2009 Annual report

Today's workplace is changing It's anytime anywhere

econocom
mobility on demand


Today's workplace
is changing
It's anytime
anywhere

Anytime, anywhere is now a reality!

For companies and organizations, mobility provides an undeniable head start. Now considered an extension of the corporate information system when away from the office, mobility represents a new source of performance.

Built into business processes, mobility affects all activities and all functions. It supports commercial, logistical and technical departments as well as all management and back-office teams. More generally, it is beneficial for all active people who have adapted their working style to cope with the need to be highly available, flexible and responsive.

Mobile environment: advanced collaborative tools that provide access to your work space whether you are on the move or at a remote location.

In a difficult economic environment, mobility solutions offer an answer to the evolution and development needs of organizations. They represent a key resource in their search to enhance productivity and competitiveness.
That is why it has become crucial for companies to implement the right strategies and resources designed to meet the requirements of this mobile world.

Econocom, a leader in IT and telecom convergence, is geared towards helping its clients to acquire, implement, manage and develop solutions designed to make their information systems accessible remotely.

Today's workplace
is changing
It's anytime
anywhere

Contents

Group profile

A specialist in the management of IT and telecom infrastructures for businesses, Econocom is a services company with a substantial market presence that ranks it among the leaders in its field.

Present in 8 European countries* and in Morocco, Econocom stands out from its competitors by offering the **combined IT and telecom expertise associated with its four complementary businesses:** IT products and solutions, managed services for distributed infrastructures (outsourcing, maintenance and consulting), telecom services and administrative and financial management of ICT assets.

More than **25 years** of experience

€**759 million** in revenue

€**28.7 million**
in recurring operating profit

2,266 employees including
1,600 engineers and technicians

Thanks to these skills, Econocom can design and implement **innovative solutions** that draw on all its different skill sets to address the needs of company management seeking to gain increased control over their infrastructures and **take up the challenge of mobility.**

United around its **five values,** the foundation of its corporate culture, its complementary businesses and customized offerings, Econocom **continues its dynamic growth,** overcoming one by one the steps that will lead to the success of its **Horizon 2012** five-year strategic plan.

The Econocom Group share is listed on the Euronext market of Brussels.

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

Interview with **Jean-Louis Bouchard**

Chairman of Econocom

"Much more than its remarkable resilience, Econocom has demonstrated truly dynamic performance throughout the year"

How did Econocom perform in the difficult economic climate of 2009?

Given the crisis that left no sector of activity unscathed, I'm proud to say that once again, much more than its remarkable resilience, Econocom was able to demonstrate truly dynamic performance throughout the year. The 2009 results are very satisfactory. With revenue of €759 million (an increase of 5.9%) and €28.7 million in recurring operating profit (an increase of 12%), for the fourth year in a row Econocom recorded strong growth and even record performance. Admittedly, the results are not the same for all countries. However, all our four activities generated profits. In fact, in the last eighteen months, each of our activities has recorded the largest contracts ever signed in the group, with several of them exceeding €50 million.

The committed and responsible Econocom teams are galvanized every day around common objectives and a shared strategy, defined by Horizon 2012, our five-year plan. The four enterprise solutions, which draw on all our different skill sets and were launched in 2008, were a genuine success this year. We signed contracts for each of them and our forecasts for upcoming months are encouraging. The outlook is much more favorable for our business and our order book is larger than at the same period last year.

What major trends have you noticed this year in your sector and, more specifically, in the different Econocom businesses?

The first thing I've noticed is that companies have slashed their expenditure and investment budgets. Naturally, the trend affected IT and telecom budgets as well. Projects were stopped, scaled down or postponed and there was pressure on pricing.

Although Econocom's IT Services activity suffered from this situation, the impact on our Distribution activity was less severe, as it benefited from the weight of the public sector in its customer base and the commercial investments made at the end of 2007. With respect to outsourcing, we noticed an increase in demand for nearshore solutions. The opening in March 2009 of our center specialized in remote services in Rabat (Morocco), helped Econocom to gain contracts with several major clients seeking to optimize their management costs and enjoy better technologies with our worldwide remote services center.

Furthermore, I have noticed that companies which continued their investments and particularly public organizations which have been very active since 2008, had decision cycles that were much longer than expected. However, given the difficult economic context, they continued to look for financing solutions for their IT and telecom assets, combining flexibility and budget control. Our subsidiary which specializes in that field was able to benefit from this.

Global mobility projects for employees remained a major issue for companies' IT departments as high availability has become a key challenge for infrastructures. Integrated into business processes, mobility is a source of productivity gains and enhanced performance and therefore an undeniable competitive advantage. Exciting projects were entrusted to the Econocom Telecom Services teams, whose expertise offers solutions tailored to the needs of each client.

I also noticed that most of the time, major companies look for a comprehensive service provider, able to propose a complete tangible solution that matches their business processes and offers an easily quantifiable return on investment. Our four enterprise solutions, which draw on our four skill sets, fit these expectations and that is why our clients appreciate them so much.

In your opinion, what are the key success factors underpinning Econocom's strength in a constantly-changing market?

In a highly competitive market, we have always considered that innovation was a key factor in differentiating Econocom. Therefore, we have integrated it into the core of our strategy. The latest offerings proposed to our clients, the enterprise solutions, clearly underline this point. The success of these offerings since they were launched, confirms that we had the right vision of the market.

To ensure our success, over the years we have tirelessly invested in the acquisition of businesses specialized in each of our four business lines, in the hiring of sales forces and new management tools. Today, all those investments are bearing fruit and encourage us to stay on course.

Lastly, Econocom boldly embraced the mobile revolution 10 years ago when the group entered the telecom market, well before all its competitors, and thereby positioned itself as a frontrunner in the field of IT convergence. The group has therefore always been abreast of new developments in this constantly-changing market and has incorporated them into its offering. We see every day that mobility has become a genuine competitive challenge for businesses. Our strength lies in the fact that we have the solutions to meet these new strategic needs. Our tagline, which was changed at the end of 2007 to "Mobility on Demand", reflects our commitment to mobility for our clients. By choosing an unusual iconography for this annual report, we want to stress that in 2010 it is possible to work anytime, anywhere: in the four corners of the world, professionals should be able to connect with each other or to their networks and work under the same conditions as in a totally dedicated environment. All the group's teams are galvanized around this goal to offer their clients the solutions and systems that will allow them to make their IT systems and – employees – mobile.

Econocom has successfully emerged from the crisis. What new challenges await the group in 2010?

Econocom did perform well in 2009 despite a tense environment, but we do not intend to rest on our laurels. We will roll up our sleeves and, as we have always done, continue to forge ahead and anticipate market changes and our clients' expectations.

A key challenge for us in 2010 will involve maintaining our leadership. In 2008 and 2009 we were ranked number 1 in general satisfaction for managed services in Belgium and Luxembourg. And as "good things happen in threes" according to the famous saying, we have just learned that for the third consecutive year, we have once again won the number 1 position. Now I'm already hoping that we can repeat this performance in 2011! We also expect to surprise the market with the launch of new offerings. We are already quite advanced in this area since a fifth innovative and high added-value enterprise solution comprising distribution, services and financing was released to the market at the end of March 2010.

We also hope to conquer large accounts in 2010. They were receptive to our offering in 2009 and we signed major contracts. This is a strong sign which confirms our legitimacy and our capacity to address the needs of this target. Indeed, in addition to Econocom's proven flexibility and adaptability, the group has unparalleled human, technical and geographic advantages. Such are the capabilities required by large businesses. This year, we should succeed in positioning our group as a key industry player for this target. To do so, we intend to tap into the group's robust financial position to seize external growth opportunities that we encounter. These should allow us to hone our areas of expertise in the countries where we already operate.

Therefore, the major challenge that we need to collectively meet is achieving a fifth year of growth so that, at the end of our five-year strategic plan Horizon 2012, we can reach the objectives we have set for ourselves. I know that they are ambitious but that is what being responsible is about: meeting challenges to go farther!

Jean-Louis Bouchard

BOARD OF DIRECTORS

Jean-Louis Bouchard
Chairman and CEO

Bruno Lemaistre
CEO

Jean-Philippe Roesch
CEO

Robert Bouchard
Christian Bret
Charles de Water
Gaspard Dürrleman
Rafi Kouyoumdjian
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

Robert Bouchard

Christian Bret

Charles de Water

Gaspard Dürrleman

Rafi Kouyoumdjian

Patrik Vandewalle

Jean-Philippe Roesch

Bruno Lemaistre

Didier Bertho

Olivier Aldrin

Have **a sense of values** and **uphold them** at all times

Five values, the foundation of our corporate culture, are shared on a daily basis by our 2,300 employees and agents.

They give meaning to everyone's mission and drive practices that allow us to adapt to different situations and to the market. In this way, they help to improve overall efficiency and participate in Econocom's development.

Everyone can implement them at anytime and demonstrate through tangible actions, internally and for third parties (clients, partners, suppliers, etc.), his/her determination to face reality, spirit of initiative, ability to bounce back and sense of responsibility and sharing.

Facing reality

means being curious, finding out, learning, listening and then analyzing in a more informed manner. This pragmatic approach allows a perfect fit between the client's needs and the solutions proposed by Econocom. Internally, this also means being transparent and knowing our strengths, our weaknesses and our results. That is why, in a difficult year, Econocom showed its ability to deliver the projected results and performance.

Being enterprising

at Econocom is everyone's right and duty. We encourage and promote initiatives because they drive innovation. The range of offerings proposed by Econocom came into existence because our teams were determined to provide their clients with the benefits of services, high-tech tools as well as cutting-edge financing solutions. The creation of the four enterprise solutions and the *medical* and *multimedia* business units in 2009 reflects this entrepreneurial spirit.

Being responsible

means making commitments and accepting the consequences of our actions. Everyone is responsible for the results of his/her actions. In relation to clients, we must guarantee the quality of service delivered and ensure the level of satisfaction obtained. For Econocom, being responsible also means giving a chance to the most underprivileged people. So, in 2009, Econocom is sponsoring the "*Passerelles Numériques*" association.

Bounce back

to start again, using the obstacle to surpass oneself; we don't succeed each time that we try. We should therefore learn from these initiatives. Econocom's history is fraught with bouncing back. Our past experiences combined with our abilities to anticipate and innovate have always fueled our strength. That's why, in 2009, Econocom signed the largest contracts ever recorded.

Sharing

brings together all the employees of the four activities into one group. Exchanging information and experience, sharing values, profits and complementary skills led to the set up of the Horizon 2012 strategic plan and the creation of cross-functional enterprise solutions. These solutions are greatly appreciated by our clients because everyone invested their knowledge and efforts in their creation.

2009/2010 **highlights**

In 2009, Econocom signed the largest contracts in its history in terms of volume and revenue!

The group recorded numerous commercial successes throughout the year, thanks in particular to its four enterprise solutions comprised of *Desktop on Demand by econocom, Papyrus by econocom, MyPC by econocom* and *Mobileasy by econocom.*

January

Econocom posted record performance with revenue of €716.9 million and recurring operating profit of €25.6 million.

March

Econocom opened a nearshore remote services center located in Rabat (Morocco).
Together with the two existing centers in Brussels and Paris, Econocom has now a virtual remote services center with over 300 multilingual positions, operating 24/7 with cutting-edge and ultra secure technologies.

Econocom has created a new website for its clients, prospects, partners, suppliers, investors, etc.

April

Econocom's services activities consolidated their market-leading status in Belgium and Luxembourg.

For the second consecutive year, the EquaTerra institute has ranked **Econocom number 1 in general satisfaction,** ahead of all the major multinational service providers. Econocom was also voted number 1 for operational customer relationship management, risk management, flexibility and realistic market prices. Finally, Econocom took the top position as the company to recommend for outsourcing project management.

September

The Belgian and French subsidiaries specialized in IT distribution created two new competence centers. Econocom launched the ***Medical BU*** in Belgium and, in France, opened the ***Multimedia Competence Center.***

Econocom and IDC publish a White Paper entitled "From IT financing to IT assets financial management". The purpose of the study was to evaluate the challenges faced by French companies confronted with issues of IT asset financing and management.

Post-year-end events

March 2010

Econocom reported another year of growth in 2009 with revenue of €759 million, up 5.9%, and recurring operating profit of €28.7 million, up 12%.

Launch of a fifth enterprise solution: **"7 Remote Services by econocom".**

April 2010

As in 2008 and 2009, Econocom comes out on top of EquaTerra's* 2010 annual ranking, and maintains its number 1 position in general satisfaction for its managed services activities in the Belux.

Econocom is voted **number 1 for 10 out of the 12 key indicators** used by EquaTerra, especially for **risk management and customer relations,** for **its flexibility and prices** (in sync with the market), for the **quality** of its delivered services and for its **capacity to innovate.**
Econocom is also **number 1 in the ranking of companies most likely to be recommended as a partner** for outsourcing project management.

** Study organized by EquaTerra "Outsourcing 2010 - Service provider performance in the Belux," March 2010. Perception from end-user clients.*

For more information:
http://www.econocom.com/about-us/highlights

2,300 employees serving our clients

Belgium Luxembourg

- 26% GROWTH
- SIGNING OF THE LARGEST FINANCING SERVICES CONTRACT RECORDED IN 25 YEARS, WITH A VALUE OF MORE THAN €50 MILLION
- FOR THE THIRD CONSECUTIVE YEAR, THE EQUATERRA INSTITUTE HAS RANKED ECONOCOM NUMBER 1 IN GENERAL SATISFACTION

By implementing the *Papyrus by econocom* printing solution, the Service Public Fédéral Finances saved a total of €10 million at the end of a five-year contract with Econocom. According to Louis Collet, ICT Director of SPF Finances:
"The results were spectacular: every year, we saved €2 million on toners alone, simply by centralizing monitoring and delivery. Now, there's no need to keep stocks in each building or even in each division."

France

- 90% OF CAC 40 COMPANIES TRUST ECONOCOM
- 1 MILLION IT AND TELECOM ASSETS UNDER MANAGEMENT

"What I especially like about Econocom is the quick response and the proactive attitude of their teams, aimed at our satisfaction as client. More than being a mere supplier, I therefore consider Econocom to be a genuine partner in the modernization of our members' IT network."
Arnaud Beley, Head of members' IT services, Guilde des Lunetiers (more than 1,500 shops in France, Belgium, Poland and Morocco, known under the trade names of Krys, Lynx, Vision Plus and Lun's).

Germany

• 3 NEW TEO CONTRACTS WITH A TOTAL VOLUME OF €5 MILLION
• CREATION IN 2009 OF ECONOCOM SERVICES GMBH

Wagner Tiefkühlprodukte GmbH is one of the biggest frozen foods companies in Europe, standing for tradition, innovation and highest quality, with more than 40 years of history. In 2009, they decided to go with the Econocom TEO-Model.
As part of the Nestlé group, they had to have a leasing solution in line with IFRS requirements. This, together with the combination of flexibility and services, was the main reason for their decision in favor of Econocom.

Italy

• GROWTH OF 20% IN MARGIN IN 2009
• GROWTH OF 30% IN IT MANAGED ASSETS

"Punctuality and accuracy are the musts of TNT's core business. Econocom, through its rental formula TRO, supports us in focusing on achieving our targets, keeping our service level as high as our customers are used to."
M. Paolo Eufemi, Purchasing and General Service Manager, TNT Express Italy.

Morocco

• A SUPERVISION CENTER AVAILABLE 24/7
• MAXIMUM CALL TAKING CAPACITY OF 40,000 PER MONTH
• 6 LANGUAGES

"The Rabat center is the latest in our family of Remote Services platforms. Through the quality of the employment basin and the related costs, the center allows us to meet growing demand from clients for such services."
Didier Bertho, Managing Director, Econocom Managed Services activities.

Netherlands

• 60% MARKET SHARE WITHIN THE PUBLIC SEGMENT OF DUTCH MUNICIPALITIES
• ECONOCOM NETHERLANDS CO-FOUNDED IT DONATIONS IN JULY 2007. IT CONVERTS USED IT EQUIPMENT INTO CASH TO HELP CHARITIES. €250,000 HAVE ALREADY BEEN COLLECTED.

"Due to the increase in tourism, we were challenged to invest in a new paid parking system. Gemlease offered us a tailor-made finance solution for the whole project, which made it possible to benefit from a 'State-of-the-Art' solar-based parking system, with remote control and extended services. Due to this new remote technology we are able to keep control over operations and maintenance ourselves. Each visitor to our beautiful historical city is assured of a modern parking space."
Simon Jongepier, CFO Gemeente Middelburg.

Spain

• 58 TRO MANAGED IN 2009
• MORE THAN 30,000 ASSETS MANAGED IN MASTER IT TO DATE

Paradores de Turismo, the leading Spanish hotel chain in cultural and nature tourism, chose the next generation leasing contract Technology Refresh Option (TRO), to renew its stock of more than 4,000 television sets. Through a single monthly billing system, this contract allows the dynamic management of the television stock, knowing at anytime its cost per site.

United Kingdom

• GROWTH OF 100% IN GROSS MARGIN RETURN OVER 2008
• 31% INCREASE IN CASH AND LIQUID INVESTMENTS

"For European contracts, I'm present at every stage of the services implementation, ensuring our customers receive a close review and long term services quality."
David Butcher, Finance and Administration Manager, Econocom United Kingdom.

2009 key figures

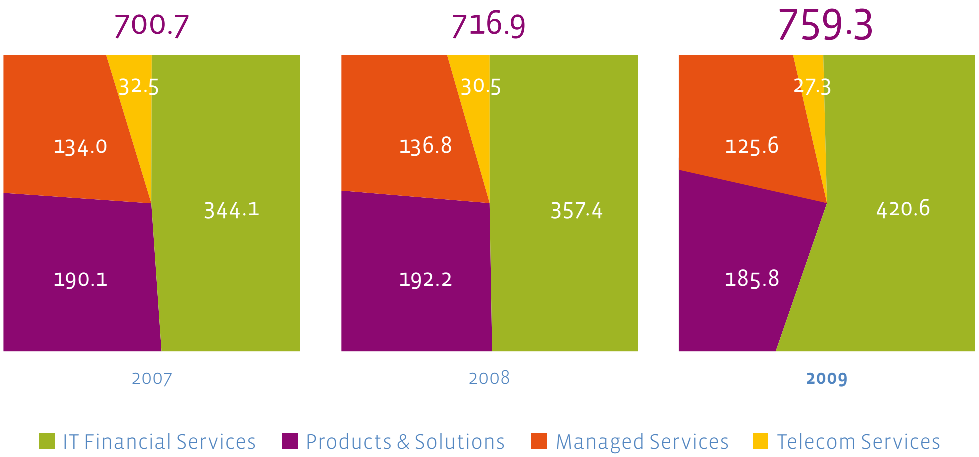
Condensed income statement

in € millions

	2007	2008	2009
Consolidated revenue	700.7	716.9	**759.3**
Recurring operating profit	24.5	25.6	**28.7**
Net profit Group share	18.0	18.8	**20.3**

Revenue by activity

in € millions

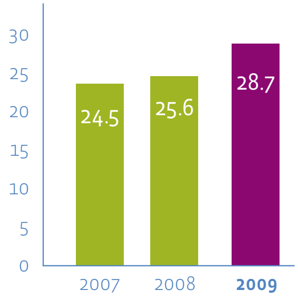


€759.3 million
revenue

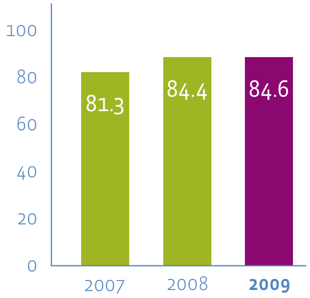
€28.7 million
recurring operating profit

2,266
employees

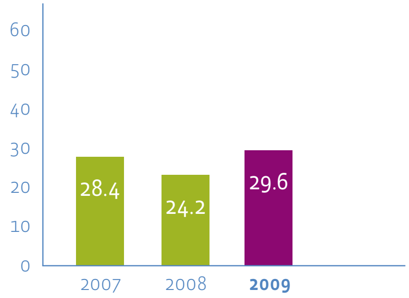
Recurring operating profit
in € millions



Shareholders' equity as of December 31
in € millions



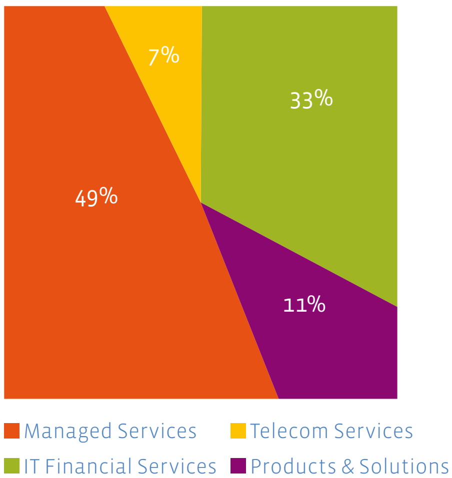
Cash net of long-term debt as of December 31
in € millions



€84.6 million
shareholders' equity

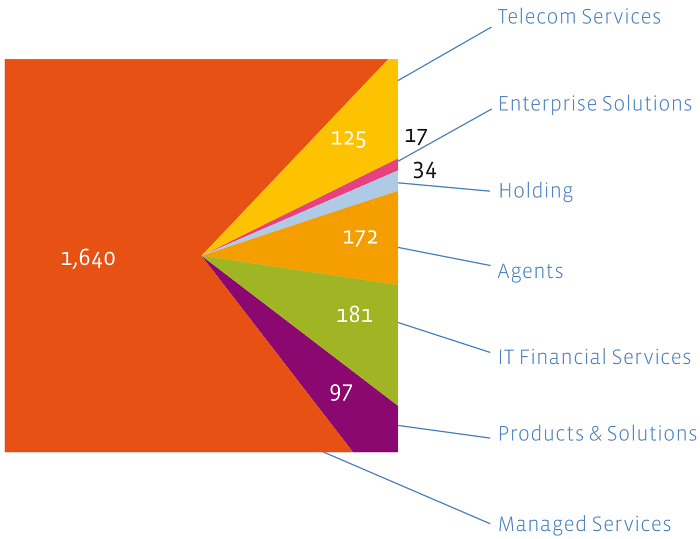
€29.6 million
cash net of long-term debt

Value added by activity
in %



Employees as of December 31

2,266
employees



Econocom Group **share performance**

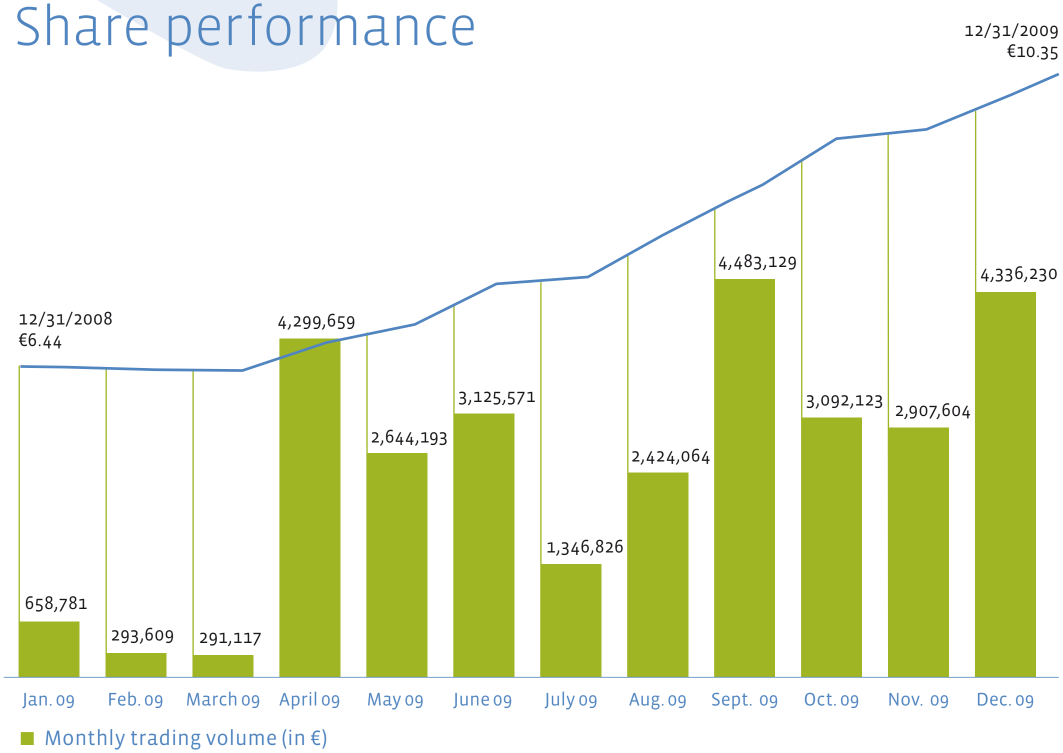
The Econocom Group share is listed on the Eurolist market of Euronext Brussels. Econocom is a member of the Euronext Next Economy index (Compartment B).

