144	-127	-271
Operating result ongoing	**7**	**-3**	**4**	-	-22	-22
Operating result divestments	**-**	**-**	**-**	3	10	13
Operating result exceptional	**-**	**-**	**-**	-55	-7	-62
Total operating result	**7**	**-3**	**4**	-52	-19	-71
Financial income and expenses	**-3**	**-15**	**-18**	-6	-6	-12
Exceptional financial income and expenses	**-**	**-**	**-**	-10	-13	-23
Total financial income and expenses	**-3**	**-15**	**-18**	-16	-19	-35
Result before taxes	**4**	**-18**	**-14**	-68	-38	-106
Income taxes	**-**	**-3**	**-3**	-9	-	-9
Exceptional income taxes	**-**	**-**	**-**	83	-	83
Total income taxes	**-**	**-3**	**-3**	74	-	74
Result from divested operations and participations (net of income taxes)	**-**	**5**	**5**	262	-1	261
Result after taxes	**4**	**-16**	**-12**	268	-39	229
Minority interests	-	**-**	**-**	1	-	1
Net result	**4**	**-16**	**-12**	269	-39	230

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EARNINGS PER SHARE

(in millions of euros, unless stated otherwise)

	2004 1st half year		2003 1st half year
Net result	**-12**		230
Dividend on cumulative preference shares	**-6**		-6
Net result applicable to holders of ordinary shares	**-18**		224
Add back: amortisation of goodwill	**20**		21
Net result before amortisation of goodwill applicable to holders of ordinary shares	**2**		245
Net result per ordinary share of € 0.04 nominal value (in euros)			
- Basic	**-0.04**		0.55
- Fully diluted	**-0.04**	1)	0.55
Net result before amortisation of goodwill per ordinary share of € 0.04 nominal value (in euros)			
- Basic	**0.00**		0.60
- Fully diluted	**0.00**	2)	0.60
Net result before amortisation of goodwill, exceptional items and result from divested operations and participations per ordinary share of € 0.04 nominal value (in euros)			
- Basic	**-0.01**		-0.03
- Fully diluted	**-0.01**	1)	-0.03

1) The convertible bond and employee options are not treated as dilutive, because their conversion to ordinary shares would decrease the net loss per ordinary share.

2) The convertible bond is not treated as dilutive, because its conversion to ordinary shares would increase the net result per ordinary share.

CONSOLIDATED BALANCE SHEET

(in millions of euros, unless stated otherwise)

	30 June 2004		30 June 2003		31 December 2003	
Assets						
Fixed assets						
Intangible fixed assets	**586**		630		606	
Tangible fixed assets	**90**		119		100	
Financial fixed assets	**136**		84		140	
Total fixed assets		**812**		833		846
Current assets						
Inventories [1]	**37**		55		36	
Trade receivables	**401**		525		464	
Other receivables [1]	**216**		290		178	
Cash	**237**		214		429	
Total current assets		**891**		1,084		1,107
Total assets		**1,703**		**1,917**		**1,953**
Equity and liabilities						
Group equity						
Shareholders' equity	**512**		320		299	
Minority interests	**2**		1		2	
Total group equity		**514**		321		301
Provisions						
Employee benefit plans	**122**		155		126	
Restructuring	**30**		56		54	
Other provisions	**73**		75		77	
Total provisions		**225**		286		257
Long-term debt						
Subordinated loans	**-**		221		195	
Other loans	**199**		80		135	
Total long-term debt		**199**		301		330
Current liabilities						
Short-term debt	**2**		38		105	
Trade creditors	**274**		326		323	
Other liabilities [1]	**489**		645		637	
Total current liabilities		**765**		1,009		1,065
Total equity and liabilities		**1,703**		**1,917**		**1,953**
Working capital (excl. cash)		**-112**		-134		-282
Capital employed (excl. cash)		**-21**		11		-178
Interest bearing debt		**201**		339		435
Net cash/(debt)		**36**		-125		-6
Solvency [1]		**30.2%**		16.7%		15.4%
Net debt/group equity		**-7.0%**		38.9%		2.0%

[1] Adjusted in 2003 for comparison purposes due to reclassification of WIP to other receivables / other payables

CONSOLIDATED CASH FLOW STATEMENT

(in millions of euros)

