



The Offer expires at 17:30 hours, Amsterdam time, on 1 March 2010, unless extended

OFFER MEMORANDUM

Dated 28 January 2010

RECOMMENDED CASH OFFER

by

CANON INC.

a public company with limited liability incorporated under the laws of Japan

and

CANON FINANCE NETHERLANDS B.V.

a private company with limited liability incorporated under the laws of the Netherlands

**FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES
WITH A NOMINAL VALUE OF EUR 0.50 EACH**

IN THE CAPITAL OF

OCÉ N.V.



a public company with limited liability incorporated under the laws of the Netherlands

This offer memorandum (the "**Offer Memorandum**") contains the details of the recommended cash offer by Canon Finance Netherlands B.V. (the "**Offeror**"), a wholly owned direct subsidiary of Canon Inc. ("**Canon**"), to all holders of the issued and outstanding ordinary shares in the capital of Océ N.V. ("**Océ**" or the "**Company**") (the "**Shares**", holders of such Shares being referred to as "**Shareholders**") to purchase for cash the Shares held by them, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum (the "**Offer**"). Capitalised terms used in this Offer Memorandum have the meaning set out in Section 3 (Definitions) or elsewhere in this Offer Memorandum. Pursuant to Article 1:1 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**Wft**") each of Canon and the Offeror are qualified as an offeror in respect of this Offer.

Shareholders tendering their Shares under the Offer will be paid, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum, in consideration of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) a cash amount of EUR 8.60 (the "**Offer Price**"). See Section 5 (Invitation to the Shareholders).

The supervisory board of Océ (the "**Supervisory Board**") and the management board of Océ (the "**Management Board**") and together with the Supervisory Board the "**Boards**") fully and unanimously support the Offer by Canon, after giving due consideration to the strategic, financial and social aspects of the Offer and taking into account the interest of the Shareholders and all other stakeholders of Océ, including customers and employees. The Boards recommend to the Shareholders that they accept the Offer. See the Position Statement (as defined below) Section 1 (Recommendation by the Supervisory Board and the Management Board of Océ).

Bestinver Gestion S.A., SGIIC ("**Bestinver**"), a holder of approximately 9.5% of the outstanding Shares, has committed itself to tender its Shares under the Offer when it is made (the "**Irrevocable Undertaking**"). The Irrevocable Undertaking contains certain customary undertakings and conditions including that Bestinver will only tender its Shares to a bona fide third party offeror at a price of at least 10% above the Offer and in respect of any consecutive public offers at a price of at least 5% above the most recently offered consideration. Canon will have the right to match any competing offer. See Section 6.3.1 (Committed Shares) and Section 7 (Information regarding Océ).

Beleggingsfonds 'Ducatus', an investment fund (*beleggingsfonds*) of which Kempen Capital Management N.V. is the investment manager (*beheerder*) and Kempen Bewaarder Beleggingsfonds 'Ducatus' B.V. is the custodian (*bewaarder*), ASR Levensverzekering N.V. (a wholly owned direct subsidiary of ASR Nederland N.V.) and ING AM Insurance Companies B.V. (the "**Depositary Receipt Holders**"), each a holder of depositary receipts (the "**Depositary Receipts**") for cumulative financing preference shares in Océ (the "**Preference Shares**"), have each entered into a conditional agreement with Canon to transfer their Depositary Receipts and *Stichting Administratiekantoor Preferente Aandelen Océ* (the "**Trust Office**"), which holds all of the Preference Shares on behalf of the Depositary Receipt Holders, representing in aggregate approximately 19% of Océ's voting rights, has committed itself to transfer the Preference Shares, subject to (amongst other conditions) the Offer being declared unconditional (*gestand wordt gedaan*). See Section 6.3.4 (Preference Shares).

Canon holds indirectly through the Offeror 23,807,737 Shares, which represent approximately 22.18% of the Company's total issued share capital and 28.05% of the total number of Shares. See Sections 6.3.2 (Owned Shares) and 9 (Further declarations pursuant to the Decree).