ISIN code: BE0003563716

Average daily trading volume in Brussels in 2009: 16,030

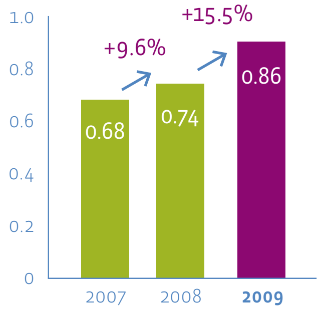
Market capitalization as of December 31, 2009: €257 million

Share performance

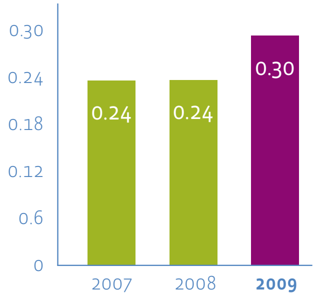


	2004	2005	2006	2007	2008	**2009**
High (in €)	6.23	6.92	7.05	9.93	8.74	10.67
Low (in €)	5.03	5.70	5.09	6.69	5.02	4.60
Closing price as of December 31 (in €)	5.80	6.62	6.66	7.51	6.44	10.35
Market capitalization as of December 31 (in € millions)	174	192	193	194	160	257
Average daily trading volume	22,994	19,902	18,955	22,959	11,850	16,030
Number of shares as of December 31 (in millions)	30.0	29.0	29.0	25.8	24.8	24.8

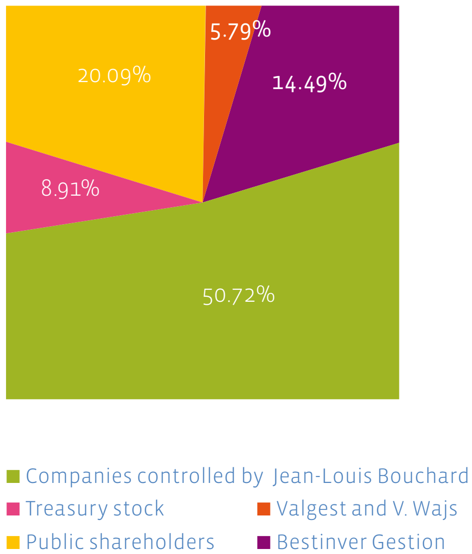
Earnings per share
in €



Gross dividend per share
in €



Ownership structure as of December 31, 2009



Financial information in real-time
www.econocom.com

Dividend

At the Annual General Meeting to be held on May 18, 2010, the Board of Directors will recommend a gross dividend per share of €0.30 (€0.225 net). This dividend will be paid in early June 2010.

Shareholders' agenda

April 14, 2010
First-quarter trading statement
(Royal decree of November 14, 2007)

May 18, 2010
Annual General Meeting

Early June 2010
Dividend payment date

July 28, 2010
Preliminary half-year figures press release

August 31, 2010
Half-year results press release

September 1, 2010
Information meeting

October 21, 2010
Third-quarter trading statement
(Royal decree of November 14, 2007)

January 27, 2011
Preliminary full-year figures press release

March 16, 2011
Audited full-year results press release

Strategy

Econocom's mission is to enable companies' Management to gain and reinforce greater control over their IT and telecom resources by providing mobility solutions tailored to their users.
To do so, one of the group's key assets lies in its four complementary businesses.
In light of its past experiences and in line with its Share Five strategic plan (2003-2007), Econocom launched its Horizon 2012 plan in 2008.
Defined for five years, the plan guides and supports the group's activity through a central thrust:

"Reinforce our leadership by uniting our know-how in the scope of enterprise solutions."

Thanks to its leading-edge know-how in distribution, services, telecom and financing, Econocom has consolidated and reinforced its leadership in its markets over the years. In accordance with the guiding principle of its strategic plan, Econocom is focused on capitalizing on all its skill sets and uniting all its expertise to provide companies with high-level services that deliver maximum added value.

Accordingly, in tune with major market trends, the group has enhanced its range of services and solutions with four unique, comprehensive and differentiating IT and telecom portfolio management offerings: **the "*by econocom*" enterprise solutions.** They allow medium and large companies to control their infrastructure from A to Z, together with the related costs, thanks specifically to a fixed price unit billing system per asset, work station, page or user. The offerings have been a real success as they combine procurement, financing, operational and administrative services.

In 2009, eleven clients chose one of these offerings. These eleven contracts represent 150,000 managed assets, more than €50 million in revenue a year and going forward will generate more than €100 million in additional revenue. Some of these contracts correspond to the largest deals ever signed since the group was created. Thus, beyond the revenue they represent, these offerings have allowed Econocom to reinforce its presence with major actors and contribute to the group's expansion. These enterprise solutions are therefore a **genuine growth driver.**

Encouraged by this favorable reception, Econocom decided to continue its strategy by launching in March 2010 a **fifth enterprise solution: "*7 Remote Services by econocom*"**. It is designed to assist companies in migrating their IT portfolio to Microsoft's new "Windows 7" operating system, by automating as many tasks as possible and by minimizing the intervention of human operators. Econocom expects to conquer new market shares with this offering.

Innovating in solutions

At the same time, because it is essential to anticipate and meet new corporate needs, Econocom's four activities are permanently expanding their commercial proposal with offerings including innovative content and services renowned for their quality. For example, the Telcare offering, distributed by the Telecom Services activity, a resident and autonomous expert self-diagnostic solution embedded in mobile PDAs. It helps users to solve level 1 type anomalies without any external assistance. Furthermore, the group's Services activity has developed a complete range of remote services comprising "Desk services," "Supervision and administration services" and "IT technical management" offerings, aimed at providing its clients with the right tools to fit the needs of their end users, and more particularly, their level of satisfaction.

Adapting to business sectors

In addition, offerings are tailored to the characteristics of the markets to reflect their unique requirements. Econocom has thus prepared offerings in the Netherlands including *Edulease* for education, *Finance your Franchise* for franchises, *Multimedialease* for the media, *Gemlease* for public authorities, etc. With *Gemlease*, Econocom currently manages 60% of Dutch municipalities. In 2009, Econocom enlarged its offering to include two new labels: *Finfuel* for the transport and logistics sector and *Food for Finance* for the food industry.

Making your information system mobile

While developing these innovative offerings, Econocom remains attentive to the need to accompany businesses in **their information system mobility projects.** With its combined expertise in IT and telecom, Econocom is uniquely qualified to handle its clients' large scale projects in matters of convergence, hence its **number 1 position in telecom portfolio outsourced management in France.**

Although barely a few years ago the IT mobility challenge was limited to certain sectors of activity and companies that used numerous itinerant staff, sales forces or technicians, it is now a crucial issue for all organizations, all sectors included. This is because nomadic equipment, which meet the requirements of availability, flexibility, reactivity and performance, are crucial to today's new workplace. For organizations, these mobility systems represent sources of productivity, service quality and, ultimately, financial gains.

Because today's workplace is changing means the ability to work anytime, anywhere, Econocom has set for itself the mission of creating and proposing mobility solutions designed to address the needs of organizations and users.

The 2009 results demonstrate that our strategy is in tune with market expectations. The strategy will be continued in 2010 to allow the group to reach the objectives set by the Horizon 2012 strategic plan.

Today's workplace is changing It's anytime anywhere

Four complementary businesses
for unique expertise

Customized
IT products and solutions

Telecom services

Managed services
for distributed infrastructures

Administrative and financial management
of ICT assets

CUSTOMIZED IT PRODUCTS AND SOLUTIONS

Equipping clients with high performance and scalable installations

Optimizing information systems is crucial to the overall strategy of companies. It allows them to enhance their productivity and their competitiveness. In this context, CIOs are therefore faced with a dual challenge: providing their organizations with tools tailored to their development and supplying end users with customized and scalable equipments.

Econocom has been helping companies to define and implement their IT architecture, control their procurements, specifically offering support for information system mobility projects. These proven products and solutions cover the entire life cycle of IT products, from design of architecture solutions to their deployment, while ensuring stringent cost management.

As the partner of leading market manufacturers and publishers, Econocom delivers impartial advice and provides its clients with powerful procurement solutions through an extensive catalog of hardware and software items. Its one-stop logistics center then rapidly distributes and installs the most advanced technologies. Econocom has also developed a dedicated extranet tool to help its clients optimize the management of their purchases.

Econocom is up to the numerous challenges raised by next generation IT and helps its clients to implement the latest IT technologies, such as the consolidation and virtualization of servers and workstations, comprehensive printing solutions, etc., that enhance performance, reduce costs and are in line with a green IT philosophy.

Ministry of Food, Agriculture and Fisheries

In order to optimize the preparation and implementation of the 2010 agriculture census in France, the Ministry of Food, Agriculture and Fisheries decided to modernize its field information collection system, based on surveys submitted to farmers.

In March 2009, the Ministry retained Econocom's offering to supply tablet PCs with a protective shell as well as assistance, maintenance and duplication of the master system. A first batch of 2,820 tablets were delivered in 2009 under the three-year contract signed with the Ministry.

Under the terms of this contract, Econocom is responsible for managing orders through its Regroupalis storage center, integrating the master copies, coordinating deliveries and organizing the schedule for deployments throughout mainland France and the overseas departments and territories.

Econocom demonstrated through its commercial, technical and logistical offering that it fully understood its client's expectations and its key priorities of saving time and improving quality. Indeed, the touch screen tablet laptops helped the census agents to easily enter the collected data directly and in real time.

Psychiatric hospital of Beau Vallon

The psychiatric hospital of Beau Vallon in Belgium treats more than 600 patients every day.

As part of its plans to completely overhaul its IT and telecom infrastructure (voice and data), the hospital asked Econocom to consolidate and create a virtual VMware of its servers and its 200 workstations. *"Centralizing everything within a single entity will significantly simplify our management and maintenance tasks. The 'light client' option leads to significant cost savings and provides enhanced comfort and flexibility to users,"* said Pierre-Yves Delrez, Information Systems Manager for the hospital.

Another part of the contract consists of covering the entire site, organized into fifteen or more constructions, with WiFi access points. A large-scale project with more than 600 access points was required, since the infrastructure in place would be used for both data and voice over IP. Econocom proposed an industrialized and integrated approach by bringing all the suppliers concerned to the table. *"Among the different players we met, Econocom was the only one that proposed a complete solution. It really responded as an IT and telecom integrator by creating synergy between the server infrastructure, the WiFi and the voice over IP. We find it reassuring to deal with a single contact who has total command over all the technologies and who accepts sole responsibility for running the entire solution,"* said Jean-Philippe Rottiers, Development Manager for the hospital.

TELECOM SERVICES

Making your mobile IT system a success

Given the changes at the workplace and in working practices, CIOs have had to adapt to demands from users working on the move, who wish to take full benefit of mobility. Their varied and scalable needs have fueled the development of a host of equipment, operating systems and, for some, the integration of business applications.

Positioned at the heart of IT and telecom convergence, Econocom has adapted the industrial processes set up in IT to mobility requirements, while developing an extremely high-tech and operational level for services. With 125,000 communicating terminals under contract, Econocom has become the leading global mobile solutions integrator.

Its complete range of offerings covers the entire spectrum of corporate mobility needs, from building the solution (engineering and masterization) to managing it (assets management, user support and maintenance of terminals). This approach guarantees optimum user satisfaction and promotes return on investment. Econocom also manages the integration, deployment and distribution of GSM and PDA products, with total independence from manufacturers or operators.

Its Telecom Expense Management department audits the telecom expenses of companies and recommends possible sources of savings for clients. Combined with a telecom outsourcing contract, this expertise provides companies with guaranteed control and optimization of their mobile assets' TCO over several years.

Econocom has thus confirmed its status as a one-stop service provider able to manage a comprehensive service and allowing companies to take full advantage of the potential of the latest telecom technologies.

Ricard

Founded in 1932, Ricard is a historic subsidiary of Pernod Ricard. It reports revenue of €451 million.

The company's mobile portfolio, comprised of 650 voice and data lines distributed over eight sites, has been managed for more than ten years now by Asystel, an Econocom subsidiary in charge of the SFR dedicated telecom distribution.

The perfect knowledge of Ricard's needs and the trusted relationship forged between the two companies over the years have allowed Asystel to upgrade its audit and advisory role. Accordingly, Asystel supports its client during price negotiations carried out every two years with SFR. It also assists Ricard in new operator offerings, depending on the consumption seen in the company, with the aim of optimizing its telecom costs.

Lastly, to ensure the perfect fit of hardware with the needs of users, Asystel tests all mobile equipment, including environmental and health criteria submitted by Ricard, and has compiled these in a catalog placed at the disposal of the Purchasing Department. Asystel's expertise in IT and telecom convergence allows it to propose tests on cutting-edge IT products such as ultra PCs.

In this way, Ricard has had, for more than ten years now, a homogeneous portfolio of cutting-edge technology, perfectly tailored to its users and at the best price.

Airbus

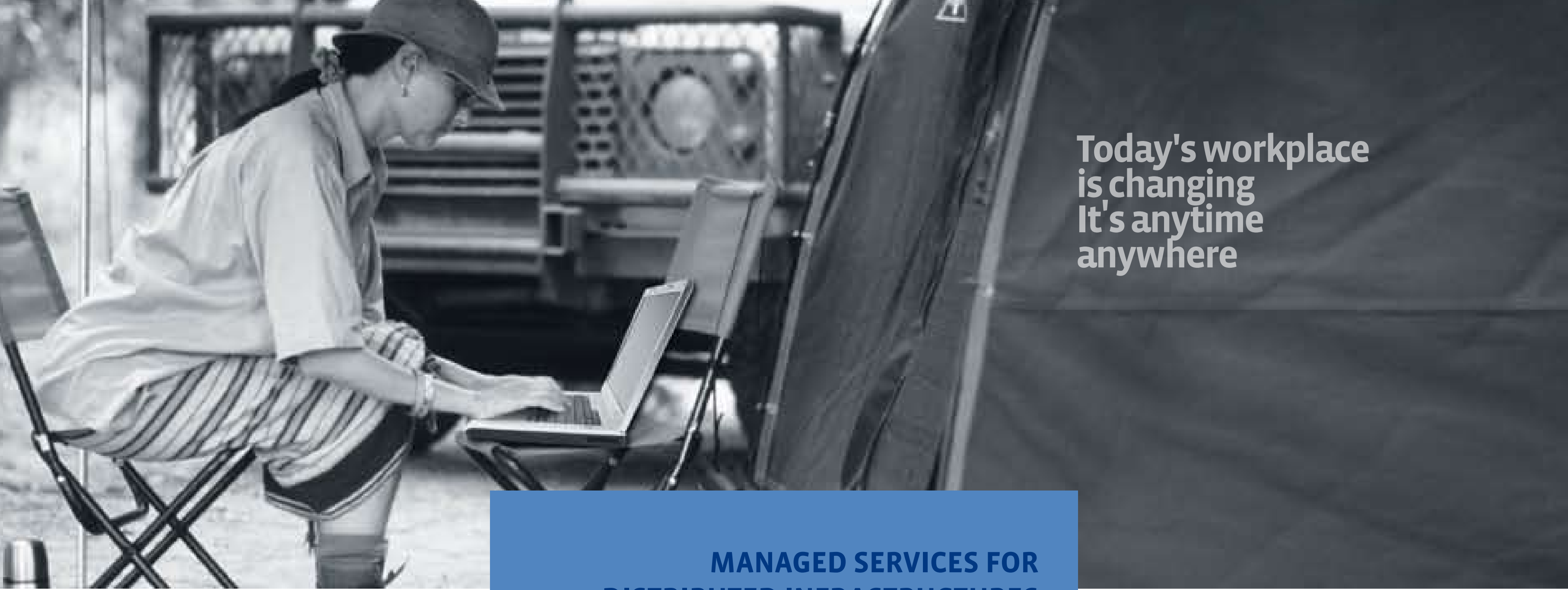
Airbus is a division of the EADS industrial group and a major player in aeronautic construction.

In connection with a large-scale, multi-year contract, Airbus selected Econocom to manage its mobile telephony portfolio across Europe and streamline its telecom costs, using a methodology and cross-functional procedures common to all countries.

Initiated in 2007, the project was launched in a limited area in France, before being deployed in Spain in 2008, then in Germany beginning in October 2009, and in the UK in early 2010 to encompass nearly 18,000 connected devices managed in the contract. There were two objectives: provide better and homogenous service quality in the four countries and set up a management and cost control system for the purpose of internal rebilling.

After the first phase, which entailed defining and implementing a number of automatic procedures to shorten incident resolution times, the Econocom teams focused on providing daily support to the entire fleet by integrating a consumption monitoring and supervision tool, allowing Airbus to better control its operating budgets.

This project is part of a program implemented across Europe by Airbus to harmonize infrastructure services. Accordingly, it was very important to select a single service provider capable of managing the entire service and committing to the same level of service.



MANAGED SERVICES FOR DISTRIBUTED INFRASTRUCTURES

Controlling and optimizing IT systems

In light of the numerous challenges to be met, stemming first from changes in information systems and making them mobile, and, second, from the growing requirements of operational divisions, CIOs are expected to maintain high quality service continuity for existing information systems. Their objective is to promote the development of their company and to anticipate the impact of the new technologies that need to be integrated to satisfy their users.

To help them achieve these goals, Econocom offers complementary integration and managed services for distributed infrastructures: IT service management consulting in compliance with ITIL standards, software package integration management (IRP), on-site technical support, ensuring operational readiness of all assets and outsourced management of installations.

Econocom has enriched its offering with 24/7, multilingual near-shore services, such as technical management of IT installations, service desk and supervision and administrative services, designed to meet the demand of companies seeking total or partial outsourcing solutions.

Whether on-site or remotely-located, all services are provided with high quality and continuous progress integrated with SLA (Service Level Agreement) and SLM (Service Level Management).

These services, combined with the skills of the Econocom teams including 1,600 engineers and technicians, ensure round-the-clock, high quality and scalable service to clients.

As each company has specific needs, Econocom's Belgian subsidiary, A2Z, has developed customized solutions for Benelux SMEs, to provide optimum management of their infrastructures.

CGGVeritas

CGGVeritas (Compagnie Générale de Géophysique Veritas) ranks among the leading global providers of geophysical technologies, services and products for oil and gas companies.

While on various missions all over the world, especially in places with huge oil, natural gas and mineral resources, the prospectors and employees of CGGVeritas connect to their central information system using VPN type tools or through satellite links.

To help these mobile populations solve the IT problems that they encounter during their missions, CGGVeritas has entrusted Econocom with the management of its service desk located in Massy (Paris region). Demands and incidents are reported by email or by telephone. Econocom's hotline technicians can then take remote control of a user computer located anywhere in the world to solve problems which may be related to network connection, messaging system, Office applications, etc.

The service agreement, initiated nine years ago, has been extended to local support on the Montparnasse (Paris) and Massy sites, to video-conferencing support as well as to telephony (IP and PABX). The hotline is manned by a team of 12 technicians bound by SLA (Service Level Agreement).

In this way, Econocom provides the employees of CGGVeritas with the ability to work efficiently from a remote location at anytime.

ISS

With more than 200,000 client companies worldwide and nearly 500,000 employees, ISS (International Service Solutions) is one of the largest Facility Services providers in the world.

In 2008, ISS in Belgium launched a request for proposals for the complete outsourced management of its IT infrastructure. With 950 users located at 120 sites, ISS wanted, on the one hand, to reduce the operating costs of its hotline which was previously managed in Canada, and, on the other hand, to entrust the management of its IT portfolio to a local service provider in order to improve the quality of services delivered to its users.

Econocom won the request for proposals thanks to its comprehensive management offering that covers every aspect of ISS's needs. Econocom then set up a service desk and the related on-site support to process user requests and incidents, manage the supervision of 45 physical servers (administration, installation and maintenance) and organize the global maintenance of the IT portfolio comprised of nearly 900 PCs and 300 printers.

Econocom also created a virtualized and secure infrastructure solution for 20 storage servers to enhance data availability and the flexibility of the information system.

These services are backed by a TRO (Technology Refresh Option) financing contract allowing ISS to manage its hardware upgrades while maintaining control over its budgets. Additionally, the *Master IT* web reporting service provides a comprehensive overview of the IT portfolio through dashboards for effective administrative management of the assets.

ADMINISTRATIVE AND FINANCIAL MANAGEMENT OF ICT ASSETS

Adapting installations to users' needs at the drop of a hat

Much more than the financing method for their hardware (PCs, servers, printers, etc.), IT asset financing and management remains a crucial factor in the challenges that companies have to deal with now and in the future. While IT hardware management exceeds the scope of the IT Department, companies encounter difficulties linked to a very segregated view of IT management: IT Departments are responsible for technical management, while Administrative and Finance Departments handle the accounting aspect of capitalized assets.