	2004			2003		
	Q2	**Q1**	**1st half year**	**Q2**	**Q1**	**1st half year**
Cash flow (used in)/provided by operating activities						
Operating result	**7**	**-3**	**4**	-52	-19	-71
Depreciation	**11**	**11**	**22**	16	15	31
Amortisation of goodwill	**10**	**10**	**20**	13	8	21
Exceptional operating items	**-**	**-**	**-**	55	7	62
Operating result before depreciation, amortisation of goodwill and exceptional operating items	**28**	**18**	**46**	32	11	43
Restructuring payments	**-10**	**-14**	**-24**	-24	-18	-42
Decrease in provisions	**-**	**-8**	**-8**	-4	-3	-7
Decrease/(increase) in inventories [1]	**1**	**-2**	**-1**	8	1	9
Decrease/(increase) in trade receivables [1]	**44**	**-7**	**37**	70	24	94
(Decrease)/increase in trade creditors	**18**	**-77**	**-59**	27	-108	-81
Increase in other receivables and payables [1]	**-18**	**-82**	**-100**	-6	-41	-47
Cash flow provided by operations	**63**	**-172**	**-109**	103	-134	-31
Ordinary financial income and expenses	**-5**	**-23**	**-28**	-49	-7	-56
Exceptional financial expenses	**-**	**-1**	**-1**	-12	-4	-16
Income taxes	**1**	**-4**	**-3**	-	-	-
Other operational (payments)/receipts	**-4**	**-28**	**-32**	-61	-11	-72
Cash flow (used in)/provided by operating activities	**59**	**-200**	**-141**	42	-145	-103
Cash flow (used in)/provided by investing activities						
Disposal of group companies	**-**	**4**	**4**	257	12	269
Additions to tangible fixed assets	**-6**	**-5**	**-11**	-3	-12	-15
Additions to financial fixed assets	**-3**	**-**	**-3**	-1	-6	-7
Disposals of tangible fixed assets	**-**	**-**	**-**	-	1	1
Disposals of financial fixed assets	**4**	**5**	**9**	11	-	11
Cash flow (used in)/provided by investing activities	**-5**	**4**	**-1**	264	-5	259
Cash flow (used in)/provided by financing activities						
Proceeds from issuance of new shares	**-1**	**234**	**233**	-	-	-
Purchase of own shares	**-12**	**-**	**-12**	-	-	-
Dividend payments	**-40**	**-**	**-40**	-	-	-
Repayment of subordinated loans	**-**	**-250**	**-250**	-270	-	-270
Proceeds from issuance/(repayment) of other long-term loans	**66**	**-1**	**65**	-2	5	3
Proceeds from issuance/(repayment) of short-term loans	**-10**	**-39**	**-49**	-22	58	36
Cash flow (used in)/provided by financing activities	**3**	**-56**	**-53**	-294	63	-231
Opening cash balance	**180**	**429**	**429**	205	296	296
Increase/(decrease) in cash	**57**	**-252**	**-195**	12	-87	-75
Exchange rate differences	**-**	**3**	**3**	-3	-4	-7
Closing cash balance	**237**	**180**	**237**	214	205	214

[1] Adjusted for comparison purposes due to reclassification of WIP to other receivables / other payables

Notes

The accounting policies applied are unchanged compared to the year 2003. As the Company undertook extensive restructuring in 2003, certain items were classified as exceptional in 2003. Since 2004, the use of exceptional items has ceased. Working capital is presented excluding cash. Cash is inclusive of securities, which may be considered to be investments of a highly marketable nature. The data included in this report is unaudited. All amounts included in this report are stated in millions of euros, unless stated otherwise.

Equity Development

EQUITY (in millions of euros)	**30 June 2004**	**30 June 2003**	**31 December 2003**
Beginning of period	**299**	122	122
Share issue	**240**	-	-
Purchase own shares	**-12**	-	-
Share issue costs	**-7**	-	-1
Income tax charge relating to conversion of subordinated convertibles	**-**	-28	-28
Dividend payable to cumulative preference shareholders	**-**	-	-40
Currency translation differences	**4**	-4	-
Net result for the year	**-12**	230	246
End of period	**512**	320	299

Due to the net loss in the first half year 2004, no cumulative preference dividend has been provided for.