The acceptance period under the Offer begins at 9:00 hours, Amsterdam time, on 29 January 2010 and ends at 17:30 hours, Amsterdam time, on 1 March 2010 (the "**Acceptance Closing Date**"), unless extended in accordance with the terms of the Offer Memorandum and Article 15 of the Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*, the "**Decree**") (the "**Acceptance Period**"). Acceptance under the Offer must be made in the manner specified in this Offer Memorandum. Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during an extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 of the Decree. The Offeror reserves the right to extend the Acceptance Period once, for a minimum of two weeks and up to a maximum of ten weeks. If the Acceptance Period is extended, the Offeror will make an announcement to that effect no later than on the third Business Day following the Acceptance Closing Date in accordance with the provisions of Article 15, paragraph 2 of the Decree. See Section 5 (Invitation to the Shareholders).

No later than on the third Business Day following the Acceptance Closing Date, the Offeror will announce whether the Offer is declared unconditional (*gestand wordt gedaan*) (the "**Unconditional Date**"). The Offeror reserves the right to waive any of the Offer Conditions (as set out in Section 6.2 (Offer Conditions)). See also Section 5.7 (Declaring the Offer unconditional (*gestanddoening*)).

Announcements declaring whether the Offer is declared unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Acceptance Period will be issued by press release. See Section 5.13 (Announcements).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Shareholders tendering their Shares for acceptance pursuant to the Offer will receive no later than on the fifth Business Day following the Unconditional Date (the "**Settlement Date**") the Offer Price, in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) on the terms and subject to the conditions and restrictions of the Offer. See Section 5 (Invitation to the Shareholders).

At 14:30 hours, Amsterdam time, on 12 February 2010, an extraordinary general meeting of shareholders of Océ will be convened at Van der Grintenstraat 1, 5914 HD, Venlo the Netherlands, at which meeting the Offer, among other matters, will be discussed in accordance with the provisions of Article 18, paragraph 1 of the Decree (the "**Extraordinary General Meeting of Shareholders**"). See the Position Statement Section 7 (Extraordinary General Meeting of Shareholders).

This Offer Memorandum has been prepared in accordance with Article 5:76 of the Wft in conjunction with Article 8, paragraph 1 of the Decree and has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"). The position statement by the Management Board and Supervisory Board in accordance with Article 18 of the Decree (the "**Position Statement**") is included at the back of this binder, but does not form part of this Offer Memorandum. The Position Statement does not constitute part of the Offer Memorandum as defined by the Decree and as such is not subject to prior review and approval of the AFM. The Position Statement is, however, subject to review by the AFM after publication thereof.

PART I

1 RESTRICTIONS AND IMPORTANT INFORMATION

1.1 Restrictions

1.1.1 General

The Offer is made with due observance of such statements, conditions and restrictions as are included in the Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effected in the manner set out in this Offer Memorandum. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. However, acceptances of the Offer by Shareholders not residing in the Netherlands will be accepted by the Offeror if such acceptances comply with (i) the acceptance procedure set out in this Offer Memorandum and (ii) the applicable laws and regulations of the jurisdiction from which such acceptance has been made. Persons obtaining the Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, nor Canon, nor Océ, nor any of their respective affiliates, managing or supervisory board members, employees, nor their respective advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intend to forward this Offer Memorandum or any related document to any jurisdiction outside the Netherlands should carefully read this Section 1 (Restrictions and important information) before taking any action. The distribution of this Offer Memorandum in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession this Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

1.1.2 U.S. and Canada

The Offer is not being, and will not be made, directly or indirectly, in or into, or by use of the mails, or by any means or instrumentality (including, without limitation, electronic mail, post, telephone, facsimile, telex or electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of the U.S. or Canada, and the Offer should not be accepted by any such use, means, instrumentality or facility or from within the U.S. or Canada. Accordingly, this Offer Memorandum, any acceptance of the Offer made in the manner specified in this Offer Memorandum and any related documents are not being and must not be mailed or otherwise distributed or sent in, into or from (whether by use of the mails, or by any means or instrumentality (including, without limitation, electronic mail, post, telephone, facsimile, telex or electronic transmission) of interstate or foreign commerce, or of any facility of a national securities exchange of) the U.S. or Canada. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute or send them into or from such jurisdictions or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly with this Offer and doing so will render invalid any relevant purported acceptance of the Offer.