As a European leader in financing and IT asset management, Econocom provides corporate management with innovative and customized financing solutions. Econocom's offerings, whether financial engineering or leasing solutions such as the Technology Refresh Option, are highly effective because each installed process is tailored to the client's specific needs. The relevance of these offerings is based on the capacity to produce customized reporting that allows the administrative and financial management of each asset right from the procurement decision and throughout its life cycle.

More than 25 years of experience with major clients has allowed Econocom to develop a genuine know-how and respond to a growing demand for analytical information from CIOs and CFOs seeking rigorous control of their costs and ways to improve the decision-making processes of their company.

Roularta

Roularta Media Group is a Belgian-French publishing and printing firm with more than 3,000 employees and a consolidated revenue of €750 million. Its daughter company Roularta Printing has chosen Econocom for its IAS-compliant lease solution for a total amount of €58 million.

These past years, Roularta has accumulated debt due to acquisitions and considerable investments in the renewal of its off-set printers.

In 2009, because of the economic crisis, the company was confronted with decreasing advertising revenue, putting certain ratios (debt/cash flow) under pressure. Through the Sale & Lease Back operation with Econocom (for printing presses and ICT equipment), Roularta avoided having to break its bank covenants. Because of the IAS-compliant TRO contract (Sale & Lease Back in combination with new investments) and Roularta's pro-active approach towards the banks, both the cost of credit increases and the obligation for quicker settlement of debt could be avoided.

This important deal is an excellent example of how Econocom's expertise in financial services is used to financially support Roularta during times of economic crisis.

Nexity

Nexity is the leading integrated real-estate group in France. It employs more than 6,700 people and reports revenue of €2.838 billion. Econocom was selected to finance and manage the IT investments of the real-estate group. The contract covered a portfolio of nearly 4,000 assets (desktops, laptops, servers, printers, etc.).

Due to its steady growth in recent years (acquisitions, new activities, etc.), Nexity was looking for a partner capable of optimizing internal management processes, tracking all the hardware, managing IT expenditures and setting up a rebilling system for the different group entities.

Econocom implemented its *Master IT* financing and asset management solution, and currently has control over the entire IT portfolio of Nexity. The real-estate group can now use its dedicated web tool to view all technical and administrative information and access financial reports updated in real time.

Nexity has therefore been given a solution that has enhanced its visibility over its managed assets, introduced flexibility into the day-to-day management of its portfolio and optimized its total cost of ownership.

Today's workplace is changing It's anytime anywhere

Enterprise solutions

Econocom has created four cross-activity offerings that draw on all its skill sets and know-how. Designed to manage and optimize the life cycle of corporate IT and telecom resources, each one of these solutions is an effective response to a specific issue.

desktop ondemand by econocom

Automating your IT hardware procurement

mobileasy by econocom

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

papyrus by econocom

Don't let your printing run wild!

mypc by econocom

Managing your PC portfolio simply and efficiently

desktop on demand
by econocom

Automating your
IT hardware procurement

Daikin Europe N.V. was established in 1973 in Ostend, Belgium, as part of Daikin Industries Ltd. In addition to housing the European production and administration headquarters, Daikin Europe N.V. is home to the EMEA (Europe/Middle East/Africa) sales and marketing headquarters.

Over its more than 80-year history, Daikin Industries Ltd. has grown from a manufacturer of comfort cooling products to a total solution provider covering four key areas: home comfort systems, advanced heating systems based on energy-efficient heat pump technology, applied systems for industry, and refrigeration solutions and air handling units. All products are renowned for their top quality and benefit from Daikin's traditional strength in pioneering product development.

KEY FIGURES

- **€1.75** billion in revenue
- **4,341** employees
- **9** production sites in Europe

A COMPREHENSIVE AND INDUSTRIALIZED OFFERING TO IMPROVE SERVICE QUALITY TO END-USERS

In October 2008, Daikin Europe N.V. selected the *Desktop on Demand by econocom* solution for the end-to-end management of its IT portfolio in Europe. Econocom then took complete control of service provision, from financing through procurement, and the management of mastering and logistics (stock management and delivery). By managing the IT supply chain (inflows and outflows) as an industrial process, Daikin improves the quality of services delivered to its end-users while keeping its IT costs under perfect control.

The *Desktop on Demand by econocom* solution is designed to help companies meet their multiple challenges such as reducing costs and procurement times, ensuring permanent hardware availability and the simultaneous recycling of obsolete hardware. Based on the industrialization and automation of hardware renewal processes designed to generate savings and maximize productivity, *Desktop on Demand by econocom* releases companies from all the administrative tasks involved in managing IT hardware life cycle.

Project issues

EUROPE-WIDE SERVICE

› **2,500** workstations

› **25** European sites

› **36**-month period

A GLOBAL OVERVIEW OF INVESTMENTS

Econocom proposed a TRO (Technology Refresh Option) lease contract to Daikin Europe N.V. to allow the active management of its equipment respecting a well-defined budget.

Econocom's *Master IT* web tool facilitates asset management through the development of dashboards and technical and financial reports together with the production of an online catalog of configurations and order management.

A steering committee is in charge of the financial, technical and administrative follow-up of the project.

ONE-STOP SHOPPING FOR ASSET MANAGEMENT

Econocom commits itself to provide users with an operational workstation adapted to their needs within three days (instead of the previous 3 weeks) for Daikin Europe N.V. and in accordance with a pre-defined SLA. A single contact person manages the life cycle of equipment, from procurement to recycling including inventory management and the planning of delivery schedules.

OPTIMIZED LOGISTICS FOR ENHANCED EFFICIENCY

Daikin Europe N.V. no longer has to worry about the logistical management of equipment since a team now handles the preparation of configurations (labeling, testing, etc.) and duplication of masters.

Airbus (EADS group) and Unamic/HCN also trust Econocom and have signed a *Desktop on Demand by econocom* contract.

mobileasy
by econocom

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

Dalkia

Dalkia is the European leader in providing energy services to local authorities, public institutions, industrial and service businesses.

In addition to being the energy division of Veolia Environnement, the global specialist in environmental services, Dalkia is also the preferred partner of Électricité de France (EDF), which has a 34% stake.

KEY FIGURES

- **€8.6** billion in revenue in 2008
- More than **52,800** employees
- **111,600** energy installations under management

SIMPLIFYING MOBILE PORTFOLIO MANAGEMENT

In 2005, Dalkia chose Econocom as the single service provider for the complete management of its mobile portfolio, from financing to managed services. First of all, Econocom equipped the 4,100 Dalkia maintenance technicians in France with communicating PDAs running a job-specific application. It then set up a centralized tool allowing the complete management of all information linked to the company's mobile fleet. Thanks to a regularly updated view of its data, Dalkia can schedule the upgrades and renewals of its hardware and thereby optimize its portfolio.

Mobileasy by econocom helps organizations to build and deploy their mobile fleets. This comprehensive solution integrates the outsourced management of equipments including help desk, maintenance and operation and the administrative and financial management of the fleet for enhanced service quality to users. It also allows clients to optimize contacts with operators and is billed on a flat rate per user.

Project issues

IMPROVING THE PRODUCTIVITY AND QUALITY OF SERVICE THANKS TO A COMPLETE MOBILITY SOLUTION

- **4,100** PDAs maintained in France
- **700** sites in France
- A **48**-month contract

A COMPREHENSIVE CONTRACT

Econocom performs advanced tests on PDAs to evaluate their technical capacity and their integration in Dalkia's business environment. It then selects the most appropriate mobile products in a personalized catalog. The masterization and on-site deployment of equipment are carried out according to industrial processes adapted from IT to the world of mobile telecom.

Econocom also handles the technical and administrative management of the PDA portfolio and produces a complete report of its consumptions linked to a mobile operator contract.

Lastly, it organizes help desk support (levels 1 and 2) for itinerant technicians and manages a technical support unit for the maintenance of PDAs (at D+1 throughout France). A major innovation of the contract is the Telcare offering, a resident and autonomous expert self-diagnostic solution embedded in the mobile PDA, which helps to solve level 1 type anomalies without any external assistance.

A SINGLE AND TRANSPARENT PRICING SOLUTION COVERING ALL THE CONTRACT SERVICES

With the *Mobileasy by econocom* solution, Dalkia benefits from a contract compatible with IFRS/IAS17 standards with a quarterly rent and a single monthly bill. The *Master IT* asset management central web tool allows better purchasing control thanks to its order validation channel.

Consideration of the analytical organization, equipment cost management and the specific reports produced for each type of equipment significantly facilitate management and guarantee the quality of services based on Service Level Agreement (SLA).

mypc by econocom

Managing your PC portfolio simply and efficiently

A global leader in food retailing

KEY FIGURES

- **5** million sqm. of sales surface
- **200,000** employees
- **10,000** stores worldwide

OPTIMIZING AND SIMPLIFYING IT PORTFOLIO MANAGEMENT

Having worked closely for several years with Econocom through its maintenance entity, Alliance Support Services, our client decided in 2008 to extend its scope of services by launching a call for tender. The request concerned procurement management, equipment life cycle follow-up, equipment maintenance and financing. Thanks to its experience and know-how in IT portfolio monitoring and management, Econocom won this new contract and implemented its *MyPC by econocom* turnkey offering.

MyPC by econocom is a turnkey solution that allows users to upgrade hardware on demand and in accordance with users' real needs while simplifying the management of their PC portfolio, from hardware procurement to user services, including continuous management and financing. The solution offers a billing system in the form of a monthly fixed subscription per workstation delivered and installed, for enhanced budget control based on transparency.

Project issues

FACILITATING THE OPERATION OF THE IT PORTFOLIO TO MINIMIZE ITS MANAGEMENT COSTS

> **200,000** assets (monitors, keyboards, printers, scanners...)

> **16,000** workstations

A COMPLETE SERVICE FOR EQUIPMENT PROCUREMENT, RENEWAL AND MAINTENANCE

Under this contract, Econocom is responsible for procuring and installing 3,000 masterized stations a year and in addition manages maintenance services according to the terms defined by the client.

To optimize the procurement channel, Econocom manages a central inventory of a hundred or more PCs that allows it to respond rapidly to demand for new hardware and avoid any interruptions in productivity.

A UNIQUE SOLUTION FOR EQUIPMENT FINANCIAL MONITORING

Econocom has taken over the management of the entire portfolio, thereby facilitating asset management by placing all assets under a single contract.

The flexible financing solution, proposed in the form of a fee including the financed hardware and the cost of the related services, facilitates hardware renewals that can be made at anytime. This portfolio management guarantees the homogeneous maintenance of equipment while keeping control of budgets.

The *Master IT* web solution for administrative and financial data management supplements our client's internal technical management tool, enabling the comparison of data between the two bases and ensuring the reliability of information from the IT portfolio.

papyrus
by econocom

Don't let your printing run wild!

A global leader in seeds

KEY FIGURES

- More than **€1** billion in revenue in 2009
- More than **5,000** employees
- Present in more than **30** countries

OPTIMIZING ITS PRINTING PORTFOLIO WITH A MANAGEMENT SOLUTION BASED ON AN INNOVATIVE BILLING SYSTEM

Present on a hundred or more sites in France, our client has been involved since 2008 in a process to optimize its printing portfolio with the *Papyrus by econocom* solution. This unique services contract concerns streamlining the portfolio, reducing it from the initial 400 machines to 250, and providing a central catalog of 12 printer models for the ordering of new materials and related consumables. Drawing on its financial engineering expertise, Econocom proposed a solution based on an adjustable fee for each entity, covering all costs (fixed and variable). It selected this billing system in order to make each entity aware of the actual cost of printing and thus introduced a key driver for its strategy to reduce printing costs.

How can you optimize your printing resources (printers, copiers, consumables, etc.), improve your production and eliminate hidden or unnecessary costs? *Papyrus by econocom* uses simplified, effective management processes to provide you with a new level of visibility for all your printing resources. This innovative services contract is delivered under a single bill covering every aspect of the cost of use. This leads to better control and therefore optimum management of resources.

Project issues

SATISFY USERS WITH QUALITY SERVICES WHILE KEEPING ITS BUDGET UNDER CONTROL

- A **405**-printer portfolio
- More than **20** sites in France
- A **36**-month contract

MANAGEMENT SERVICES FOR CONTINUOUS OPERATION OF THE PRINTING PORTFOLIO

Econocom implemented a remote monitoring solution of printing points enabling automated management of alerts and incidents addressed to the customer help desk. The Econocom subsidiary, Alliance Support Services, handles the deployment of machines and the replacement of consumables on sites, thanks to its national technical network. In case of demand for intervention, hardware is maintained on site on D+1. The printing portfolio then remains totally operational. Lastly, a service committee meets each quarter to adjust the fees.

A HARDWARE CATALOG TAILORED TO THE USERS' NEEDS

Econocom, independent of all manufacturers, has created an online hardware catalog featuring equipment, add-ons and consumables and has facilitated order management processes thanks to the E-procurement module.

PERFECT VISIBILITY OF THE PRINTING PORTFOLIO AND ITS USAGE COSTS

The creation of a set of technical and financial reports (number of printed pages, forecast of consumptions over the year, budget monitoring) on the *Master IT* web tool as well as the implemented administrative management (single bill, verification of orders, payment of suppliers) allow our client to benefit from a comprehensive overview of its portfolio and its investments.

Financial **statements**

Contents

Organization of Econocom group

as of December 31, 2009

1. Board of Directors

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

2. Statutory Auditors

PricewaterhouseCoopers
Reviseurs d'Entreprises SCCRL
represented by Josy Steenwinckel

Econocom Group SA/NV **share performance** on the Brussels stock exchange since January 1, 2007

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	2,463.28
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	**8.74**	**5.02**	**6.44**	**7.24**	**2,994,175**	**21,698.66**

Month	Price (€) High (€)	Low (€)	Closing (€)	Average (€)	Volume Number of shares traded	Value (in € thousands)
January	6.40	5.50	5.76	5.93	111,063	658.78
February	5.99	4.75	5.21	5.40	54,367	293.61
March	5.64	4.60	5.25	5.07	57,432	291.12
April	6.00	4.99	6.00	5.54	776,336	4,299.66
May	6.28	4.91	4.91	5.72	462,595	2,644.19
June	7.49	5.10	7.44	6.56	476,786	3,125.57
July	7.40	5.95	7.40	6.48	208,004	1,346.83
August	7.50	7.12	7.35	7.39	328,166	2,424.06
September	9.28	7.30	9.20	8.26	542,870	4,483.13
October	9.86	9.02	9.78	9.30	332,658	3,092.12
November	9.70	8.50	9.70	9.26	314,142	2,907.60
December	10.67	9.42	10.35	9.87	439,272	4,336.23
Total 2009	**10.67**	**4.60**	**10.35**	**7.12**	**4,103,691**	**29,902.91**

Shareholders' **agenda**

First-quarter trading statement (Royal decree of November 14, 2007)	April 14, 2010
Annual General Meeting	May 18, 2010
Dividend payment date	Early June 2010
Preliminary half-year figures press release	July 28, 2010
Half-year results press release	August 31, 2010
Information meeting	September 1, 2010
Third-quarter trading statement (Royal decree of November 14, 2007)	October 21, 2010
Preliminary full-year figures press release	January 27, 2011
Audited full-year results press release	March 16, 2011

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Management report
on the financial statements

for the year ended December 31, 2009 to the Annual General Meeting of May 18, 2010

In accordance with prevailing legislation and the Company's bylaws, we submit to you for approval our report on the Company's operations and the financial statements for the year ended December 31, 2009.

1. Scope of consolidation

Econocom group did not carry out any external growth transaction in 2009 and therefore, the scope of consolidation is identical to that of December 31, 2008.

However, like every year, the group reorganized its internal legal structures in order to simplify and harmonize its operational and legal operations.

2. Results

2.1. Consolidated results

(in € millions)	**2009**	2008
Revenue from continuing operations	759.3	716.9
Recurring operating profit	28.7	25.6
Recurring operating margin	3.8%	3.6%
Operating profit	28.7	25.0
Profit before tax	28.1	24.7
Income tax	(7.8)	(5.8)
Profit from continuing operations	20.3	18.9
Net profit	20.3	18.8
Net profit, group share	20.3	18.8

The group's consolidated revenue climbed 5.9% from €716.9 million in 2008 to €759.3 million in 2009.

After recording 2.3% growth in the first half, the group's business grew by more than 9% over the last six months of 2009.

This growth was particularly spurred by the success of asset financing and management solutions that turned out to perfectly match the needs of companies given the difficult economic climate of 2009.

At the same time, the group's other businesses performed remarkably well by outperforming their respective markets.

In the last 18 months, each of them signed the largest contracts ever recorded in the group.

The group's operating profit also surged by nearly 15%, climbing from the €25 million recorded in 2008 to €28.7 million in 2009.

Beyond the growth linked to the increase in revenue, this significant improvement was mainly driven by the tight control kept on costs. For example, between 2008 and 2009, the group's staff fell slightly (-2.2%) and now stands at 2,266 people compared with 2,318 as of December 31, 2008.

The group's consolidated tax rate for this year is 27.6% compared with 23.7% in the previous year. This change to a more standard level is linked to the solid health of the group's constitutive companies, with practically all of them reporting profits in 2009.

Net profit, group share stood at €20.3 million versus €18.8 million the previous year, representing an increase of 8%.

At the same time as this business growth and improved margin, the Econocom group continued to reinforce its financial strength. Accordingly, as of December 31, 2009, the group's cash position net of debts amounted to €29.6 million versus €24.2 million in 2008 and consolidated equity now totals €84.6 million.

The net value of goodwill has not changed since 2008 and totals €28.8 million.

Given the outlook for the entities concerned, there was no need to recognize impairment for these intangible assets.

The list of goodwill (net value) can be analyzed as follows:

Goodwill (including purchased goodwill)

(in € millions)	Net value as of Dec. 31, 2009	Acquisition date
Databail SAS	2.7	2008
Alliance Support Services SAS	7.3	2007
The Phone House purchased goodwill	0.8	2007
Kentron SAS	0.7	2007
Tecnolease SpA	1.2	2007
Econocom Albis GmbH	0.4	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	**28.8**	

2.2. Earnings per share

A remarkable event in the year is the increase in net earnings per share, which was driven by two factors:

- increased profitability,
- the decline in the number of outstanding shares due to the buy-back of nearly €18 million of treasury stock.

This drove net profit per share to €0.86, up by more than 15.5% over 2008, and 26.5% over 2007.

2.3. Results by business segment

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

(in € millions)	2009	2008 (1)
Managed Services	125	137
Products and Solutions	186	192
IT Financial Services	421	357
Telecom Services	27	31
Total	**759**	**717**

(1) Businesses are defined on the basis of their 2009 scope.

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

(in € millions)	**2009**	2008
Managed Services	2.9	6.1
Products and Solutions	3.2	2.8
IT Financial Services	23.4	16.9
Telecom Services	0.3	1.3
Other	(1.1)	(1.5)
Total	**28.7**	**25.6**

Managed Services
(€125 million in revenue)

Managed Services recorded €125 million in revenue in 2009, representing a 7% drop over 2008.

This limited drop in revenue is due to the consulting and ITIL training businesses as well as the maintenance business in France which was affected by the cancellation or postponement of a number of projects. However, outsourcing activities showed remarkable resilience and maintained a stable revenue compared with 2008.

The profitability of Managed Services also shrank to €2.9 million down from €6.1 million in the previous year.

This decline can be explained by two factors: the business drop described above and investments made in 2008 to set up an important outsourcing contract and to structure our remote services center in Morocco.

Products and Solutions
(€186 million in revenue)

This business recorded €186 million in revenue in 2009, representing a slight decline from 2008.

This remains a remarkable performance, in light of the sluggish IT investment market. This can be explained by three factors:

- a first return on the commercial investments granted in 2008;
- the significant weight of the public sector in the customer portfolio;
- the signing of a very large three-year contract at the end of 2008 with deliveries spread over 2009, 2010 and 2011.

IT Financial Services
(€421 million in revenue)

In 2009, IT Financial Services recorded a sharp increase in terms of both revenue (+17%) and profitability (+38%).

This significant growth was mostly in France and in Belgium with the signing of contracts with unit values in excess of €50 million.

More generally, IT Financial Services offerings fit the specific needs of the market in 2009, especially:

- solutions for managing and optimizing IT and telecom portfolios,
- innovative and competitive financing sources.

Telecom Services
(€27 million in revenue)

The distribution of telecom equipment and line activation activity was impacted by the reduction or postponement of corporate investments and the lower fees paid by operators.

However, outsourcing and telecom integration recorded double-digit growth, with significant sales successes that will boost results in 2010.

2.4. 2009 Individual financial statements of Econocom Group SA/NV

Econocom Group SA/NV provides services to the group's subsidiaries in the areas of management, IT, cash guarantees, provision of staff, consulting, communication and marketing. These services are billed according to normal market terms.

Furthermore, as the group's holding company, Econocom Group SA/NV manages a portfolio of securities, collects dividends from its subsidiaries and oversees the group's development.

Income statement of Econocom Group SA/NV

Sales of services (non-consolidated) for the year amounted to €12.2 million compared with €13.3 million the previous year. Their decline led to the fall of operating results by €1.4 million versus €2.5 million in 2008.

The group recorded a financial profit of €0.2 million.

Net profit totaled €2.1 million compared with €4.5 million in 2008.

Balance sheet of Econocom Group SA/NV

In 2008, the equity of Econocom Group SA/NV stood at €113.3 million compared with €118.4 million in 2008. The Board of Directors' recommendation to the Annual General Meeting to raise the dividend to €0.30 will have an impact of €5.1 million on the company's reserves.

Business overview in 2009

1) 2009 movements on the stakes held by Econocom Group SA/NV

In 2009, Econocom Group SA/NV acquired 10% of the securities of Econocom GmbH previously held by the management.

2) The MBO venture capital fund

At the end of 2009, the amount of investments in this fund was €4.8 million out of a total of €5 million provided for in an irrevocable commitment signed in 2002. In addition, Econocom Group SA/NV continued to receive €0.95 million in repayments of units in the fund during the year. At the end of 2009, the aggregate amount of repayments amounted to nearly €4.8 million, an amount equivalent to the investment made.

3) Treasury stock

Econocom Group SA/NV has launched a share buyback program, which allows it to:

- 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 2009, Econocom pursued its active own share buyback program.

Accordingly, in 2009:

- Econocom acquired 2,383,679 of its own shares at an acquisition price of €18 million,
- Econocom issued 440,000 of its own shares during the exercise of options.