Segment information

REVENUE	1st half year 2004	1st half year 2003
Getronics ongoing		
Netherlands	**321**	344
Italy	**140**	162
Iberia	**124**	145
Other Europe and Middle East	**266**	295
Total Europe and Middle East	**851**	946
North America	**210**	224
Rest of World	**127**	141
Corporate	**-**	-
Total Getronics ongoing	**1,188**	1,311
Divestments		
Netherlands	**-**	42
Italy	**-**	8
Other	**-**	2
Total divestments	**-**	52
Total Getronics	**1,188**	**1,363**

GROSS PROFIT	1st half year 2004	1st half year 2003
Getronics ongoing		
Netherlands	**64**	54
Italy	**15**	-9
Iberia	**19**	15
Other Europe and Middle East	**43**	45
Total Europe and Middle East	**141**	105
North America	**46**	47
Rest of World	**19**	23
Corporate	**-**	-
Total Getronics ongoing	**206**	175
Divestments		
Netherlands	**-**	24
Italy	**-**	1
Other	**-**	-
Total divestments	**-**	25
Total Getronics	**206**	**200**

OPERATING RESULT	1st half year 2004	1st half year 2003
Getronics ongoing		
Netherlands	**14**	-11
Italy	**-3**	-44
Iberia	**6**	5
Other Europe and Middle East	**5**	3
Total Europe and Middle East	**22**	-47
North America	**14**	11
Rest of World	**-2**	-3
Corporate	**-10**	-24
Getronics ongoing	**24**	-63
Divestments		
Netherlands	**-**	13
Italy	**-**	-
Other	**-**	-
Divestments	**-**	13
Total EBITA	**24**	**-50**
Amortisation and impairment of goodwill	**-20**	-21
OPERATING RESULT (EBIT)	**4**	**-71**

DEPRECIATION	1st half year 2004	1st half year 2003
Getronics ongoing		
Netherlands	**6**	8
Italy	**3**	5
Iberia	**1**	2
Other Europe and Middle East	**4**	5
Total Europe and Middle East	**14**	20
North America	**4**	6
Rest of World	**2**	2
Corporate	**2**	2
Getronics ongoing	**22**	30
Divestments		
Netherlands	**-**	1
Italy	**-**	-
Other	**-**	-
Divestments	**-**	1
Total Getronics	**22**	**31**

AVERAGE NUMBER OF EMPLOYEES	1st half year 2004	1st half year 2003
Getronics ongoing		
Netherlands	**4,868**	5,781
Italy	**2,551**	2,627
Iberia	**3,202**	3,530
Other Europe and Middle East	**4,018**	4,414
Total Europe and Middle East	**14,639**	16,352
North America	**3,780**	3,865
Rest of World	**3,177**	3,175
Corporate	**80**	119
Total Getronics ongoing	**21,676**	23,511
Divestments		
Netherlands	**-**	451
Italy	**-**	131
Other	**-**	115
Total divestments	**-**	697
Total Getronics	**21,676**	**24,208**

Caution regarding forward-looking statements

Certain statements contained in this announcement are ‘forward-looking statements’. These forward-looking statements are subject to risk, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by them. Important factors that could cause actual results to differ materially from the information set forth in any forward-looking statements include, but are not limited to
(i) conditions in the ICT market (ii) general economic conditions (iii) performance of the financial markets (iv) interest level rates (v) currency exchange rates (vi) competitive factors on a global, national and/or regional basis (vii) amendment of legislation and/or regulation(s). Many of these factors are beyond the Company’s ability to control or predict. Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statement.

Updated Company Presentation

Today, Getronics will also publish an **updated** Company presentation on its website: www.getronics.com. Getronics will publish its Q3 trading update 2004 on Monday 1 November 2004.

About Getronics

With approximately 22,000 employees in over 30 countries and ongoing revenues of EUR 2.6 billion in 2003, Getronics is one of the world's leading providers of vendor independent Information and Communication Technology (ICT) solutions and services. Getronics today combines the capabilities of the original Dutch company with those of Wang Global, acquired in 1999, and of the systems and services division of Olivetti. Getronics is ranked second worldwide in network and desktop outsourcing and fourth worldwide in network consulting and integration (Source: IDC 2002-2003). Getronics designs, integrates and manages ICT infrastructures and business solutions for many of the world's largest global and local companies and organisations, helping them maximise the value of their information technology investments. Getronics's headquarters are in Amsterdam, with regional offices in Boston and Singapore. Getronics's shares are traded on Euronext Amsterdam ('GTN').

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