This Offer Memorandum has not been submitted to or reviewed by the U.S. Securities and Exchange Commission ("**SEC**") or any state securities commission in the U.S. and neither the SEC nor any such state securities commission has approved or disapproved or determined whether this Offer Memorandum is truthful or complete. Any representation to the contrary is a criminal offence in the U.S.

1.2 Important information

This Offer Memorandum contains important information that should be read carefully before any decision is made to tender Shares in connection with the Offer. The Shareholders are advised to seek independent advice where appropriate to reach a balanced judgment in respect of the contents of the Offer Memorandum and the Offer itself. In addition, the Shareholders may wish to consult with their tax advisers regarding the tax consequences of tendering their Shares in connection with the Offer.

The information included in Sections 1, 2, 4.2, 4.3, 4.4, 4.6-4.8, 4.9.1-4.9.3, 4.10, 4.11, 5, 6.3.1, 6.3.2, 6.3.4, 6.3.5, 6.5, 6.7.1-6.7.3, 6.10, 8, 10, 12.2, 13.1, 13.3-13.5, 13.7, 13.8, 13.9.2-13.9.6, 13.10, 13.11.1-13.11.3, 13.12 and 13.13 of this Offer Memorandum has been provided solely by the Offeror. The information included in Sections 4.5, 6.3.3, 6.4, 7, 12.3, 13.6 and Part II (Financial Statements) (with the exception of Sections 2 (Auditors' report), 4 (Auditors' report) and 6 (Review report)) of this Offer Memorandum has been provided solely by Océ. The information included on pages 1-3 and in Sections 3, 4.9.4, 4.9.5, 6.1, 6.2, 6.6, 6.7.4-6.7.6, 6.8, 6.9, 6.11, 9, 11, 12.1, 13.2, 13.9.1 and 13.11.4-13.11.5 of this Offer Memorandum has been provided jointly by the Offeror and Océ. Section 13 (Nederlandse samenvatting van het Bod) is a translated summary in the Dutch language of information provided by the Offeror and/or Océ in the English language.

The information included in Part II (Financial Statements) Sections 2 (Auditors' report), 4 (Auditors' report) and 6 (Review report) has been provided by PricewaterhouseCoopers and is identical to the original auditors' report and review report as at the respective dates these reports were issued by PricewaterhouseCoopers.

The Offeror and Océ are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to such information as it has provided, individually and together with respect to the information they have provided jointly. Each of the Offeror and Océ confirms, that, to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import. Please be aware that certain financial and statistical information in this Offer Memorandum may have been rounded up or down to the nearest whole number or the nearest decimal and should therefore not be regarded as exact.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to this date or that there has been no change in the information set out in this Offer Memorandum or in the affairs of the Océ Group since the date of this Offer Memorandum. The foregoing does not affect the obligation of both the Offeror and Océ, each insofar as it concerns them, to make a public announcement pursuant to Article 4, paragraph 1 and paragraph 3 of the Decree, if applicable.

The Position Statement does not constitute part of the Offer Memorandum as defined by the Decree and as such is not subject to prior review and approval of the AFM. The Position Statement is, however, subject to review by the AFM after publication thereof.

No person, other than the Offeror, Canon and Océ and without prejudice to the auditors' report and review report issued by PricewaterhouseCoopers included in this Offer Memorandum, is authorised in connection with the Offer to provide any information or to make any statements on behalf of the Offeror, Canon or Océ in connection with the Offer or any information contained in this Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror, Canon or Océ, such information or statements should not be relied upon as having been provided by or made by or on behalf of the Offeror, Canon or Océ. Any information or representation not contained in this Offer Memorandum must not be relied upon as having been provided by or made by or on behalf of the Offeror, Canon or Océ.