The Extraordinary General Meeting of December 22, 2008 renewed for a five-year period, beginning 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.

At the Extraordinary General Meeting of May 19, 2009, shareholders 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, 2009, Econocom Group SA/NV held 2,209,318 shares in treasury stock (average acquisition price of €7.62) representing 8.91% of the total number of shares issued.

The unavailable reserves of Econocom Group SA/NV rose by €15.3 million (non-consolidated figure) to €16.8 million.

4) Share capital

As of December 31, 2009, the share capital of Econocom Group SA/NV was made up of 24,800,000 shares with no stated par value.

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

Share capital, fully paid up at the end of the year, amounted to €16,180,922.08.

As of December 31, 2009, authorized unissued capital stood at €15,894,722.08.

3.2. Stock option plans

In 2009, 440,000 stock options were exercised for a total amount of €2,600,800. This resulted in the transfer by Econocom Group SA/NV of as many 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. The three-member Committee is tasked with implementing the group's stock option plans according to the directives of the Board of Directors, 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 deems necessary.

The Stock Option Committee did not meet in 2009.

There were 390,700 unexercised options as of December 31, 2009 (1.58% of the Company's issued shares), representing a potential capital increase (including issue premiums) of €2.6 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 one client represents over 8% 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, however, 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 large majority of the group's employees have permanent contracts. However, the contracts are mostly signed for longer than 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 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 9, 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 2010 and dividends

In 2009, Econocom demonstrated that its strategy and Horizon 2012 plan match market expectations.

The robust commercial activity in the fourth quarter of 2009 allowed the group to start 2010 with a larger order book and a more positive business outlook than at the same time last year.

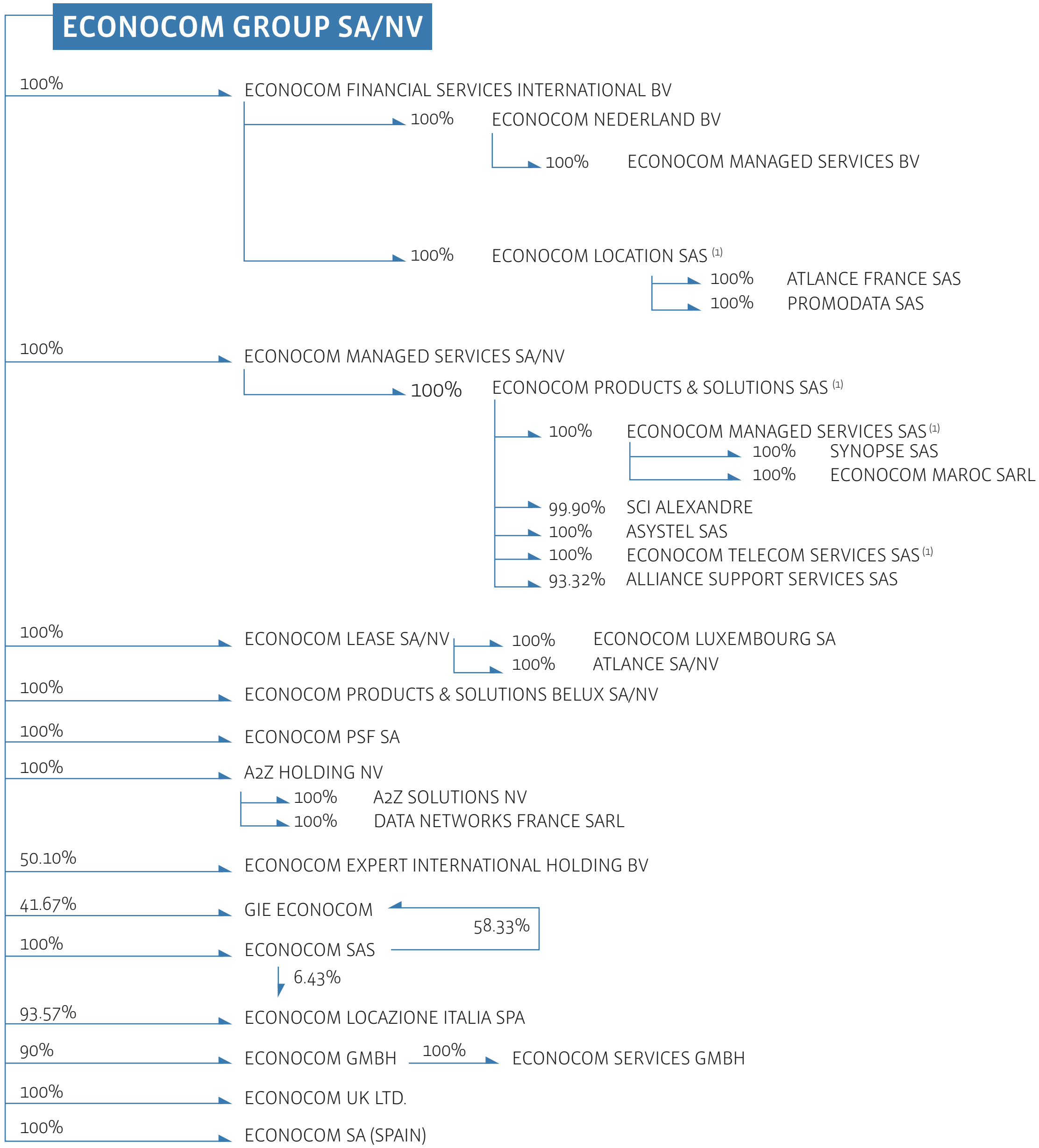
Encouraged by the forgoing, Econocom's Management anticipates that 2010 will be another year of growth.

At the forthcoming Annual General Meeting, the Board of Directors will recommend raising the gross dividend per share to €0.30 (+25% compared with 2008).

Brussels, March 16, 2010
The Board of Directors

Group structure

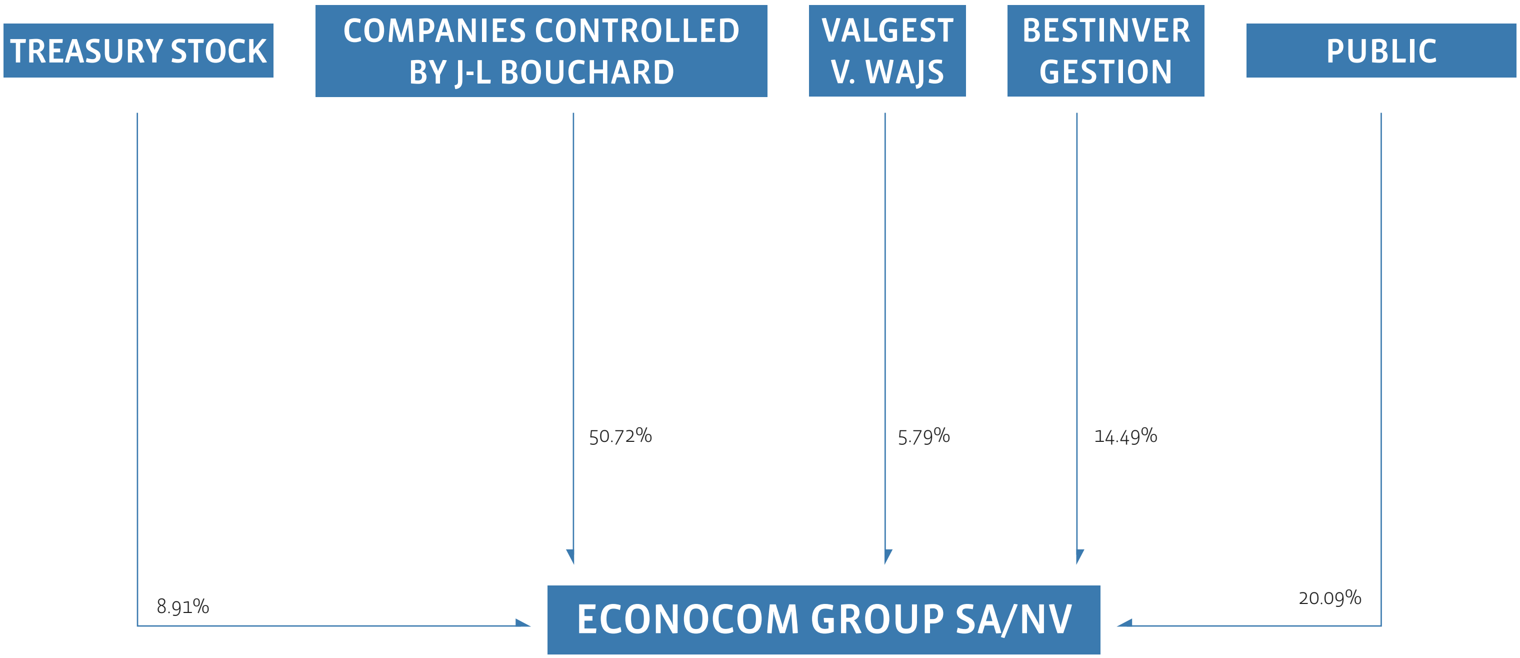
as of December 31, 2009



(1) GIE Econocom Enterprise Solutions (formed in May 2009): equally-owned by the four indicated partners, i.e., 25% each.

Ownership structure

as of December 31, 2009



Corporate Governance

administrative, management and supervisory bodies of the company

1. Composition of the Board of Directors and Statutory Auditor (as of December 31, 2009)

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)
Avenue des Éperons d'Or 15, 1050 Brussels (Belgium)
Chief Executive Officer 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

Christian Bret
(term of office expiring at the May 2010 Annual General Meeting)
7, rue Pérignon 75015 Paris (France)
Director of Econocom Group SA/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

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

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

Robert Bouchard
(term of office expiring at the May 2015 Annual General Meeting)
1 bis, rue Clément Marot 75008 Paris (France)
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)

Robert Bouchard was appointed Director of Econocom Group SA/NV by decision of the shareholders meeting at the Annual General Meeting of October 5, 2009. Robert Bouchard is also Chairman of the companies Michel Pereire SA, Ecofinance SAS, and Eurydice Saint Germain SAS, and is business manager of the following companies: EcoJet Leasing SNC, SCI Maillot Pergolèse, SCI Taillis des Aigles, GMPC and Carmine SARL. He is also Director of APL France. Since January 1, 2010, Econocom has given Robert Bouchard the duty of developing and adapting the group's website in connection with a service level agreement signed between GMPC, where he is manager, and Econocom SAS.

The following three members of the Board of Directors served in an executive capacity during 2009: Jean-Louis Bouchard, Jean-Philippe Roesch and Bruno Lemaistre. Gaspard Dürrleman, Rafi Kouyoumdjian and Christian Bret are non-executive and independent Directors of the majority shareholder. Charles de Water, Robert Bouchard and Patrik Vandewalle are non-executive Directors.

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.

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.

Christian Bret is managing partner of Eulis and Director of Fontaine Consultants and Prosodie.

Mr. Gaspard Dürrleman is Director of APL International.

Patrik Vandewalle is manager of Proudfield BVBA, Ollygos BVBA, Visionware BVBA and Skelia SARL.

Lastly, Rafi Kouyoumdjian is Chief Executive Officer and 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.

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 for the Board.

2. Application of the Corporate Governance recommendations

The Econocom group confirms that it adheres to the principles of the Belgian Corporate Governance Code which came into force in 2009, or the 2009 Code.

The majority of the recommendations set out in the 2009 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, 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 adhere to the principle of segregating the powers of control of the Board of Directors and executive powers. As of December 31, 2009, Jean-Louis Bouchard indirectly had 50.72% of Econocom Group SA/NV's capital and as a result exercises de facto control.

  The reference framework for internal control and risk management will be prepared and submitted to the Board of Directors for approval during 2010.

- 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. As of December 31, 2009, the Board of Directors had six non-executive directors out of nine.

  However, the Board has not appointed a Secretary to report to it on compliance with the applicable procedures and rules. This function is nevertheless informally fulfilled by Galliane Touze, the group's General Secretary.

  Furthermore, the composition of the Board of Directors shows no particular intention to comply with diversity or gender criteria; so far the Directors have been appointed according to their qualifications and skills. We stress however, that three nationalities are represented on the Board of Directors; they correspond to the group's three largest countries in terms of revenue: France, Belgium and Netherlands.

- 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.

  The Board of Directors has not drafted specific procedures on insider trading but keeps an updated list of insiders; these people have been formally notified of the law regarding market malpractices.

- 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. This principle also recommends a periodic assessment 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 Board of Directors, its members and its Committees, such assessments take place on a continuous basis. To make the procedure more formal, the Board of Directors will meet sometime in 2010 to discuss the agenda of the assessment by the Board of Directors of its operation, that of its committees and its interaction with the executive management, etc.

- 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 the Board of Directors and of each of these committees were drafted in 2006; they were amended to bring them into compliance with the new Belgian Corporate Governance Code and will be submitted to the approval of the Board of Directors in 2010. Furthermore, the Board of Directors did not wish to set up a Compensation Committee which was considered unsuitable for the group's organization. Compensation paid to executive Directors, Non-executive Directors and executive managers are determined 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.

- The Chairman of the Board of Directors does not systematically attend Annual General Meetings as recommended by Principle 8 of the Code, but he ensures that the Board of Directors is always represented by at least one Chief Executive Officer.

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 2009

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 receive no compensation for their directorship. They are compensated for the contractual relationship with one or several group 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 2009 (in €)

Christian Bret	12,500
Gaspard Dürrleman	10,500
Charles de Water	10,000
Rafi Kouyoumdjian	10,500
Patrik Vandewalle	10,000
Total	**53,500**

Jean-Louis Bouchard performs the duties of Chairman of the Board, Chief Executive Officer, and Chairman of the group's Management Committee. He receives no compensation whatsoever, and does not benefit from any special pension or insurance from either Econocom Group SA/NV or its subsidiaries for these duties. 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 €1,033,000 in 2009, compared with €1,045,000 in 2008.

Compensation paid to executive directors in 2009 (in €) (1)

Fixed portion	684,006
Variable portion	422,172
Pension	23,000
Total	**1,129,178**

(1) Including social security charges.

Compensation paid to members of the Management Committee (other than Board members) in 2009 (€) (1)

Fixed portion	472,130
Variable portion	338,353
Pension	0
Total	**810,483**

(1) Including social security charges.

The variable compensations of the members of the Management Committee are linked to (i) the pre-tax earnings of the entities under their control, (ii) the pre-tax consolidated income or loss of Econocom Group SA/NV, (iii) savings goals, and lastly (iv) qualitative and measurable objectives.

Each of the members of the Management Committee has a company car but does not receive any other kind of compensation.

Like all the other employees of the Econocom group, the members of the Management Committee are assessed throughout the year by their hierarchy and during an annual assessment interview held at the beginning of the following year.

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

Number of options outstanding as of December 31, 2009	**105,000**

Other contractual commitments

The employment contracts of the members of the Management Board contain no specific clause with respect to pensions nor retirement benefits except for two of them which stem respectively from (i) a retirement benefit of one month of salary for each year spent in the company and (ii) a retirement benefit equal to the last 12 months of fixed salary and of the annual average of the last 24 months of variable compensation. The contractual commitments are fully accrued in the accounts.

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

In 2009, there were no unusual transactions between Econocom Group SA/NV and its subsidiaries and the members of the Board of Directors or Management Committee. As of December 31, 2009, no loans or guarantees had been granted to the latter except for a loan of €13,132 granted to a member of the Management Committee in the context of the sale of a minority shareholding 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 and with the Belgian Corporate Governance Code. This loan was fully repaid in the first quarter of 2010.

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, 2009)

	Shares	Options
Non-executive directors	518,010	0
Executive directors		
• Jean-Louis Bouchard (indirectly)	12,579,703	0
• Jean-Philippe Roesch	525,000	0
• Bruno Lemaistre	350,000	0
• Robert Bouchard	20,000	0
Members of the Management Committee		
• Didier Bertho	800	80,000
• Olivier Aldrin	0	25,000
Total	**13,993,513**	**105,000**

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 2009, the Board met on six occasions, including two meetings to approve the interim and annual financial statements. The overall attendance rate was 73%.

The Board of Directors internal rules, applied as of December 31, 2009, were approved by the Board of Directors on July 3, 2006. These rules were amended to reflect the recent changes in the Belgian Corporate Governance Code and will be submitted to the forthcoming Board of Directors for approval.

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 attain 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 urgency 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 approved by the Board of Directors at its July 3, 2006 meeting.

The Management Committee's internal rules, applied as of December 31, 2009, were approved by the Board of Directors on July 3, 2006. These rules were amended to reflect the recent changes in the Belgian Corporate Governance Code and will be submitted to the forthcoming Board of Directors meeting in 2010 for approval.

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 and Olivier Aldrin, Didier Bertho, Bruno Lemaistre, and Jean-Philippe Roesch. They meet at least ten times a year.

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 enterprise solutions and Jean-Philippe Roesch of Products & Solutions and Telecom Services together with all of the group's corporate and support services.

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 Econocom group.

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, applied as of December 31, 2009, were approved by the Board of Directors on July 3, 2006. These rules were amended to reflect the recent changes in the Belgian Corporate Governance Code and will be submitted to the forthcoming Board of Directors meeting in 2010 for approval.

The Stock Option Committee comprises three members: Christian Bret, Gaspard Dürrleman, and Rafi Kouyoumdjian. The terms of office of these Committee members were renewed on March 12, 2009 for a period of 3 years.

The services of the Stock Option Committee were not required in 2009 as no stock options were allocated in 2009.

The Audit Committee

The Audit Committee was created by the Board of Directors on May 18, 2004 and its internal rules, applied as of December 31, 2009, were approved by the Board of Directors on July 3, 2006. These rules were amended to reflect the recent changes in the Belgian Corporate Governance Code and will be submitted to the forthcoming Board of Directors for approval in 2010.

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

The Audit Committee meets as often as required by circumstances; it met three times in 2009, with all Committee members in attendance, as well as Jean-Philippe Roesch, Chief Executive Officer, and Olivier Aldrin, Group Chief Financial Officer, and Marie-Astrid Aubry, Head of Internal Audit. The members of the Audit Committee invite the "Commissaire" as required by the agenda.

The Audit Committee is responsible for helping the Board of Directors perform its duty of controlling the 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 communication or legal matters.

All major decisions concerning subsidiaries are made by the Chairman 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 the results of Econocom Group SA/NV since 1995 and its stronger financial position have fueled the steady increase in the amount of the dividend paid, from €0.031 in 1995 to €0.24 in 2008. Specifically, the dividend increased by 25% in 2006 and 20% in 2007 without any adverse impact on the group's investment ability. The group's robust financial position enabled the Board of Directors to maintain the dividend in 2008 at its 2007 level despite the uncertain economic environment.

The gross dividend per share proposed to the General Meeting of May 18, 2010 was €0.30 (€7,400,000 for €24,800,000 shares), up by 25% over the dividends paid in 2009 for 2008. This compensation represents a pay¬out of 37%.

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, Econocom Group SA/NV received a notice from Econocom International NV, which is controlled by Jean-Louis Bouchard, indicating that as of September 1, 2009, Econocom International NV held 12,463,003 Econocom Group shares, representing 50.25% of the capital.

As of December 31, 2009, Jean-Louis Bouchard directly and indirectly held 12,579,703 Econocom Group SA/NV shares, representing 50.7% 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.

On April 29, 2009, Econocom Group SA/NV received notification from Bestinver Gestion S.A. SGIIC pursuant to the law of May 2, 2007, regarding the disclosure of large shareholdings. Bestinver Gestion S.A. SGIIC controls several investment funds, which, as of April 29, 2009, held in concert 2,577,853 Econocom Group SA/NV shares, representing 10.39% of the securities with Econocom Group SA/NV voting rights. As of December 31, 2009, this shareholding totaled 3,592,844 shares or 14.49% of share capital.

The company also received information about another shareholder with more than 5% of the share capital: Vincent Wajs (directly or indirectly through the company Valgest). Mr. Wajs resides at 40, rue du Village, 91530 Le Val-Saint-Germain (France) and held 5.79% of the capital as of December 31, 2009.

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, 2009, is provided below.

	Number of outstanding options	Expiration date	Exercise price (in €)
2005	40,000	January 2010	5.98
2006	206,700	November 2011	5.70
2007	15,000	January 2012	6.94
	105,000	October 2012	8.12
2008	24,000	April 2013	7.70
Total	**390,700**		

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 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.

Part of the options are contingent on their beneficiaries achieving individual performance goals. Should the beneficiaries concerned fail to reach their objectives, these options cannot be exercised.

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.

In 2009, 440,000 stock options were exercised by optionees. No new option was granted.

In relation to the stock options exercised, the Board of Directors transferred 440,000 existing shares held in treasury and did not issue any new shares.

As of December 31, 2009, 390,700 options (representing 1.58% of the number of outstanding shares) had not yet been exercised. The options give holders the right to the same number of shares and represent a potential capital increase (share premium included) of €2.6 million.

12. Statutory Auditors' fees

In 2009, 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 2009 financial statements	**462,164**
Fees linked to the functions of the Statutory Auditor and the related functions performed in the group by individuals linked to the Statutory Auditors	**209,440**
Fees for non audit-related engagements carried out by the Statutory Auditors for Econocom group	
Non-audit certification engagements	18,250
Other	9,000
Fees for non audit-related engagements or specific assignments performed within the Company by individuals linked to the Statutory Auditors	
Non-audit certification engagements	8,500
Tax advisory work	46,152

13. Treasury stock

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.

In addition, the Extraordinary General Meeting of May 19, 2009, 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, 2009, Econocom Group SA/NV and its subsidiaries held 2,209,318 Econocom Group SA/NV shares, representing 8.91% 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.

Consolidated financial statements

for the year ended December 31, 2009

Consolidated financial statements

Statement of consolidated financial position

as of December 31, 2009

ASSETS (in € thousands)	Notes	**12/31/2009**	12/31/2008
Non-current assets			
Net intangible assets	5	3,414	2,650
Goodwill	6	28,856	28,774
Net property, plant and equipment	8	9,144	9,571
Investment property	7		530
Financial assets	9	21,978	16,578
Long-term receivables	10	1,533	1,459
Deferred taxes – asset	31	7,898	7,270
Total non-current assets		**72,823**	**66,832**
Current assets			
Inventories	11	6,185	7,614
Trade and other receivables	12-13	194,391	225,132
Current tax assets		2,111	4,254
Other current assets	13	9,107	7,026
Cash and cash equivalents	14	62,522	56,768
Total current assets		**274,316**	**300,794**
Total balance sheet – assets		**347,139**	**367,626**

EQUITY AND LIABILITIES (in € thousands)	Notes	**12/31/2009**	12/31/2008
Share capital		16,181	16,181
Additional paid-in capital and reserves		48,019	49,337
Profit for the year		20,331	18,821
Total consolidated equity	16	**84,531**	**84,339**
Minority interests	16	72	110
Total equity		**84,603**	**84,449**
Non-current liabilities			
Financial debts	19	20,423	11,182
Provisions	17	610	862
Provisions for pensions and other commitments	18	4,932	5,498
Other liabilities		1,463	1,014
Deferred taxes – Liability	31	5,731	3,748
Total non-current liabilities		**33,159**	**22,304**
Current liabilities			
Financial debts	19	12,549	21,435
Provisions	17	5,994	3,109
Income tax liabilities		1,366	1,435
Trade and other current payables	20	177,541	204,219
Other current liabilities	21	31,927	30,675
Total current liabilities		**229,377**	**260,873**
Total balance sheet – liabilities		**347,139**	**367,626**

Consolidated income statement and earnings per share

as of December 31, 2009

(in € thousands)	Notes	2009	2008
Revenue from continuing operations	22	**759,290**	**716,886**
Operating expenses		**(730,597)**	**(691,321)**
Cost of sales		(547,318)	(504,290)
Personnel costs	23	(109,571)	(110,186)
External expenses	24	(63,350)	(68,198)
Depreciation, amortization and provisions for impairment	25	(4,975)	(2,412)
Taxes (other than income taxes)		(3,684)	(3,776)
Impairment losses on current assets, net	26	(197)	(147)
Other operating income and expenses	27	981	341
Financial income, operating activities	28	(2,483)	(2,653)
Recurring operating profit		**28,693**	**25,565**
Other non-recurring operating income and expenses	29	(13)	(518)
Operating profit		**28,680**	**25,047**
Financial income		16	372
Financial expense	30	(612)	(720)
Profit before tax		**28,084**	**24,699**
Income tax	31	(7,756)	(5,843)
Profit from continuing operations		**20,328**	**18,856**
Discontinued operations			(35)
Consolidated net profit		**20,328**	**18,821**
Minority interest		3	
Net profit excluding minority interests		**20,331**	**18,821**
Basic earnings per share - continuing operations	32	0.857	0.743
Basic earnings per share - discontinued operations			(0.001)
Basic earnings per share		**0.857**	**0.742**
Diluted earnings per share - continuing operations		0.854	0.738
Diluted earnings per share - discontinued operations			(0.001)
Diluted earnings per share		**0.854**	**0.737**

Statement of consolidated comprehensive income

as of December 31, 2009

(in € thousands)	2009	2008
Consolidated net profit	**20,328**	**18,821**
Adjustments to the fair value of financial instruments and other financial assets	228	712
Changes in actuarial gains/losses	388	(1,174)
Actuarial gains/losses on employee benefits	219	1,148
Taxes relating to other comprehensive income items	(73)	(382)
Other net movements		
Other comprehensive income items	**762**	**304**
Total comprehensive income	**21,090**	**19,125**
Attributable to the group	*21,093*	*19,125*
Attributable to minority interests	*(3)*	

Statement of consolidated cash flows

as of December 31, 2009

(in € thousands)	2009	2008
Consolidated net profit	**20,328**	**18,821**
Depreciation of property, investment property, plant and equipment/Amortization of intangible assets	2,765	2,612
Impairment of non-current financial assets	(38)	42
Impairment of non-current trade receivables, inventories and other current assets	197	148
(Gains)/losses on the disposal of property, plant and equipment and intangible assets	22	83
(Gains)/losses on the disposal of companies and businesses		(183)
Non-recurring impact of the recognition of residual interests on TRO contracts		(3,757)
Change in provisions	1,627	376
Income and expenses related to equity-based payment	165	209
Cash flows from operating activities after cost of net debt and income tax	**25,066**	**18,351**
Income tax expense	7,756	5,843
Cost of net debt	3,105	4,478
Cash flows from operating activities before cost of net debt and income tax (a)	**35,927**	**28,672**
Change in inventories	1,086	929
Change in long-term receivables	(106)	206
Change in current receivables and other current assets	30,322	(39,123)
Change in trade payables	(23,453)	39,128
Change in other short-term and long-term payables	(2,495)	1,051
Change in working capital (b)	**5,354**	**2,191**
Income tax paid (c)	(4,397)	(7,094)
Net cash provided by operating activities (a+b+c=d)	**36,884**	**23,769**

(in € thousands)	2009	2008
Net cash provided by operating activities (a+b+c=d)	**36,884**	**23,769**
Acquisition of property, plant and equipment and intangible assets, excluding the leasing business	(3,135)	(4,934)
Disposal of property, plant and equipment and intangible assets, excluding the leasing business	544	334
Acquisition/disposal of property, plant and equipment allocated to the leasing business	(12)	(98)
Acquisition of financial assets	(6,355)	(1,006)
Disposal of financial assets	1,187	3,164
Acquisition of companies and businesses, net of cash acquired	(115)	(4,336)
Disposal of companies and businesses excluding discontinued operations, net of cash transferred		453
Net cash used in investing activities (e)	**(7,886)**	**(6,423)**
Increase in non-current liabilities	12,693	142
Repayment of non-current liabilities	(2,972)	(4,842)
Increase in current liabilities	221	8,952
Repayment of current liabilities	(9,164)	(5,455)
Interest paid	(3,105)	(4,478)
Acquisitions and disposals of treasury stock	(15,415)	(9,188)
Dividends paid during the year	(5,669)	(5,990)
Net cash used in financing activities (f)	**(23,411)**	**(20,859)**
Impact of changes in exchange rates	124	(933)
Change in cash and cash equivalents (d+e+f)	**5,711**	**(4,446)**
Cash and cash equivalents as of January 1	**56,811**	**61,257**
Change in cash and cash equivalents	5,711	(4,446)
Cash and cash equivalents at the end of the year	**62,522**	**56,811**

Statement of changes in consolidated equity

as of December 31, 2009

(in € thousands)	Number of shares	Subscribed capital	Additional paid-in capital
Balance as of December 31, 2008	**24,800,000**	**16,181**	**55,038**
Share-based payments			
Acquisition of treasury stock			
Dividends paid			
Other transactions with shareholders			
Sub-total of transactions with shareholders			
Consolidated net profit			
Other comprehensive income items			
Sub-total of total comprehensive income			
Balance as of December 31, 2009	**24,800,000**	**16,181**	**55,038**

Balance as of December 31, 2007	**25,800,000**	**16,181**	**55,038**
Share-based payments			
Acquisition of treasury stock			
Cancellation of treasury shares	(1,000,000)		
Dividends paid			
Other transactions with shareholders			
Sub-total of transactions with shareholders			
Consolidated net profit			
Other comprehensive income items			
Sub-total of total comprehensive income			
Balance as of December 31, 2008	**24,800,000**	**16,181**	**55,038**

(1) Unavailable reserves for treasury stock amounted to €16,829,000 compared with €1,505,000 in 2008.

Treasury stock	Reserves [1]	Net income and expense recognized directly in equity	Consolidated equity	Minority interests	Equity of the consolidated entity
(1,505)	**13,966**	**659**	**84,339**	**110**	**84,449**
	74		74		74
(15,324)			(15,324)		(15,324)
	(5,695)		(5,695)		(5,695)
	44		44	(35)	9
(15,324)	**(5,577)**		**(20,901)**	**(35)**	**(20,936)**
	20,331		20,331	(3)	20,328
		762	762		762
	20,331	**762**	**21,093**	**(3)**	**21,090**
(16,829)	**28,720**	**1,421**	**84,531**	**72**	**84,603**
(221)	**9,728**	**355**	**81,081**	**169**	**81,250**
	(235)		(235)		(235)
(1,284)	(7,627)		(8,911)		(8,911)
			0		0
	(6,019)		(6,019)		(6,019)
	(702)		(702)	(59)	(761)
(1,284)	**(14,583)**		**(15,867)**	**(59)**	**(15,926)**
	18,821		18,821		18,821
		304	304		304
	18,821	**304**	**19,125**	**0**	**19,125**
(1,505)	**13,966**	**659**	**84,339**	**110**	**84,449**

Notes to the consolidated financial statements

1. Summary of significant accounting policies

1.1. Basis of preparation

The financial statements for the Econocom group as of December 31, 2009, 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 16, 2010 and will be submitted to shareholders for approval at the next Annual General Meeting, on May 18, 2010.

They will be available to shareholders as of May 1, 2010.

1.2. New IFRS

1.2.1. New standards, revised standards and interpretations adopted by the European Union and obligatorily applicable or that may be applied early for annual periods starting on or after January 1, 2009

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, 2009.

For the reporting as of December 31, 2009, the Econocom group decided not to apply the standards published by the IASB, approved by the European Union and that could be applied as of January 1, 2009.

Standards	Application date		Group impacts
	EU (1)	**Group**	
IAS 1 revised Presentation of financial statements	January 1, 2009	January 1, 2009	No impact on the financial statements
IAS 23 revised Borrowing costs	January 1, 2009	January 1, 2009	No impact on the financial statements
IAS 27 revised (2) Consolidated and separate financial statements	July 1, 2009	January 1, 2010	No impact on the financial statements
IAS 27 and IFRS 1 Amendment Costs of investments in a subsidiary, joint venture or related company	January 23, 2009	January 1, 2009	No impact on the financial statements
IAS 32/IAS 1 Amendment Financial instruments puttable at fair value and obligations arising on liquidation	January 21, 2009	January 1, 2009	No impact on the financial statements

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

(2) Standards, amendments and interpretations that may be applied early.

Standards	Application date EU (1)	Application date Group	Group impacts
IAS 32 Amendment Classification of rights issues	December 23, 2009	February 1, 2010	No impact on the financial statements
IAS 39 Amendment Financial instruments – Eligibility of hedged instruments	September 15, 2009	January 1, 2010	No impact on the financial statements
IAS 39/IFRIC 9 Amendment Embedded derivatives	November 27, 2009	January 1, 2010	No impact on the financial statements
IFRS 1 revised First-time adoption of IFRS	November 25, 2009	January 1, 2010	No impact on the financial statements
IFRS 2 Amendment Share-based payments - vesting conditions and cancellations	January 1, 2009	January 1, 2009	No impact on the financial statements
IFRS 3 revised (2) Business combination	July 1, 2009	January 1, 2010	No impact on the financial statements in the absence of a business combination
IFRS 7 Amendment Improving disclosures about financial instruments	November 27, 2009	January 1, 2010	No impact on the financial statements
IFRS 8 Operating segments	January 1, 2009	January 1, 2009	No impact on the financial statements
IFRIC 11 Group and treasury share transactions	March 1, 2008	January 1, 2009	No impact on the financial statements
IFRIC 12 Concessions	March 25, 2009	January 1, 2010	No impact on the financial statements
IFRIC 13 Customer loyalty programs	January 1, 2009	January 1, 2009	No impact on the financial statements
IFRIC 14 IAS 19 – The limit on a defined benefit asset minimum funding requirements and their interaction	January 1, 2009	January 1, 2009	No impact on the financial statements
IFRIC 15 (2) Agreements for the construction of real estate	July 22, 2009	January 1, 2009	No impact on the financial statements
IFRIC 16 (2) Hedges of a net investment in a foreign operation	June 4, 2009	January 1, 2010	No impact on the financial statements
IFRIC 17 Distribution of non-cash assets to owners	November 26, 2009	January 1, 2010	No impact on the financial statements
IFRIC 18 Transfers of assets from customers	November 27, 2009	January 1, 2010	No impact on the financial statements
Exposure draft of annual improvement to IFRS (except IFRS 5 and IFRS 1)	January 23, 2009	January 1, 2010	No impact on the financial statements
Exposure draft of annual improvement to IFRS (2) (only IFRS 5 and IFRS 1)	January 23, 2009	January 1, 2010	No impact on the financial statements

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

(2) Standards, amendments and interpretations that may be applied early.

1.2.2. 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 24 revised	Disclosures about related-party transactions	January 1, 2011	No impact on the financial statements
IFRS 1 Amendment	Additional exemptions	January 1, 2010	No impact on the financial statements
IFRS 2 Amendment	Group cash-settled share-based payment arrangements	January 1, 2010	No impact on the financial statements
IFRS 9	Financial instruments	January 1, 2013	Cannot yet be estimated
IFRIC 14 Amendment	Prepayments of minimum funding requirements	January 1, 2011	No impact on the financial statements
IFRIC 19	Extinguishing financial liabilities with equity instruments	July 1, 2010	No impact on the financial statements
Exposure draft of annual improvements to IFRS		January 1, 2010	

** Unless otherwise specified, applicable to annual periods beginning on and after the date indicated in this column.*

1.3. Change of accounting method

In 2009, the group did not effect any changes in its accounting method other than those required under the IFRS applicable as of January 1, 2009, indicated in 1.2.1 and which have no impact on the financial statements.

1.4. Comparative periods

Information for the comparative periods of 2008 and 2009 are compliant with IFRS.

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 1.13
- Classification of financial instruments: Notes 1.17 and 1.20
- Recognition of revenue from operations: Note 1.23

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 39 – 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 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.

	12/31/2009		12/31/2008		12/31/2007	
	Year-end rate	Average rate	Year-end rate	Average rate	Year-end rate	Average rate
USD	–	–	0.719	0.680	0.679	0.727
GBP	1.126	1.115	1.050	1.256	1.364	1.458
MAD	0.088	0.089	0.089	0.090		

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.

At the reporting 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.

1.8. Business combination 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 amortization and accumulated impairment losses.

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 commencement 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 1.13.3 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 realization 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 (c. 1.13.3) is deducted from the cost of sales.

Specific cases of bridges 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

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:

- financial income: 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 described above 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. Since the 2008 period, the confirmed excellent management of these contracts and acquisition of sufficient background knowledge allowed the Econocom group to change the accounting measurement, and incorporate a 2% residual interest for TROs.

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 indicates 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 costs to sell 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 5 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, goodwill impairment losses are 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 will be recovered principally through a sale transaction rather than through continuing use, and if the sale is highly probable. These assets or group of assets 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 and fair value less costs to sell.

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 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 re-measured at market value on the reporting 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 reporting 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.

According to 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 reporting 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:

- provisions for pension and other commitments

The group's employees receive pension benefits through defined-contribution and defined-benefit plans.

Employees of the group's French subsidiaries contribute to the French general and complementary pension plans: these plans are defined-contribution plans for which the group's commitments are limited to the payment of periodic contributions, based on a percentage specified under employee costs. Contributions to these defined-benefit pension plans are recognized in employee costs in the earnings for the period.

For defined-benefit plans, pension liabilities are determined according to the project units of credit method on the expected retirement date, with an end-of-career salary, taking specifically into account:

– statutory rights depending on the seniority acquired by the different staff categories;
– turnover rate calculated according to the average of recognized exits;
– wages and fringe benefits including a ratio of the applicable employer social charges;
– an annual wage increase rate;
– the life expectancy of employees on the basis of statistical tables;
– a discount rate for pension liability, revised every year.

The actuarial gains or losses relating to the post-employment defined benefit plans stem from changes in actuarial assumptions retained from one year to another in the measurement of commitments. Since January 1, 2007, these gains or losses are immediately recorded in the period in which they are recognized against equity, net of differed tax according to the option of the amendment to IAS 19.

- 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 reporting date due to commitments made to third parties.

- provisions for contingences and litigations

These provisions cover long-term claims or contingencies which may be settled after the operating cycle.

They are measured by reference to the amount of the probable outflow of resources that will be required to settle lawsuits or claims in progress where an obligating event exists on the reporting date: provisions for litigation and claims comprise the estimated amount required to settle litigations, disputes and claims filed by third parties, including the expenses linked to social or tax-related disputes. With respect to tax and social issues, 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.

1.22.2. Short-term provisions

Short-term provisions primarily correspond to provisions for claims linked to the normal operating cycle and which are expected to be settled within the next 12 months. They are determined according to the same methods as long-term provisions (see above).

1.23. Income from continuing operations

Income from continuing operations is reported where:

- it is probable that the economic benefits resulting from the transaction will be beneficial to the group;
- the amount of revenues can be reliably measured;
- it is probable that the amount of the sale will be recovered on the transaction date.

It is comprised of:

- sales of goods

Sales of goods correspond to our Products and Solutions and Telecom Services activities.

Sales of goods are reported at delivery and on the date of transfer of the risks and rewards of ownership from the entity to the buyer.

• finance lease sales

Finance lease sales correspond to the IT Financial Services activity.

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

• sales of services

Sales of services correspond to our Managed Services and Telecom Services activities.

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 at the reporting date. The percentage of completion is obtained by comparing the amount of costs incurred at the reporting 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.

1.24. Other non-recurring operating income and expenses

This item 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.

1.25. 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 at the reporting 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 reporting 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.

1.26. 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 for one 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.

1.27. Share-based payment

The group has set up stock option plans for its personnel (Note 16.3.1).

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 IFRS1 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.

1.28.Operating segments

Since January 1, 2009, the group applies IFRS 8 concerning segment reporting which replaces IAS 14. The segment report presented has been prepared on the basis of internal management data disclosed to the Group Management Committee (CDG), the group's primary operating decision-maker.

The group's operating activities are organized into 4 aggregate strategic operating business lines: IT Financial Services, Products and Solutions, Managed Services, and Telecom Services. These can be analyzed as follows:

Aggregate strategic operating business segments (4)	Business segments (14)
IT Financial Services	France, Belux, Netherlands, Germany, United Kingdom, Spain, and Italy
Products and Solutions	France, Belux
Managed Services	France, Belux, Netherlands, Morocco
Telecom Services	France

The 4 business segments listed above present a long-term financial profitability and share similar features that allow their aggregation.

They are managed according to the nature of the products and services sold in the given economic and geographic environments. This segmentation into business areas serves as a basis for the presentation of the company's internal management data and is used by the group's operating decision makers to monitor business.

The Group's Management Committee measures the performance of these aggregate strategic operating business segments based on operating earnings. The results correspond to the items that are directly or indirectly attributable to a business segment.

Sales and transfers between segments are carried out at arms-length conditions and are eliminated according to the usual consolidation principles.

The group's aggregate strategic operating business segments are defined as follows:

- **IT Financial Services (ITFS):** administrative and financial management of ICT assets
- **Managed Services (MS):**
  - comprehensive management of distributed IT resources: consulting, outsourcing 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 (PS):** services ranging from the sale of hardware and software (PCs, servers, printers and licenses) to systems integration.
- **Telecom Services (TS):** comprehensive management of telecom resources.
- **Other businesses:** this segment comprises all business activities that do not correspond to the segments as defined above.

1.29. Other information

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

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

2. Changes in the scope of consolidation

The consolidated financial statements of the Econocom group as of December 31, 2009 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 2009

2.1.1. Acquisition

Econocom Group SA/NV acquired 10% of Econocom GmbH and raised its stake to 90%.

2.1.2. Company formations

- Econocom Services GmbH was created in June 2009 to meet the requirements of German legislation which makes a difference between leasing activities and services activities. The company is wholly owned by Econocom GmbH (Germany).
- The Economic Interest Group (EIG) Econocom Enterprise Solutions France was formed in May 2009 to host the design and marketing of enterprise solutions. This company is equally owned by Econocom Location SAS, Econocom Managed Services SAS, Econocom Products and Solutions SAS, and Econocom Telecom Services SAS.

2.1.3. Liquidations/winding up

- Econocom Promodata France SA, 100% owned by Econocom Nederland BV was wound up without liquidation in December 2009.
- Databail SAS and Jafa Consulting SARL, 100% owned by Econocom Location SAS, were wound up without liquidation in July 2009.

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 structures of its direct and indirect investments, the following operations were carried out:

- disposal of Promodata SAS (formerly SNC) to Econocom Location SAS;
- merger of Econocom Telecom BV with Econocom Managed Services BV (formerly Econocom Products and Solutions BV).

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

2.2.1. 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% equity stake in Broke Systèmes SARL.

2.2.2. Company formations

- Econocom Maroc SARL was formed in December 2008 to host a remote services center. The company is wholly owned by Econocom Managed Services SAS (France).
- Econocom Enterprise Solutions France EURL was formed in December 2008 to host the design and marketing of so-called enterprise solutions. The company is wholly owned by 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. The company is wholly owned by Econocom Location SAS.

2.2.3. Liquidations/winding up

- Econocom USA Inc., 100% owned by Econocom Group SA/NV, was liquidated on December 31, 2008.
- Econocom France SAS, 100% owned by Econocom Group SA/NV, was wound up in November 2008.

2.2.4. 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:

- disposal of Tecnolease to Econocom Group SA/NV and to Econocom SAS;
- merger of Tecnolease with Econocom Locazione SPA;
- Econocom Telecom Services SA/NV and Econocom Telecom SPRL were merged into Econocom Managed Services SA/NV.

3. List of consolidated companies

Fully-consolidated companies

Company	Registered office	VAT No.	% interest 2009	2008	Immediate holding company
Econocom SAS	Clichy	FR 653 269 667 77	100%	100%	Econocom Group SA/NV
Econocom Location SAS	Clichy	FR 513 324 398 68	100%	100%	EFS International BV
Atlance France SAS	Clichy	FR 774 408 146 14	100%	100%	Econocom Location SAS
GIE Econocom Enterprise Solutions France	Clichy	FR 875 126 167 98	25% 25% 25% 25%		Econocom Location SAS Econocom Managed Services SAS Econocom Products and Solutions SAS Econocom Telecom Services SAS
Econocom Enterprise Solutions France EURL	Clichy	FR 785 096 021 32	100%	100%	Econocom Location SAS
Econocom Gestion EURL	Clichy	FR 915 096 026 86	100%	100%	Econocom Location SAS
GIE 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%	100%	Econocom Group SA/NV
Econocom Managed Services SA/NV	Brussels	BE 043 209 34 28	100%	100%	Econocom Group 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%	0.08% 99.92%	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	90%	80%	Econocom Group SA/NV
Econocom Services GmbH	Isenburg	DE 266 737 264	100%		Econocom GmbH
Econocom Expert International Holding BV	Nieuwegein	NL 007 552 506 B02	50.1%	50.1%	Econocom Group SA/NV
Econocom Managed Services BV (formerly EPS BV)	Nieuwegein	NL 007 552 506 B01	100%	100%	Econocom Nederland BV

3. List of consolidated companies

Fully-consolidated companies

Company	Registered office	VAT No.	% interest 2009	2008	Immediate holding company
Econocom UK Ltd	Chertsey	GB 386 394 113	100%	100%	Econocom Group SA/NV
Econocom SA (Spain)	Madrid	ES A78 017 282	100%	100%	Econocom Group SA/NV Econocom SAS
Econocom Locazione Italia SPA	Milano	IT 076 558 901 55	93.57% 6.43%	93.57% 6.43%	Econocom Group SA/NV Econocom SAS
Econocom Promodata France SA (1)	Clichy	FR 953 114 632 77		100%	Econocom Nederland BV
Promodata SAS (1)	Clichy	FR 333 929 453 58	 100%	100% 	Econocom Promodata France SA Econocom Location SAS
Databail SAS (1)	Clichy	FR 55 345 358 782		100%	Econocom Location SAS
Jafa Consulting SARL (1)	Clichy	FR 10 491 225 330	100%		Databail SAS
Econocom Products and Solutions SAS	Les Ulis	FR 953 315 664 30	100%	100%	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%	100%	Econocom Managed Services SAS
SCI Alexandre	Les Ulis	FR 713 789 003 85	99.90%	99.90%	Econocom Products and Solutions SAS
Econocom Telecom Services SAS	Clichy	FR 503 532 352 45	100%	100%	Econocom Products and Solutions SAS
Alliance Support Services SAS	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 (1)	Nieuwegein	NL 811 786 109 B01		100%	Econocom Products Services BV
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

As indicated in Note 1.28, the group's business segments break down into the 4 aggregate strategic operating business segments:

- IT Financial Services
- Managed Services
- Products and Solutions
- Telecom Services

The Managed Services segment includes management consulting, systems integration, on-site support and outsourced management of equipment.