This Offer Memorandum and the Offer are, and any tender, purchase, acceptance or delivery (*levering*) of Shares will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of Amsterdam (*rechtbank Amsterdam*) and its appellate courts have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase, acceptance or delivery (*levering*) of Shares. Accordingly, any legal action or proceedings arising out of or in connection with the Offer Memorandum, the Offer and/or any tender, purchase, acceptance or delivery (*levering*) of Shares must be brought exclusively before such courts.

The Offer Memorandum is only available in the English language and a brief Dutch language summary of this Offer Memorandum is included as Section 13 (Nederlandse samenvatting van het Bod). In the event of any differences, whether or not in interpretation, between the English text of the Offer Memorandum and the Dutch summary thereof in this Offer Memorandum, the English text of the Offer Memorandum shall prevail.

1.3 Forward-looking statements

This Offer Memorandum includes "forward-looking statements" including statements about the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risk and uncertainty because these statements relate to events and depend on circumstances that occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although the Offeror, Canon and Océ, each with respect to the statements it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror, Canon and/or Océ does business, to competitive developments or risks inherent to the Offeror's, or Canon's, or Océ's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror, Canon and/or Océ.

The Offeror, Canon and Océ undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

1.4 Financial advisers

Mizuho Securities is acting as financial adviser exclusively to the Offeror and Canon and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer and will not be responsible to anyone other than the Offeror and Canon for providing the protections afforded to the clients of Mizuho Securities or for providing advice in relation to the Offer.

ING Corporate Finance is acting as financial adviser exclusively to Océ and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer and will not be responsible to anyone other than Océ for providing the protections afforded to the clients of ING Corporate Finance or for providing advice in relation to the Offer.

Lazard is acting as financial adviser exclusively to the Supervisory Board and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer and will not be responsible to anyone other than the Supervisory Board for providing the protections afforded to the clients of Lazard or for providing advice in relation to the Offer.

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3 DEFINITIONS

Any reference in this Offer Memorandum to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made.

The following definitions apply throughout this Offer Memorandum, except for capitalised terms in Sections 12 (Press Releases) and 13 (Nederlandse samenvatting van het Bod) and Part II (Financial Statements) of this Offer Memorandum.

Acceptance Closing Date	the time and date on which the Offer expires, being at 17:30 hours, Amsterdam time, on 1 March 2010, unless extended in accordance with Article 15, paragraph 2 of the Decree and the provisions of this Offer Memorandum
Acceptance Period	the period during which the Shareholders can tender their Shares to the Offeror, which begins at 9:00 hours, Amsterdam time on 29 January 2010 and ends on the Acceptance Closing Date
Admitted Institutions	those institutions admitted to Euronext Amsterdam
AFM	the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
Articles of Association	the articles of association (<i>statuten</i>) of Océ, as amended on 22 August 2008
Bestinver	Bestinver Gestion S.A., SGIIC
Boards	the Management Board and Supervisory Board together
Business Day	any day other than a Saturday, Sunday or legal holiday on which banks in the Netherlands, according to the collective agreements for the banking sector (<i>Algemene Bank-CAO</i>), and Euronext Amsterdam are generally open for business
Canon	Canon Inc., a public company with limited liability, incorporated under the laws of Japan, with its registered office in Tokyo, Japan
Canon Group	Canon, including its group companies, as defined in Article 2:24b of the Dutch Civil Code
Committed Shares	the Shares committed by Bestinver that executed the Irrevocable Undertaking as set out in Section 6.3.1 (Committed Shares)
Company	Océ N.V., a public company with limited liability (<i>naamloze vennootschap</i>), incorporated under the laws of the Netherlands, with its registered office in Venlo, the Netherlands
Conditional Shares	has the meaning attributed to it in Section 4.5 and Section 6.4
Data Room	the virtual data room as prepared by Océ containing information on Océ made available to Canon to evaluate the Offer
Decree	the Dutch Decree on Public Takeover Bids (<i>Besluit openbare biedingen Wft</i>)
Depository Receipts	the depository receipts for Preference Shares