The "Other businesses" segment includes all other segments for which reporting is not required under IFRS 8.

Segment results

The group's segment result corresponds to "Operating profit from activities". This segment result, retained for the application of IFRS 8, is the indicator used in-house to measure the performances of non-managerial staff and allocate resources.

"Operating profit from activities" corresponds to "*Operating profit before restructurings, impairment losses on assets, disposal gains or losses, and disputes*" adjusted to reflect the reversing entry of depreciation of intangibles.

4.1. Reporting by operating business segment

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

(in € thousands)	IT Financial Services	Products and Solutions	Managed Services	Telecom Services	Total operating segments	Other businesses	Total
2009							
Income							
Income from external clients	420,565	185,824	125,529	27,290	759,208	82	**759,290**
Operating internal income	37,560	12,564	8,320	5,901	64,345		
Total - Income from operating segments	**458,125**	**198,388**	**133,849**	**33,191**	**823,553**		
Operating profit or loss from activities	**23,780**	**3,231**	**2,606**	**(284)**	**29,333**	**(1,196)**	**28,137**
2008							
Income							
Income from external clients	357,444	192,150	136,751	30,529	716,874	12	**716,886**
Operating internal income	19,872	9,485	5,572	905	35,834		
Total - Income from operating segments	377,316	201,635	142,323	31,434	752,708		
Operating profit or loss from activities	**16,519**	**2,934**	**6,327**	**987**	**26,767**	**(1,567)**	**25,200**

4.2. Reconciliation with consolidated accounts

(in € thousands)	2009	2008
Income from operating segments	823,553	752,708
Income from “Other businesses” segment	82	12
Elimination of internal revenue	(64,345)	(35,834)
Total Income from continuing operations	**759,290**	**716,886**
Operating profit or loss from activities	29,333	26,767
Profit or loss from “Other businesses” segment	(1,196)	(1,567)
Operating segments activity profit or loss	**28,137**	**25,200**
Reversing entry for depreciation of intangibles	1,010	627
Operating profit before restructurings, impairment losses on assets, disposal gains or losses and disputes	**29,147**	**25,827**
Restructuring costs	(517)	(392)
Non-current risks	(639)	(388)
Profit or loss on disposal of investment property	689	
Operating profit	**28,680**	**25,047**
Other financial income and expense	(596)	(348)
Profit before tax	**28,084**	**24,699**

4.3. Geographical segments

Geographical segments data presented in the table below were prepared on the basis of the geographical coverage of clients for revenue.

	Revenue by geographical region	
(in € thousands)	**2009**	2008
Belgium	254,241	201,983
The Netherlands	52,538	66,400
France	370,093	348,040
Southern Europe (Spain, Italy)	65,719	78,472
Other	16,699	21,991
Total	**759,290**	**716,886**

5. Intangible assets 2009

(in € thousands)	Franchises, patents, licenses, etc.	Other	Total
Acquisition cost			
Gross value as of December 31, 2008	**9,937**	**706**	**10,643**
Acquisitions	1,621		1,621
Disposals	(751)		(751)
Change in scope of consolidation			0
Transfers and other movements	320		320
Gross value as of December 31, 2009	**11,127**	**706**	**11,833**
Depreciation and impairment			
Accumulated amortization and impairment losses as of December 31, 2008	**(7,287)**	**(706)**	**(7,993)**
Amortization expense	(1,174)		(1,174)
Disposals	748		748
Accumulated amortization and impairment losses as of December 31, 2009	**(7,713)**	**(706)**	**(8,419)**
Carrying amount as of December 31, 2008	**2,650**	**0**	**2,650**
Carrying amount as of December 31, 2009	**3,414**	**0**	**3,414**

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 and impairment losses as of December 31, 2007	**(6,239)**	**(506)**	**(6,745)**
Amortization expense	(852)	(200)	(1,052)
Disposals	286		286
Changes in scope of consolidation	(430)		(430)
Transfers and other movements	(52)		(52)
Accumulated amortization and impairment losses 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**

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, 2007	Changes in scope of consolidation in 2008	Other	Gross value as of Dec. 31, 2008	Impairment as of Dec. 31, 2008
Products and Solutions Belgium		**461**			**461**	**0**
PLI	2000	461			461	
Telecom Services France		**10,306**	**0**	**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		**1,120**	**0**	**0**	**1,120**	**0**
CHanSE	2004	1,120			1,120	
Managed Services France		**8,427**	**0**	**60**	**8,487**	**0**
Alliance Support Services	2007	7,306			7,306	
Kentron	2007	698			698	
Synopse	2003	423		60	483	
Managed Services Belgium		**761**	**0**	**0**	**761**	**0**
SX Consultants	2002	656			656	
CSI	2000	105			105	
A2Z		**2,741**	**0**	**0**	**3,104**	**(363)**
A2Z Holding	2005	2,741			3,104	(363)
Managed Services Netherlands		**0**	**0**	**0**	**248**	**(248)**
For Connected	2005	0			248	(248)
IT Financial Services Italy		**1,252**	**0**	**0**	**1,252**	**0**
Aperleasing	2007	4			4	
Tecnolease	2007	1,248			1,248	
IT Financial Services Germany		**295**	**0**	**(59)**	**236**	**0**
Econocom Albis	2006	295		(59)	236	
IT Financial Services France		**671**	**2,739**	**0**	**3,410**	**0**
France Location	1996	671			671	
Databail	2008	0	2,735		2,735	
Jafa Consulting	2008	0	4		4	
Total		**26,034**	**2,739**	**1**	**29,385**	**(611)**

Net value as of Dec. 31, 2008	Changes in scope of consolidation in 2009	Gross value as of Dec. 31, 2009	Impairment as of Dec. 31, 2009	Net value as of Dec. 31, 2009
461		**461**	**0**	**461**
461		461		461
10,306	**0**	**10,306**	**0**	**10,306**
782		782		782
1,246		1,246		1,246
760		760		760
7,518		7,518		7,518
1,120	**0**	**1,120**	**0**	**1,120**
1,120		1,120		1,120
8,487	**0**	**8,487**	**0**	**8,487**
7,306		7,306		7,306
698		698		698
483		483		483
761	**0**	**761**	**0**	**761**
656		656		656
105		105		105
2,741	**0**	**3,104**	**(363)**	**2,741**
2,741		3,104	(363)	2,741
0	**0**	**248**	**(248)**	**0**
0		248	(248)	0
1,252	**0**	**1,252**	**0**	**1,252**
4		4		4
1,248		1,248		1,248
236	**82**	**318**	**0**	**318**
236	82	318		318
3,410	**0**	**3,410**	**0**	**3,410**
671		671		671
2,735		2,735		2,735
4		4		4
28,774	**82**	**29,467**	**(611)**	**28,856**

No significant acquisition took place in 2009; goodwill remained flat for the period.

Impairment tests on goodwill

The goodwill relating to businesses was tested for impairment in accordance with the procedures outlined in Note 1.14 “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, 2009.

“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 for the Telecom France CGU and five-year projections for the Telecom Services Belgium CGU based on plans and forecasts approved by Management. The discount rate used was set at 8.5% for the Telecom Services France and Belgium CGUs. Cash flow projections beyond the projected timeframe were extrapolated by using a growth rate to perpetuity of 2% for the two Telecom Services CGUs. These growth rates are consistent with the business plans used, the development potential of the markets on which the CGU’s entities operate and with the competitive positions on those markets.

In the context of a sensitivity analysis on the Telecom Services Belgium CGU, a differential assumption using a discount rate which is +1% higher than the base rate of 8.5% would not change the conclusions of the analysis. The same would be true if cash flows over the last four years of the business plan were reduced by 10%. Lastly, no impairment would be required if the perpetuity growth rate were brought down to 1%.

“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 the five-year timeframe were extrapolated by using a growth rate to perpetuity of 2%, consistent with the development potential of the markets on which the CGU’s entities operate and with their competitive positions on those markets.

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 plans and forecasts approved by Management. The applicable discount rate was set at 8.5%. Cash flow projections beyond the four-year timeframe were extrapolated by using a growth rate to perpetuity of 1%, consistent with the development potential of the markets on which the CGU’s entities operate and with the competitive positions on those markets.

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.

7. Investment property

The investment property located in Les Ulis (France) was sold in December 2009. Details of this transaction are provided in Note 37 – Related-party transactions.

(in € thousands)	**2009**	2008
Gross value		1,279
Depreciation		(749)
Depreciation expense for the year		*(11)*
Total	**0**	**530**

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)	**2009**	2008
Rental income recorded in the income statement	**116**	116

8. Property, plant & equipment 2009

Changes in the gross value of property, plant and equipment as well as the related depreciation expense are presented below for 2009:

(in € thousands) **2009**	Land and buildings	Plants and IT equipment	Furniture and vehicles	Other items of property, plant & equipment	Property, plant and equipment held under finance leases [1]	**Total**
Acquisition cost						
Gross value as of December 31, 2008	**8,359**	**12,584**	**2,293**	**473**	**2,113**	**25,822**
Acquisitions		1,122	357	21	29,519	31,019
Disposals	(92)	(517)	(325)		(29,635)	(30,569)
Translation adjustments					1	1
Transfers and other movements		5	(20)	(320)	1,055	720
Gross value as of December 31, 2009	**8,267**	**13,194**	**2,305**	**174**	**3,053**	**26,993**
Depreciation and impairment						
Accumulated amortization and impairment losses as of December 31, 2008	**(3,778)**	**(8,941)**	**(1,721)**	**(50)**	**(1,761)**	**(16,251)**
Additions	(418)	(1,486)	(253)	(27)	(2,136)	(4,320)
Reversals					2,741	2,741
Disposals	92	503	310		127	1,032
Translation adjustments					(1)	(1)
Transfers and other movements		(1)	3	3	(1,055)	(1,050)
Accumulated amortization and impairment losses as of December 31, 2009	**(4,104)**	**(9,925)**	**(1,661)**	**(74)**	**(2,085)**	**(17,849)**
Carrying amount as of December 31, 2008	**4,581**	**3,643**	**572**	**423**	**352**	**9,571**
Carrying amount as of December 31, 2009	**4,163**	**3,269**	**644**	**100**	**968**	**9,144**

(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. Property, plant & equipment 2008

Changes in the gross value of property, plant and equipment as well as the related depreciation expense are presented below for 2008:

(in € thousands) **2008**	Land and buildings	Plants and IT equipment	Furniture and vehicles	Other items of property, plant & equipment	Property, plant and equipment 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.

9. Financial assets

The following table presents a breakdown of financial assets:

(in € thousands) Financial assets	Investments in non-consolidated companies	Investments accounted for under the equity method	Unguaranteed residual value of leased assets [1]	Other financial assets	Total
Balance 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)
Balance as of December 31, 2008	**2**	**50**	**7,391**	**9,135**	**16,578**
Increases		8	7,054	255	7,317
Repayments			(129)	(2,012)	(2,141)
Changes in scope of consolidation					
Translation adjustments					
Fair value adjustments				229	229
Other movements				(5)	(5)
Balance as of December 31, 2009	**2**	**58**	**14,316**	**7,602**	**21,978**

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

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 €4,765,000 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. In 2009, the Econocom group received €953,000 in repayments. At the end of 2008, total repayments amounted to nearly €4.8 million, which is equivalent to the investment outlay. 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 €229,000 increase in the fund's carrying amount, which was recorded in equity.

Other financial assets comprise:

Other financial assets	MBO Capital venture capital fund	Guarantees and deposits	Total
Balance as of December 31, 2008	**3,967**	**5,168**	**9,135**
Increases	91	164	255
Repayments	(953)	(1,059)	(2,012)
Fair value adjustments	229		229
Other movements		(5)	(5)
Balance as of December 31, 2009	**3,334**	**4,268**	**7,602**

Maturities of financial assets:

2009	< 1 year	Due in 1 to 5 years	> 5 years
Investments in non-consolidated companies			2
Investment accounted for under the equity method		58	
Unguaranteed residual value of leased assets		14,316	
MBO Capital venture capital fund		3,334	
Guarantees given to factors	2,888		
Other guarantees and deposits		843	537
Total 2009 - by maturity	**2,888**	**18,551**	**539**

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**

Breakdown of "Unguaranteed residual value of leased assets"

The positive difference between the future value of equipment on short- and long-term leases (residual interest) 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 in under 12 months.

	2009	2008
Long-term	14,316	7,391
Short-term	1,794	1,175
Unguaranteed residual value of leased assets, net	**16,110**	**8,566**

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

2009	< 1 year	Due in 1 to 5 years	> 5 years	**Total**
Unguaranteed residual value of leased assets, gross	5,999	21,953	32	27,984
Financial residual value	(4,205)	(7,669)		(11,874)
Unguaranteed residual value of leased assets, net	**1,794**	**14,284**	**32**	**16,110**

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**

10. Long-term receivables

(in € thousands)	2009	2008
Other long-term receivables	1,533	1,459
Total	**1,533**	**1,459**

By maturity	2009	2008
1 to 5 years	670	555
> 5 years	863	904
Total	**1,533**	**1,459**

Other long-term receivables mainly relate to:

- loans to institutions providing regulated housing loans for an amount of €873,000;
- €660,000 representing the present value 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 and for which a 10-year recovery plan has been set up.

11. Inventories

(in € thousands)	2009 Gross value	2009 Impairment	2009 Net value	2008 Gross value	2008 Impairment	2008 Net value
Equipment in the process of being refinanced	1,866	(149)	1,717	2,396	(38)	2,358
Other inventories	6,460	(1,992)	4,468	7,002	(1,746)	5,256
IT and telecom equipment	*3,167*	*(279)*	*2,888*	*3,193*	*(209)*	*2,984*
Spare parts	*3,293*	*(1,713)*	*1,580*	*3,809*	*(1,537)*	*2,272*
Total	**8,326**	**(2,141)**	**6,185**	**9,398**	**(1,784)**	**7,614**

Gross value

	As of Dec. 31, 2008	Movements in inventories	Other movements	**As of Dec. 31, 2009**
Equipment in the process of being refinanced	2,396	(543)	13	1,866
Other inventories	7,002	(542)		6,460
IT and telecom equipment	*3,193*	*(26)*		*3,167*
Spare parts	*3,809*	*(516)*		*3,293*
Total	**9,398**	**(1,085)**	**13**	**8,326**

Impairment of inventories

	As of Dec. 31, 2008	Additions	Reversals	**As of Dec. 31, 2009**
Equipment in the process of being refinanced	(38)	(116)	5	(149)
Other inventories	(1,746)	(289)	43	(1,992)
IT and telecom equipment	*(209)*	*(113)*	*43*	*(279)*
Spare parts	*(1,537)*	*(176)*		*(1,713)*
Total	**(1,784)**	**(405)**	**48**	**(2,141)**

12. Trade receivables

(in € thousands)	2009	2008
Trade receivables - gross	**183,539**	**216,270**
Refinancing institutions	36,931	78,233
Other	146,608	138,037
Impairment losses on doubtful debts	**(6,023)**	**(6,689)**
Net value	**177,516**	**209,581**

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

	As of Dec. 31, 2008	Additions	Reversals	Other movements	As of Dec. 31, 2009
Impairment losses on doubtful debts	(6,689)	(765)	957	474	(6,023)

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.

13. Other receivables and other current assets

(in € thousands)	2009	2008
Recoverable VAT	7,050	5,018
Due from suppliers	3,820	5,066
Current portion of the residual value of leased assets	1,794	1,175
Advances to agents	469	842
Factoring receivables	801	1,620
Other receivables	2,941	1,830
Other receivables	**16,875**	**15,551**

	2009	2008
Prepaid expenses	8,441	6,099
Miscellaneous current assets	666	662
Other current assets	**9,107**	**6,761**

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.

14. Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

(in € thousands)	2009	2008
Cash	**30,505**	**27,273**
Cash on hand	10	9
Demand accounts	30,495	27,264
Cash equivalents	**32,017**	**29,495**
Term accounts	18,350	13,354
Marketable securities	13,667	16,141
Cash and cash equivalents	**62,522**	**56,768**

Cash equivalents consist of investments with maturities 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 is subject to any restrictions.

As of December 31, 2009:

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 €25 million to net cash and cash equivalents as of December 31, 2009 compared with €45 million for the year ended December 31, 2008.

2 - Any negative difference between the future value of equipment and its financial residual value (i.e., the repurchase price) is recognized under financial liabilities on a contract-by-contract basis. This calculating method had an impact of €11.9 million on net cash and cash equivalents as of December 31, 2009 versus €15.7 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:

Dec. 31, 2009: €42.3 million

Dec. 31, 2008: €43.8 million

15. 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 inter alia 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 amount 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, 2009 can be analyzed as follows:

Notes	Balance sheet headings	Loans and receivables	Available-for-sale financial assets	Carrying amount
9	Financial assets	18,584	3,334	21,918
	Guarantees and deposits	*4,268*		*4,268*
	Unguaranteed residual value of leased assets (non-current portion)	*14,316*		*14,316*
	MBO Capital venture capital fund		*3,334*	*3,334*
10	Long-term receivables	1,533		1,533
12	Trade receivables	177,516		177,516
13	Other receivables	16,875		16,875
	Other receivables	*15,081*		*15,081*
	Unguaranteed residual value of leased assets (current portion)	*1,794*		*1,794*
14	Cash and cash equivalents	62,522		62,522
	Total financial assets	**277,030**	**3,334**	**280,364**

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

16. Consolidated equity

16.1. Share capital and additional paid-in capital

As of December 31, 2009, the Company'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, 2009 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, 2009, authorized capital stood at €15,895,000. This authorization is valid until 2010.

16.2. 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	**2009**	2008
Pound sterling (GBP)	(1,213)	(1,601)
Moroccan Dirham (MAD)	(1)	
Total	**(1,214)**	**(1,601)**

Equity was therefore reduced by this amount as of December 31, 2009.

16.3. Changes in equity not recorded in profit or loss

16.3.1. 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 €)
2005	40,000	January 2010	5.98
2006	206,700	November 2011	5.70
2007	15,000	January 2012	6.94
	92,000	October 2012	8.12
2008	37,000	April 2013	7.70
Total	**390,700**		

General disclosures		Specific disclosures in accordance with IFRS 2				
Plan	Number of options outstanding	Fair value (1)	Volatility	Life	Dividend (in €)	RFIR (2)
2005	40,000	1.84	40%	5 years	0.15	2.8%
2006	206,700	1.95	23%	5 years	0.20	4.0%
2007	15,000	1.99	32%	5 years	0.24	4.0%
	92,000	2.32	32%	5 years	0.24	4.0%
2008	37,000	1.82	40%	5 years	0.24	4.0%

(1) Fair value of options (in euro).
(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 company'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 2009 and 2008 can be analyzed as follows:

	2009	2008
Options outstanding as of January 1	922,000	1,005,000
Options granted during the year		50,000
Options exercised during the year	(440,000)	(100,000)
Options expired during the year and forfeited	(91,300)	(33,000)
Options outstanding as of December 31	**390,700**	**922,000**

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 €513,000 impact on consolidated equity as of December 31, 2009.

The impact on income for the year came to €165,000.

16.3.2. Provisions for pension and other commitments

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

16.3.3. 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 2009:

	Number of shares	Value (in € thousands)
December 31, 2008	**265,639**	**1,505**
Acquisitions	2,383,679	18,016
Disposals	(440,000)	(2,692)
December 31, 2009	**2,209,318**	**16,829**

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.

16.3.4. Dividend

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 2009 at the Annual General Meeting of May 18, 2010.

	Payable in 2010	Paid in 2009	Paid in 2008
Total dividend (in € thousands)	**7,440**	**5,952**	**6,192**
Dividend per share (in €)	**0.30**	**0.24**	**0.24**

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, 2009.

16.4. Minority interests

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

(in € thousands)

As of December 31, 2008	**110**
2009 profit attributable to minority interests	(3)
Purchase of 10% stake in Econocom GmbH	(35)
As of December 31, 2009	**72**

17. Provisions

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

(in € thousands)	Restructuring	Employee-related contingencies	Tax and legal risks	Deferred commission	Other risks	Other risks linked to the ITFS activity	Total
Balance 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)
Balance as of December 31, 2008	**97**	**587**	**608**	**1,395**	**1,284**		**3,971**
Additions		359	400	429	361	1,898	3,447
Reversals	(92)	(290)	(304)	(363)	(84)	(340)	(1,473)
Other movements		324	535	(147)	(532)	479	659
Balance as of December 31, 2009	**5**	**980**	**1,239**	**1,314**	**1,029**	**2,037**	**6,604**
Current		796	1,239	1,314	608	2,037	5,994
Non-Current	5	184			421		610

	2009	2008
Non-current provisions	610	862
Current provisions	5,994	3,109
Total provisions	**6,604**	**3,971**

Impact (net of incurred expenses)	Additions	Reversal
Recurring operating profit (loss)	3,288	(1,077)
Non-current operating items	159	(396)
Total	**3,447**	**(1,473)**

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 reporting date and adjusted where appropriate to reflect the best estimate of the obligation at that date.

Non-current provisions

Provisions for other contingencies relate to a legal dispute concerning Promodata SNC. At the time of the acquisition 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., by using 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 by 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.

Provisions for risks linked to the IT Financial Services activity represent a provision on outstanding receivable rents on self-financed contracts. This provision used to be recognized in deferred income.

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

18. Provisions for pensions and other commitments

18.1 Description of pension plans

The group's employees are entitled to short-term benefits (paid vacation, sick leave, profit-sharing) and defined benefit/contribution post-employment benefits (severance pay).

The short-term benefits are expensed by the various group entities that grant them.

Post-employment benefits are granted, either by defined-contribution plans, or by defined-benefit plans.

Defined-contribution plans

Such plans are characterized by periodic contributions to external agencies responsible for the plans' administrative and financial management. The employer is therefore free of any subsequent obligation as the agency is in charge of paying employees the amounts to which they are entitled (basic Social Security pension plan, supplementary pension plans, defined contribution plans).

Defined-benefit plans

Such plans are characterized by the employer's obligation to its employees. Provisions are therefore accrued to meet this obligation.

The Defined Benefit Obligation (DBO) is calculated in reference to the projected unit of credits method which uses actuarial assumptions of wage increases, retirement age, mortality, turnover and the discount rate.

Changes to the actuarial assumptions, or the difference between these assumptions and reality, result in actuarial gains or losses which are recognized in equity for the period in which they occurred in accordance with the group's accounting principles.

For the group, defined-benefit post-employment plans primarily concern:

severance pay in France:

- lump-sum benefits calculated according to the employee's years of service and his/her average compensation received over the last 12 months prior to his/her departure. Article 22 of the Agreement states nevertheless that the compensation should not include premiums, bonuses and additional payments for overtime, traveling and secondment;
- the calculation is based on parameters defined by the Human Resources Department in France once a year in November every year;
- the calculated amount is retained under provisions on the balance sheet.

termination allowance in Italy:

- lump-sum allowance calculated according to the employee's years of service and his/her annual salary at the time of termination, whether voluntary or forced;
- the calculated amount is retained under provisions on the balance sheet.

18.2 Actuarial assumptions

Actuarial assumptions depend on a certain number of long-term parameters provided by the group. These parameters are revised every year.

	2009	2008
Retirement age		
– managerial staff	65 years	65 years
– non-managerial staff	62 years	62 years
Salary trend	1.4% – 4%	2.64%
Rate of payroll expenses	45%	45%
Discount rate for commitments	5.0%	5.5%
Mortality table	INSEE 2004-2006	INSEE 2003-2005

18.3 Summary of the financial position of defined-benefit post-employment plans and other commitments

Summary of 2009 movements

(in € thousands)	12/31/2008	Increases for the year	Reversal for the year (utilized provision)	Reversal for the year (unutilized provision)	Changes in actuarial gains/losses	Other movements (1) and (2)	12/31/2009
Provision for pension	4,357	636	(236)		(219)	(836)	3,702
Other commitments	1,141			(29)		118	1,230
Total	**5,498**	**636**	**(236)**	**(29)**	**(219)**	**(718)**	**4,932**

(1) Other movements – Provision for pension corresponds to the impact of change of estimate linked to the transition from taxable gross annual salary to basic monthly salary multiplied by 12 (premiums, bonuses and commissions are not factored into the calculation) which results in a fall in commitment of €836,000 which was immediately recognized in recurring operating profit (loss).

(2) Other movements – Other commitments correspond to reclassification of termination allowance in Italy (Trattamento di fine rapporto) previously recognized in personnel costs.

Summary of 2008 movements

(in € thousands)	12/31/2007	Actuarial gains (losses) 2007	12/31/2007 (Pro forma)	Increases for the year	Reversal for the year (non utilized provision)	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**	**3,183**	**5,604**	**701**	**(50)**	**(757)**	**5,498**

Econocom Group SA/NV 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.

19. Financial debts

(in € thousands)	2009	2008
Finance lease liabilities	4,680	5,307
Finance lease liabilities - real estate	*3,085*	*3,320*
Financial residual value	*1,595*	*1,782*
Other finance lease liabilities		*205*
Bank borrowings (1)	15,743	5,875
Non-current financial debts	**20,423**	**11,182**
Bank borrowings (1)	2,114	5,687
Finance lease liabilities	1,134	1,162
Finance lease liabilities - real estate	*204*	*193*
Financial residual value (2)	*646*	*722*
Other finance lease liabilities	*284*	*247*
Bank overdrafts	605	955
Other borrowings	8,696	13,631
Factoring payables (3)	*8,631*	*12,090*
Other borrowings and financial liabilities	*65*	*1,541*
Current financial debts	**12,549**	**21,435**
Total cost of debt	**32,972**	**32,617**

(1) In 2009 the group contracted a variable-rate bank loan of €12 million to finance equity acquisitions.

(2) Econocom compares the future estimated value of equipment (residual interest) 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 of this repurchase commitment with the future value of equipment resulted in a €11.9 million decrease in financial liabilities as of December 31, 2009, compared to €15.7 million on December 31, 2008.

(3) The group has entered into 2 agreements to factor its receivables. In case of bad debtors, payment of 50% of this factored receivables is guaranteed by the factor.

The residual risk for 2009 amounted to €4.3 million against €6.0 million in 2008. The financial assets concerned consist of:

	2009	2008
Guarantee account and reserve fund	*15,887*	*2,980*
Trade receivables	*8,631*	*12,090*

Non-current financial interest, analyzed by maturity	**2009**	Due in 1 to 5 years	> 5 years
Finance lease liabilities	4,680	2,664	2,016
Finance lease liabilities - real estate	*3,085*	*1,072*	*2,013*
Financial residual value	*1,595*	*1,592*	*3*
Bank overdrafts	15,743	15,743	
Other borrowings			
Total	**20,423**	**18,407**	**2,016**

Non-current financial debt, analyzed by maturity	**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**

Analysis of "Financial residual value"

Any negative differences in the future estimated value of equipment on short- and long-term leases and its financial residual value is recognized on a contract-by-contract basis in non-current liabilities bearing interest for leases expiring in more than 12 months, and in current liabilities bearing interest for leases expiring in under 12 months.

	2009	2008
Long-term	1,595	1,782
Short-term	646	722
Total financial residual value, net	**2,241**	**2,504**

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

2009	< 1 year	Due in 1 to 5 years	> 5 years	Total
Total financial residual value, gross	4,851	9,262	2	14,115
Unguaranteed residual value of leased assets	(4,205)	(7,669)		(11,874)
Total financial residual value, net	**646**	**1,593**	**2**	**2,241**

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**		**2,504**

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

Average effective interest rate	2009	2008
Bank borrowings	3.41%	4.43%
Purchase commitment rate for financial residual value (1)	1.20%	1.70%
Bank overdrafts	1.60%	4.88%
Factoring payables	1.70%	4.97%

(1) Compared with the original purchase price.

All non-current financial debts are denominated in euros.

Operating lease liabilities break down as follows:

(in € thousands) Analysis of operating lease liabilities by maturity	< 1 year	Due in 1 to 5 years	> 5 years	**Total 12/31/2009**	Total 12/31/2008
Minimum future lease payments:					
Operating lease liabilities - Property	*2,363*	*3,861*	*421*	*6,645*	*6,104*
Operating lease liabilities - Vehicles	*4,301*	*4,290*		*8,591*	*10,750*
Total	**6,664**	**8,151**	**421**	**15,236**	**16,854**

Operating lease payments during the year	**2009**	2008
Operating lease expenses - Property	2,963	3,425
Operating lease expenses - Vehicles	5,106	5,155
Total	**8,070**	**8,580**

20. Trade and other payables and other current liabilities

(in € thousands)	**2009**	2008
Trade payables	137,823	161,599
Other payables	39,718	42,620
Trade and other payables	**177,541**	**204,219**

Other payables can be analyzed as follows:

(in € thousands)	**2009**	2008
Accrued taxes and personnel costs	35,735	39,643
Dividends payable	164	137
Customer prepayments	3,819	2,840
Other payables	**39,718**	**42,620**

Other current liabilities can be analyzed as follows:

(in € thousands)	**2009**	2008
Other liabilities	2,828	3,275
Deferred income	21,098	19,235
Miscellaneous current liabilities	8,001	8,165
Other current liabilities	**31,927**	**30,675**

21. Fair value of financial liabilities

In view of their short-term nature, the carrying amount 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, 2009 can be analyzed as follows:

Notes	Balance sheet headings	Financial liabilities at amortized cost	Carrying amount
20	Current and non-current liabilities bearing interest	32,972	32,972
	Bank borrowings	*17,857*	*17,857*
	Finance lease liabilities	*3,289*	*3,289*
	Bank overdrafts	*605*	*605*
	Other borrowings	*11,221*	*11,221*
	Non-current liabilities not bearing interest	1,463	1,463
	Trade payables	137,822	137,822
21	Other payables	39,718	39,718
	Total financial liabilities	**244,947**	**244,947**

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

22. Revenue from continuing operations

Revenue from continuing operations can be analyzed as follows:

(in € thousands)	2009	2008
Sales of goods	192,404	217,287
Finance leases	420,565	357,496
Sales of services	146,321	142,103
Total	**759,290**	**716,886**

23. Personnel costs

The following table presents a breakdown of personnel costs:

(in € thousands)	2009	2008
Wages and salaries	(78,421)	(77,233)
Payroll costs	(27,806)	(28,524)
Provision expense for pension and other post-employment benefit obligations	347	(651)
Employee profit-sharing	(387)	(508)
Other	(3,304)	(3,270)
Total	**(109,571)**	**(110,186)**

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

Further details about these plans are provided in Note 18.

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

	2009	2008
Stocks options	(165)	(209)
Total	**(165)**	**(209)**

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

24. External expenses

The following table presents a breakdown of external expenses:

(in € thousands)	2009	2008
External services (rent, maintenance, insurance, etc.)	(12,121)	(10,758)
Agents' commissions	(19,322)	(20,958)
Fees paid to intermediaries and other professionals	(16,592)	(17,170)
Other services and sundry goods (sub-contracting, public relations, transport, etc.)	(15,315)	(19,312)
Total	**(63,350)**	**(68,198)**

25. Allowance and adjustment for depreciations and provisions

Allowance and adjustment for depreciations and provisions can be analyzed as follows:

(in € thousands)	2009	2008
Intangible assets – Franchises, patents, licenses etc.	(1,174)	(1,052)
Property, plant and equipment – Finance leases	604	(228)
Other items of property, plant and equipment	(2,184)	(1,523)
Investment property	(11)	(11)
Provision for operating contingencies and expenses	(2,210)	402
Total allowance and adjustment for depreciations and provisions	**(4,975)**	**(2,412)**

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

The increase in provision for operating contingencies and expenses is due to the accrual of a provision for outstanding rents receivable from self-financed contracts previously expensed under cost of sales.

26. Impairment losses on current assets, net

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

(in € thousands)	2009	2008
Impairment of inventories	(443)	(300)
Reversal of impairment of inventories	86	85
Impairment losses on doubtful debts	(797)	(931)
Reversal of impairment losses on doubtful receivables	957	999
Total	**(197)**	**(147)**

27. Other operating income and expenses

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

(in € thousands)	2009	2008
Other benefits	472	
Other recurring operating income	969	1,062
Other operating income	**1,441**	**1,062**
Losses on sales of property, plant and equipment and intangible assets – recurring operating activities	(22)	(84)
Losses on sales of trade receivables	(156)	(131)
Other recurring operating expenses	(282)	(506)
Other operating expenses	**(460)**	**(721)**
Total	**981**	**341**

28. Net financial expense, operating activities

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

(in € thousands)	2009	2008
Financial income related to the leasing business	1,837	1,524
Income from current assets	155	901
Miscellaneous financial income from operating activities	356	480
Exchange gains or losses	1,463	1,775
Total financial income from operating activities	**3,811**	**4,680**
Financial expenses related to the leasing business	(3,280)	(2,785)
Financial expenses related to bank overdrafts	(353)	(541)
Financial expenses related to factoring	(661)	(2,023)
Financial expenses related to miscellaneous operating activities	(567)	(353)
Exchange gains or losses	(1,433)	(1,631)
Total financial expenses from operating activities	**(6,294)**	**(7,333)**
Net financial expense – operating activities	(2,483)	(2,653)

Net exchange gains/(losses) recorded in the income statement	2009	2008
USD ($)		(318)
GBP (£)	30	462
Total	**30**	**144**

29. Other non-recurring operating income and expenses

(in € thousands)	2009	2008
Specific claims – non-recurring	(187)	(300)
Restructuring costs	(517)	(392)
Total other operating expenses	**(704)**	**(692)**
Total other operating income	2	173
Capital gain on disposal of property [1]	689	
Total other operating income	**691**	**173**
Total	**(13)**	**(519)**

(1) This capital gain on disposal corresponds to the disposal of an investment property located in Les Ulis (France) sold in December 2009 (refer to note 37.2 – Related-party transactions).

30. Financial income and expense

(in € thousands)	2009	2008
Other financial income	16	372
Financial income	**16**	**372**
Expenses on non-current liabilities	(606)	(653)
Other financial expense	(6)	(67)
Financial expense	**(612)**	**(720)**
Financial income and expense	**(596)**	**(348)**

31. Income taxes

31.1. Recognition of current and deferred taxes

31.1.1. Income statement

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

	2009	2008
Current tax	(6,470)	(5,208)
Deferred tax	(1,286)	(635)
Total income tax expense	**(7,756)**	**(5,843)**

31.1.2. Reconciliation of actual tax charge and theoretical tax charge

	2009	2008
Profit before tax including profit from discontinued operations	28,084	24,664
Total income tax expense	(7,756)	(5,843)
Group nominal rate related to profit before tax	**27.62%**	**23.69%**

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

	2009	2008
Profit for the year	20,332	18,821
Minority interests	(3)	
Total income tax expense	7,755	5,843
Profit before tax	**28,084**	**24,664**
Theoretical tax expense calculated at the Belgian standard tax rate (2009: 33.99%; 2008: 33.99%)	(9,546)	(8,383)
Tax proof:		
Permanent differences	(564)	(718)
Tax losses incurred in the year and unrecognized	(306)	(8)
Tax losses used in the year and previously unrecognized	664	2,422
Adjustment of previously unrecognized deferred tax (1)	1,327	296
Tax rebate transactions	(257)	607
Additional tax expense		
Changes in income tax rate	463	(59)
Tax credits and other taxes	463	
Actual income tax expense	**(7,756)**	**(5,843)**

(1) For the 2009 period, the group recognized deferred tax assets over a portion of the losses carried forward of two companies. These recognitions of previously unrecognized deferred tax assets were prepared on the basis of conservative plans in which a significant portion of future products depends on the application of internal rules.

Permanent differences mainly relate to the following items:

(in € thousands)	2009	2008
Goodwill and excess depreciation and amortization	(3)	(3)
Tax-exempt profit	(71)	(47)
Other non-taxable or non-deductible income and expenses	(490)	(668)
Total	**(564)**	**(718)**

31.2. Deferred tax assets and liabilities

31.2.1. Movements in deferred tax liabilities

(in € thousands)	2009	2008
As of January 1	**(3,748)**	**(2,892)**
(Increase)/decrease	(2,495)	(751)
Impacts of exchange rate fluctuations, changes in the scope of consolidation and reclassifications	511	(105)
As of December 31	**(5,732)**	**(3,748)**

31.2.2. Movements in deferred tax assets

(in € thousands)	2009	2008
As of January 1	**7,270**	**6,984**
(Increase)/decrease	1,209	116
Tax assets not recorded in profit or loss	(69)	(252)
Impacts of exchange rate fluctuations, changes in the scope of consolidation and reclassifications	(511)	422
As of December 31	**7,898**	**7,270**

31.2.3. Main sources of deferred tax assets and liabilities

	Assets		Liabilities		Net	
(in € thousands)	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Intangible assets	434	376	(571)	(45)	(136)	331
Other assets		453	(5,952)	(2,868)	(5,952)	(2,415)
Provisions	2,533	1,841	784	(392)	3,316	1,449
Other liabilities	135	328	8	(146)	143	182
Tax loss carry forwards	4,797	4,272		(297)	4,797	3,975
Deferred tax assets (liabilities), net	**7,898**	**7,270**	**(5,731)**	**(3,748)**	**2,167**	**3,522**
Deferred tax assets recognized in the balance sheet	7,898	7,270			7,898	7,270
Deferred tax liabilities recognized in the balance sheet			(5,731)	(3,748)	(5,731)	(3,748)
Net balance					**2,167**	**3,522**
Recoverable within 12 months	1,806	1,877	(5,439)	(668)	(3,633)	1,209
Recoverable beyond 12 months	6,093	5,393	(293)	(3,080)	5,800	2,313

31.2.4. Unrecognized deferred tax assets

As of December 31, 2009, the group's tax loss carry forwards can be analyzed as follows by expiration date:

(in € thousands)	2009	2008
2012	18,531	18,531
2013	374	
Beyond	455	829
Evergreen tax loss carry forwards	28,033	31,530
Total	**47,393**	**50,890**

The group's unrecognized deferred tax assets at December 31, 2009 and 2008 were related to the following items:

	2009			
(in € thousands)	Gross value	Total deferred tax assets	Recognized deferred tax assets	Unrecognized deferred tax assets
Tax loss carry forwards	47,493	14,020	4,638	9,382
Other tax credits	1,419	397	159	238
Total	**48,912**	**14,417**	**4,797**	**9,620**

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

Unrecognized deferred tax assets amount to €9.6 million (versus €12.5 million in 2008) and correspond to loss carry forwards that are probably unrecoverable and are therefore recorded in the balance sheet.

32. Earnings per share

Basic earnings per share	2009	2008
Operating profit (before tax) (in € thousands)	28,680	25,047
Profit for the year (in € thousands)	20,328	18,821
Average number of shares outstanding	23,726,894	25,358,554
Operating profit per share (before tax) (in €)	**1.209**	**0.988**
Basic earnings per share (in €)	**0.857**	**0.742**

Diluted earnings per share	2009	2008
Diluted operating profit (before tax) (in € thousands)	28,680	25,047
Diluted profit for the year (in € thousands)	20,328	18,821
Average number of shares outstanding	23,726,894	25,358,554
Impact of stock options	87,212	167,638
Diluted average number of shares outstanding	23,814,106	25,526,192
Diluted operating profit per share (before tax) (in €)	**1.204**	**0.981**
Diluted earnings per share (in €)	**0.854**	**0.737**

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 16.3.3.

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 reporting 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.

33. Notes to the consolidated cash flow statement

33.1. 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.

There were no significant movements in the scope of consolidation in 2009.

Consolidated cash flows include cash and cash equivalents.

Year-on-year changes in cash and cash equivalents analyzed in the cash flow statement can be broken down as follows:

(in € thousands)	2009
Cash and cash equivalents at beginning of year	**56,811**
Change in gross cash and cash equivalents	5,711
Impairment of cash and cash equivalents	
Cash and cash equivalents at end of year	**62,522**

33.2. Impact of changes in scope of consolidation

The impact of financial investments on cash flow was immaterial in 2009.

34. Risk management

34.1. Capital adequacy framework

Debt/equity ratio

(2008: 38.67%; 2009: 39.00%)

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 19 and consolidated shareholders' equity at the reporting date.

The group seeks a level of gearing that maximizes value for shareholders while maintaining the financial flexibility required to implement its strategic projects.

34.2. 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.

34.2.1. Market risk

At the end of the year, Group Management fixes all 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.

34.2.1.1. Foreign exchange risk

Econocom is a European group with 95% of its business carried out 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 the denomination of the subsidiaries' purchases and sales in the same currency. The Econocom group does not hedge its exposure to foreign exchange risk as this is not deemed to be material.

34.2.1.2. 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, 2009, the group's variable rate debt comprised first, a 4-year loan covered by a swap agreement, and second, a variable rate loan due at the latest in January 2013. Lastly, the group's factoring is a short-term variable rate.

34.2.1.3. 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 reporting 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 the future value of equipment using the diminishing balance method, 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.

34.2.1.4. 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) **2009**	Total commitment	< 1 year	Due in 1 to 5 years	> 5 years
Finance lease liabilities - real estate	4,328	403	1,613	2,312
Financial residual value	16,730	5,638	11,088	4
Other finance lease liabilities	284	284		
Bank borrowings	18,528	2,536	15,991	
Trade and other payables	177,541	177,541		
Factoring	8,631	8,631		
Other financial liabilities	670	670		
Total	**226,712**	**195,703**	**28,693**	**2,316**

(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**

34.2.2. 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 counterparty risk exposure.

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 15).

Aged balance of receivables past due but not impaired

(in € thousands)			Receivables past due			
2009	Carrying amount	Receivables not past due	Total	< 60 days	60 < x < 90 days	> 90 days
Refinancing institutions [1]	36,931	7,405	29,526	29,095	65	366
Other receivables [2]	146,608	108,698	37,910	20,991	3,378	13,541
Impairment losses on doubtful debts	(6,023)		(6,023)			(6,023)
Trade receivables and other debtors, net	**177,516**	**116,103**	**61,413**	**50,086**	**3,443**	**7,884**

(1) Refinancing institutions correspond to financial institutions which are bank subsidiaries. The high amount of receivables past due as of December 31, can be explained by 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 (€42,328,000).

34.2.3. Equity risk

The group does not hold any unlisted or listed shares apart from treasury shares.

As the treasury shares held by the Econocom Group SA/NV as of December 31, 2009 are deducted from shareholders' equity in the consolidated financial statements, it is not necessary to compare their carrying amount to their actual market value.

34.3. Operating risk management policy

34.3.1. 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.

34.3.2. Dependency risk

The Econocom group continually strives to broaden its client portfolio as part of its development strategy to gain market share. No one client represents over 8% of the group's total 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.

34.3.3. Competitive risk

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.

34.3.4. 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 at December 31, 2009 are presented in Note 39.

Liabilities are recognized in line with current accounting practices (Note 1.22).

Provisions for claims and litigation are described in Note 17.

34.3.5. Employee-related risks

As far as the Econocom 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.

34.3.6. 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.

34.3.7. Insurance against risk

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.

34.3.8. 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 35.

34.4. Sensitivity analysis

The sensitivity analyses carried out to measure the impact of the pound sterling versus euro exchange rate fluctuations show that assuming a like-for-like performance of the UK subsidiary, a 50% fluctuation of the pound sterling in 2010 compared with 2009 would have no material impact on the group's results.

In addition, the group is managing 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 regardless of fluctuations in the dollar exchange rate, the impact on results is immaterial.

As regards interest rates, the sensitivity analysis shows that a 2% (200 base point) change in short-term interest rates would impact profit before tax and non-recurring items to the tune of +/- €0.5 million.

35. Off balance sheet commitments

35.1. Commitments to purchase shares

Econocom GmbH: put option granted on the 10% interest held by local managers

The General Manager of the German subsidiary Econocom GmbH holds 10% of the company's capital. Econocom Group SA/NV holds the remaining 90% of the capital of Econocom GmbH.

Econocom Group SA/NV has a call option on the total amount of the capital held by this manager and has also granted him a put option on that same 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 reporting 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, 2009.

Alliance Support Services

The managers of the French subsidiary Alliance Support Services own 6.68% of its capital.

Econocom Group SA/NV holds put and call options on this entire stake signed by all of the managers in question.

The parties have agreed to extend these puts and calls 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 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 from 2007 to 2009, a liability of €187,000 was recognized in the 2009 consolidated financial statements.

35.2. Commitment to pay earn-out

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 by Econocom Managed Services SAS (France) in 2003. In accordance with an addendum to the sale agreement signed on June 7, 2005, additional purchase consideration may be payable based on a multiple of the company's average recurring profit for the period from January 1, 2005 through December 31, 2007.

However, following the February 1, 2007 acquisition by Econocom Managed Services SAS (France) of Kentron – a competitor of Synopse SAS in the area of ITIL consulting – and the decision to merge Kentron and Synopse, a decision was made to review the methods for calculating the earn-out entitlements for former Synopse shareholders. An addendum to the original share sale agreement was signed on January 23, 2007 that amended the formula used to calculate the variable portion of the company's price. Under this addendum, 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 shareholders cleared their earn-out in 2007 and 2008 and one of them has left the Econocom group.

Based on 2007, 2008, 2009 results and the 2010 budget, the earn-out entitlements of the former 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.

The earn-out 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, 2008 and 2009 results and the 2010 budget, the group estimates the earn-out entitlement for the founder of Kentron at a minimum agreed amount of €200,000 which has already been recognized and paid.

For Connected Services

On August 8, 2005, Econocom Telecom Services SA acquired 100% of the 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 in an amount tied to the company's results from 2006 to 2009.

The acquisition price cannot be less than €175,000; this minimum agreed price was paid to the ceding company and recognized in the 2005 consolidated financial statements.

Based on 2006, 2007, 2008 and 2009 results, the final price remains less than the minimum payment of €175,000. No money is due to the former shareholders, any longer.

35.3. Other equity commitments

A2Z Solutions

The Belgian company A2Z Solutions developed an operational IT infrastructures and telecom management activity for small and medium-sized companies.

Its parent, A2Z Holding, itself subsidiary of Econocom Group SA/NV, granted each one of the two executive managers of the A2Z activity stock options on the capital of A2Z Solutions. The options acquired by each manager at the price of €17,500 give each of the two managers the right to acquire 7.5% of the capital of A2Z Solutions at a price of €150,000. These options can be exercised between January 1 and December 31, 2011.

If the managers were to exercise their options and become shareholders of A2Z Solutions, A2Z Holding would have a call option over the entire capital held by these managers and the latter would have a put option on this same investment, that can be exercised at any time between July 1, 2012 and December 31, 2013.

The price of these call and put options would be calculated on the basis of a multiple of the average (before tax and financial items) results from the business of A2Z Solutions during the year of the option and the year preceding the option exercise year.

Given the uncertainty that A2Z Holding would actually purchase the A2Z Solutions shares, and as the managers are not yet shareholders of A2Z Solutions, no commitment was recognized as of December 31, 2009.

35.4. Commitment to invest in a venture capital fund

Investment in an MBO capital venture capital fund

Since October 2002, Econocom Group SA/NV has invested €4.8 million 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 that exceed the risk-free rate; no liquidity is required in return.

In 2009, in the absence of any available marked-to-market valuation, the venture capital fund was measured at its fair value in use on the reporting date in accordance with IAS 32-39, Financial instruments, i.e., €3.3 million.

35.5. Guarantees

(in € thousands)	
Mortgages	
Carrying amount of buildings pledged as collateral	475
Collateral value	1,692
Guarantees given	**38,379**
Carrying amount of assets pledged by certain subsidiaries as guarantees for factors	4,361
Securities pledged	16,106
Guarantees given (amounts authorized) by Econocom Group SA/NV to third parties (banks and/or suppliers) on behalf of subsidiaries	37,183

35.6. Finance lease commitments

(in € thousands)	
Guarantees in respect of future lease payments (lease on the Belgian head office)	3,318

35.7. Commitments to acquire property, plant and equipment

(in € thousands)	
Lease contracts for delivery in 2009 and subsequent years	88,832

35.8. Commitments to sell property, plant and equipment

(in € thousands)	
Lease contracts for delivery in 2009 and subsequent years	88,832

35.9. Commitments given and received: deposits and guarantees

(in € thousands)	
Guarantees payable on first call and pledges	947

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 2009**	Total 2008
Commitments given:					
Mortgages		1,692		1,692	1,692
Assets pledged as guarantees for factors	4,361			4,361	4,221
Securities pledged		16,106		16,106	4,106
Assets pledged as guarantees for third parties	6,216	30,967		37,183	30,052
Finance leases	234	1,378	1,706	3,318	3,546
Property, plant and equipment	87,262	514	1,056	88,832	54,647
Commitments received:					
Guarantees and pledges	947			947	1,034

36. Contingent liabilities

At the end of December 2007, legal proceedings were instituted against one of the group's subsidiaries involving a large sum. The district court ruled in favor of Econocom. This ruling was appealed and the hearing is scheduled for the first half of 2010. Econocom believes that it has accrued sufficient provisions to cover this contingent risk.

37. Related-party transactions

37.1. Management remuneration (in euros)

	2009	2008
Remuneration allocated to non-executive directors (including attendance fees)	53,500	56,500
Remuneration allocated to executive directors	1,129,178	1,714,254
Remuneration allocated to the Management Committee (excluding directors)	810,483	835,150
Number of stock options outstanding as of December 31	105,000	530,000

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, 2009, the outstanding balance on these loans came to €181,000 (excluding capitalized interests). The remuneration of these loans amounted to €24,000 in 2009.

37.2. 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)	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Econocom International NV	70	68	(1,065)	(1,125)	2	2	2,454	3,232
SCI Pergolèse	701	12	(1,123)	(1,054)	1,220	448	278	317
Audevard	20	20			15			
TOTAL	**791**	**100**	**(2,188)**	**(2,179)**	**1,237**	**450**	**2,732**	**3,549**

Econocom International NV is an unlisted holding company which has a 50.09% stake in Econocom Group SA/NV.

SCI Pergolèse holds 0.63% of Econocom Group SA/NV's capital.

In December 2009, the investment property located in Les Ulis was sold to SCI Pergolèse at a price of €1.2 million.
This disposal took place in line with customary real estate arm's length terms and generated a disposal gain of €689,000 (see Note 29 - Other non recurring income and expenses).
This receivable was cleared on March 4, 2010.

38. Subsequent events

No significant events have taken place since December 31, 2009.

39. Assessments made by management and sources of uncertainty

The main areas in which judgment was exercised by Management were as follows:

- Impairment of goodwill (Note 6): every year, Econocom group reviews the value of the goodwill in its consolidated financial statements, in accordance with the principles mentioned 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 18): an actuary calculates the provision for retirement indemnities based on the projected unit credit method described in Note 1.22. This calculation is particularly sensitive to the discount rate, salary increase rate and rental rate.
- 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 16.3.1).
- Assessment of the probability of recovering the tax loss carry forwards of the group's subsidiaries.
- Provisions (Note 17): provisions are recognized to meet the probable outflow of resources in favor of a third-party with no corresponding consideration for Econocom. 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.
- Fair value of financial instruments (Notes 15 and 21): it is measured using market prices. For derivative financial instruments, this value is determined and transmitted to the group by its banking counterparties. If listed market prices are not available, fair value is measured using other valuation methods *inter alia* future cash flows discounted to present value.

Report of the Statutory Auditors on the consolidated financial statements

for the year ended December 31, 2009

PRICEWATERHOUSECOOPERS

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED ACCOUNTS OF THE COMPANY ECONOCOM GROUP SA/NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009, 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 statement of consolidated financial position as of 31 December 2009 and the consolidated statements of income, comprehensive 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 statement of consolidated financial position amounts to EUR (000) 347.139 and the consolidated statement of income shows a profit for the year, group share, of EUR (000) 20.331.

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 2009 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, 9 April 2010

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 period ended March 31, 2010, 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 position 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, 2009

Balance sheet

Income statement

Cash flow statement

* 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 balance sheet

for the year ended December 31, 2009

Assets (in € thousands)	**12/31/2009**	12/31/2008
Fixed assets	**147,743**	**148,059**
II. Intangible assets	**33**	**52**
III. Property, plant and equipment	**882**	**959**
A. Land and buildings	441	465
B. Plant and equipment, fixtures and fittings	418	471
E. Other property, plant and equipment	23	23
IV. Financial assets	**146,828**	**147,048**
A. Related parties	146,827	146,185
1. Investments	*116,958*	*116,843*
2. Receivables	*29,869*	*29,342*
C. Other financial assets	1	863
1. Shares	*0*	*862*
2. Receivables and cash guarantees	*1*	*1*
Current assets	**36,319**	**23,605**
VI. Inventories and work in-progress	**19**	**72**
A. Inventories	19	72
VII. Receivables due within 1 year	**5,446**	**6,341**
A. Trade receivables	2,904	2,169
B. Other receivables	2,542	4,172
IX. Cash investments	**29,927**	**14,097**
A. Treasury stock	16,830	1,505
B. Other investments	13,097	12,592
X. Cash and cash equivalents	**687**	**3,038**
XI. Accruals and other assets/liabilities	**240**	**57**
Total assets	**184,062**	**171,664**

Equity and liabilities (in € thousands)

	12/31/2009	12/31/2008
Equity	**113,315**	**118,372**
I. Share capital	**16,181**	**16,181**
A. Subscribed capital	16,181	16,181
II. Paid-in capital	**55,038**	**55,038**
III. Revaluation gain	**2,520**	**2,520**
IV. Retained earnings	**18,866**	**3,541**
A. Statutory reserve	1,618	1,618
B. Unavailable reserves	16,830	1,505
1. For own shares	*16,830*	*1,505*
D. Available reserves	418	418
V. Profit carried forward	**20,710**	**41,092**
Provisions and deferred taxes	**131**	**131**
VII. A. Provisions for contingences and claims	**131**	**131**
4. Other contingences and claims	*131*	*131*
Payables	**70,616**	**53,161**
IX. Current liabilities (due within one year)	**70,616**	**53,161**
A. Current portion of non-current liabilities		
B. Financial debts	60,058	44,408
1. Banks	*12,000*	*0*
2. Other borrowings	*48,058*	*44,408*
C. Trade liabilities	2,241	1,790
1. Trade payables	*2,241*	*1,790*
E. Accrued taxes and personnel costs	713	873
1. Taxes	*56*	*440*
2. Personnel costs including social security charges	*657*	*433*
F. Other liabilities	7,604	6,090
XII. Accruals and other assets/liabilities		
Total equity and liabilities	**184,062**	**171,664**

Parent company income statement

for the year ended December 31, 2009

Expenses (in € thousands)	**2009**	2008
II. Cost of sales	**10,776**	**10,798**
B. Services and miscellaneous goods	7,083	7,465
C. Personnel costs (including security charges) and pensions	3,445	3,077
D. Amortization/depreciation and impairment of start-up costs, intangible assets and property, plant & equipment	233	261
E. Impairment of inventories, work in progress and trade receivables (additions +, reversals-)	(2)	3
F. Provisions for contingencies and charges (additions +, reversals-)		(15)
G. Other operating expenses	17	7
V. Financial expenses	**749**	**1,995**
A. Expenses on liabilities	489	1,623
B. Impairment of current assets other than inventories, work in progress and trade receivables		
C. Other operating expenses	260	372
VIII. Exceptional expenses	**40**	**560**
B. Impairment of long-term investments	40	560
C. Provisions for contingences and charges (additions +, reversals-)		
D. Losses on disposal of fixed assets		
E. Other exceptional expenses		
X.A. Income tax	**31**	**38**
XI. Profit for the year	**2,125**	**4,541**
Total	**13,721**	**17,932**

Income (in € thousands)	**2009**	2008
I. Sales of services	**12,196**	**13,323**
A. Revenue	9,906	9,537
D. Other operating income	2,290	3,786
IV. Financial income	**980**	**4,046**
A. Income from long-term investments	774	3,083
B. Income from current assets	48	481
C. Other financial income	158	482
VII. Exceptional income	**545**	**563**
B. Reversals of impairment of long-term investments	545	17
D. Gains on disposal of fixed assets		546
Total	**13,721**	**17,932**
Appropriation of profit		
A. Total profit available for distribution	43,217	55,784
1. Profit for the year	*2,125*	*4,541*
2. Retained earnings	*41,092*	*51,243*
C. Appropriation to equity	(15,067)	(8,740)
2. To the statutory reserve	–	–
3. To other reserves	*(15,067)*	*(8,740)*
D. Appropriation to retained earnings	(20,710)	(41,092)
1. Amount carried forward	*(20,710)*	*(41,092)*
F. Profit available for distribution	(7,440)	(5,952)
1. Dividends	*(7,440)*	*(5,952)*

Parent company cash flow statement

as of December 31, 2009

(in € thousands)	2009	2008
Profit (loss) for the year	2,125	4,541
Income tax expense	31	38
Depreciation, amortization and impairment	271	824
Change in provisions		(15)
Gains/losses on disposals of long-term investments		(545)
Dividends received from investments		(1,224)
Interest received on financial receivables due in more than 1 year	(774)	(1,787)
Gains/losses on sales of treasury shares	91	276
Operating cash flow (a)	**1,744**	**2,108**
Change in receivables due within 1 year	895	(2,717)
Change in other current assets	(128)	25
Change in trade payables	451	(345)
Change in accrued taxes and personnel costs due within 1 year	(160)	428
Change in other current liabilities		(1,105)
Change in working capital (b)	**1,058**	**(3,714)**
Income tax expense (c)	(31)	(38)
Net cash provided by/(used) in operating activities (a+b+c) = d	**2,771**	**(1,644)**

(in € thousands)	2009	2008
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets for internal use	(137)	(526)
Acquisition of investments	(115)	(1,447)
Disposal of investments		2,462
Acquisition of financial receivables due in more than 1 year	(40)	(935)
Repayment of financial receivables due in more than 1 year	753	1,197
Acquisition of other long-term investments	(91)	
Disposal of other long-term investments	952	1,659
Dividends received from investments		1,224
Interest received on financial receivables due in more than 1 year	774	1,787
Net cash provided by investing activities (e)	**2,096**	**5,421**
Cash flows from financing activities		
Change in financial liabilities due within 1 year	2,370	23,244
Change in financial liabilities due in more than 1 year	12,000	
Acquisition of treasury stock	(18,017)	(9,660)
Sale of treasury stock	2,601	472
Dividends paid during the year	(5,667)	(5,990)
Net cash used in financing activities (f)	**(6,713)**	**8,066**
Change in cash and cash equivalents (d+e+f)	**(1,846)**	**11,843**

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 SA/NV registered office, formerly located at 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 (no. 820-11).

Econocom Group SA/NV is a company that publicly raises, or has publicly raised, capital under the terms of company law.

The company 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 Company's 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

The 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;
- financing experience; and
- independence from IT equipment manufacturers and financial companies.

The Econocom group has four independent and complementary businesses which include administrative and financial management of ICT assets (IT Financial Services), procurement of IT products and solutions (Products & Solutions), IT services (Managed Services) and telecom (Telecom Services). The group has no competitor capable of presenting such a range of offers in the areas of IT and telecom. The group's capacity to propose these four offerings and package them in enterprise solutions that draw on all four of its skill sets reinforces its unparalleled ability to respond to market expectations. The new strategic plan of the Econocom group, Horizon 2012, capitalizes on this competitive position.

A diversified 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 life cycle of their corporate resources, including their:

- IT fleet;
- telecom fleet;
- printer portfolios;
- 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 monthly subscription cost per user.

Geographic presence

Econocom has over 25 years of a substantial presence in Europe. 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 services 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 services 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 Luxembourg), 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 group. CHG (Germany) does not carry out distribution and services activities.
- Telecom Services: Econocom group has few competitors in the telecommunications field. The major IT services companies such as CSC, EDS or Cap Gemini already have specific outsourced telephone services offerings, mainly in the network sector of the market. Econocom on the other hand manages whole telephone populations (mobile handsets, PDAs, etc.) along with the corresponding subscriptions. Lastly, the operators' distribution conduits are primarily specialists in selling mobile phone hardware and voice and data subscriptions. While some – such as LCO (Orange) and Mobilitys and Coriolis (SFR) – are beginning to develop services, none benefits from the expertise acquired by Econocom in the corporate computer 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 vital importance of recruitment and career development for the group.

The group has specialized recruitment units in each major country.

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 2009, in step with its growth and its clients' changing needs, the group recruited 380 new top-level technical employees in France, in the Benelux and in Morocco, in particular systems and network engineers and administrators, project managers, consultants and micro technicians.

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 2009, the group had a 380 sales person and marketing team.

Econocom's growth is taking place against the backdrop of 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 2.8% 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, 2009, the Econocom group had 2,266 employees, including its sales and commercial agents.

Recent developments and outlook

The Econocom group's development strategy combines both organic and external growth objectives.

1. Principal investments

In addition to developing new products, software tools and recruiting new sales agents, engineers and technicians, Econocom Group SA/NV carries out external growth transactions in order to acquire specific skills or step up its expansion.

The group's main investments over the last three years have been as follows:

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. The company generated revenue of €34 million in 2007. With around thirty technical centers throughout France, Alliance Support Services will 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. Econocom has accelerated its diversification into corporate telecom services through this acquisition. 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 interest 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. 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. There was an outstanding balance of €5.6 million on this loan as of December 31, 2009.

2008

Econocom bolstered the group's IT Financial Services business in France by acquiring 100% of Databail shares from Ares, a transaction representing an equity finance of some €4 million.

2009

During 2009, Econocom Group SA/NV and its subsidiaries were not involved in any external growth transactions.

Econocom Group SA/NV raised its stake in the German company Econocom GmbH from 80% to 90% by acquiring the equity interests of one of its managers in the German subsidiary.

2. Changes in capital

As of December 31, 2009, 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 SA/NV bearer shares that they had 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, 2009, 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 2009, Econocom Group SA/NV was not involved in any corporate actions on its capital; it neither issued nor cancelled Econocom Group shares. The number of Econocom Group SA/NV shares and voting rights (denominator) still total 24,800,000.

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 (€)
Jan. 1, 2002						8,149,105	16,018,319.08
April 30, 2002	Exercise of stock options	9,900	19,503.00	96,087.36	115,590.36	8,159,005	16,037,822.08
June 27, 2002	Four-for-one stock split					36,636,020	16,037,822.08
Dec. 18, 2002	Cancellation of treasury shares	(1,136,020)				31,500,000	16,037,822.08
Dec. 22, 2004	Cancellation of treasury shares	(1,500,000)				30,000,000	16,037,822.08
July 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
Dec. 22, 2005	Cancellation of treasury shares	(1,265,000)				29,000,000	16,180,922.08
May 15, 2007	Cancellation of treasury shares	(2,200,000)				26,800,000	16,180,922.08
Dec. 20, 2007	Cancellation of treasury shares	(1,000,000)				25,800,000	16,180,922.08
Dec. 22, 2008	Cancellation of treasury shares	(1,000,000)				24,800,000	16,180,922.08
Dec. 31, 2009						**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.

The Extraordinary General Meeting of December 22, 2008 renewed for a five-year period, beginning from 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.

The Extraordinary General Meeting of May 19, 2009 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.

Pursuant to its policy relating to treasury shares, Econocom Group SA/NV and its subsidiaries held 2,209,318 Econocom Group SA/NV shares as of December 31, 2009, representing 8.91% of the total number of shares in issue.

3. Outlook

In 2009, the Econocom group demonstrated that the strategy set out in Horizon 2012, the group's five-year plan, is in line with market expectations.

Spurred by strong sales activity in the fourth quarter, 2010 kicked off with larger order books and a more promising business outlook compared to the previous year.

Building on these two factors, Econocom's management anticipates another year of growth in 2010 and is exploring several acquisition opportunities.

However, the group will remain cautious and continues to take the necessary actions to enhance the productivity and competitiveness of its businesses.

Consolidated highlights
history

	2004	2005	2006	2007	2008	2009
Number of shares (as of December 31)						
Ordinary shares	30,000,000	29,000,000	29,000,000	25,800,000	24,800,000	24,800,000
AFV (preferred shares)	0	0	0	0	0	0
Total	30,000,000	29,000,000	29,000,000	25,800,000	24,800,000	24,800,000
Free float	43.19%	43.13%	40.15%	41.91%	40.38%	20.09%
Per share data (in €)						
Net dividend (on ordinary shares)	0.112	0.12	0.15	0.18	0.18	0.23
Gross dividend (on ordinary shares)	0.15	0.16	0.20	0.24	0.24	0.30
Payout rate (a)	33%	33%	58%	34%	32%	37%
Recurring operating profit	NS	0.65	0.57	0.95	1.03	1.16
Operating profit	0.60	0.65	0.50	0.92	1.01	1.16
Profit before tax	0.59	0.66	0.50	0.91	1.00	1.13
Profit/(loss) before amortization of goodwill	-	-	-	-		
Profit/(loss) for the year	0.45	0.49	0.35	0.70	0.76	0.82
Consolidated cash flow	0.27	0.76	0.70	1.24	1.30	1.45
Equity attributable to shareholders of the parent company	2.77	3.02	3.04	3.23	3.41	3.41
Price/earnings (b)	13	13	19	11	8	13
Price/cash flow (b)	22	8	10	6	5	7
Net yield (c)	1.93%	1.80%	2.25%	2.40%	2.80%	2.22%
Gross yield (c)	2.59%	2.42%	3.00%	3.20%	3.72%	2.90%

(a) Payout rate = gross dividend/consolidated profit from ordinary activities after tax.
(b) Share price as of December 31/cash flow.
(c) Net or gross dividend/share price as of December 31.

	2004	2005	2006	2007	2008	2009
Stock market data (in €)						
Average share price	5.84	6.42	6.35	7.20	7.24	7.12
As of December 31	5.80	6.62	6.66	7.51	6.44	10.35
High	6.23	6.92	7.05	9.93	8.74	10.67
Low	5.03	5.70	5.09	6.69	5.02	4.60
Annual return (at end-December) (d)	16%	16%	3%	15%	(11.85%)	64.28%
Annual market return (e)	38.19%	28.09%	26.17%	(1.95%)	(47.56%)	24.63%
Annual trading volume (in units)	5,880,902	5,127,011	4,833,457	5,862,670	3,021,641	4,103,691
Average daily trading volume	22,994	19,903	19,098	22,991	11,850	16,030
Annual trading volume, in absolute value (in € millions)	34.32	32.61	30.99	46.61	21.70	29.90
Market capitalization as of December 31 (in € millions)	174	192	193	193	160	257
Listing market (f)	TC	TC	TC	TC	TC	TC
Number of employees as of Dec. 31	1,700	1,770	2,200	2,307	2,318	2,266

(d) 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.
(e) Return index (Belgian All Shares) of Euronext Brussels.
(f) 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 is listed on the Marché à terme continu (TC) since March 16, 2000.

Notes

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