Depository Receipt Holders	Beleggingsfonds 'Ducatus', an investment fund (<i>beleggingsfonds</i>) of which Kempen Capital Management N.V. is the investment manager (<i>beheerder</i>) and Kempen Bewaarder Beleggingsfonds 'Ducatus' B.V. the custodian (<i>bewaarder</i>), ASR Levensverzekering N.V. (a wholly owned direct subsidiary of ASR Nederland N.V.) and ING AM Insurance Companies B.V.
Dividend Stripping	has the meaning attributed to it in Section 10.2.2
EBITDA	earnings before the deduction of interest, tax, depreciation and amortization expenses
Employee Bonds	all employee bonds convertible into Shares outstanding on the date of this Offer Memorandum and granted under the Company's convertible employee bond programme dated 22 April 2005
EUR	euro, the legal currency of the European Monetary Union
Euronext Amsterdam	Euronext Amsterdam by NYSE Euronext
Exchange Agent	Fortis Bank (Nederland) N.V. / MeesPierson CF&M, a public company with limited liability (<i>naamloze vennootschap</i>) incorporated under the laws of the Netherlands, with its registered office in Amsterdam, the Netherlands
Extraordinary General Meeting of Shareholders	the extraordinary general meeting of Shareholders of the Company to be convened at 14:30 hours, Amsterdam time, on 12 February 2010 at Van der Grintenstraat 1, 5914 HD, Venlo the Netherlands at which meeting the Offer, among other matters, (see Position Statement Section 7) will be discussed, in accordance with the provisions of Article 18, paragraph 1 of the Decree
Financial Year 2006	the financial year of Océ ended on 30 November 2006
Financial Year 2007	the financial year of Océ ended on 30 November 2007
Financial Year 2008	the financial year of Océ ended on 30 November 2008
General Meeting of Shareholders	the general meeting of Shareholders of the Company
ING Bank	ING Bank N.V., a public company with limited liability (<i>naamloze vennootschap</i>), incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands
ING Corporate Finance	the organisation and trade name used by ING Bank and certain of its subsidiaries for the conduct of international corporate and investment banking business
Irrevocable Undertaking	the irrevocable undertaking between Canon and Bestinver on 12 November 2009
Lazard	Lazard B.V., a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>), incorporated under the laws of the Netherlands, with its registered office in Amsterdam, the Netherlands
Legal Form Requirement	has the meaning attributed to it in Section 10.2.3

Management Board	the management board (<i>raad van bestuur</i>) of Océ
Material Adverse Change	has the meaning attributed to it in Section 6.2 (Offer Conditions)
Merger Committee	the Merger Committee (<i>fusiecommissie</i>) as referred to in Océ's Merger Committee Charter (<i>statuut fusiecommissie</i>) dated 27 May 1981
Merger Protocol	the merger protocol between Océ and Canon dated 16 November 2009
Mizuho Securities	Mizuho Securities Co., Ltd., a public company with limited liability, incorporated under the laws of Japan, with its registered office in Tokyo, Japan and Mizuho International plc., a wholly owned subsidiary of Mizuho Securities Co., Ltd., incorporated under the laws of England, with its registered office in London, England
Non-Resident of the Netherlands	a holder of the Shares who is not, nor deemed to be, a resident of the Netherlands for the purposes of Dutch taxation
Océ	Océ N.V., a public company with limited liability (<i>naamloze vennootschap</i>), incorporated under the laws of the Netherlands, with its registered office in Venlo, the Netherlands
Océ Group	Océ, including its group companies, as defined in Article 2:24b of the Dutch Civil Code
Océ Option Agreements	both (i) the preference share call option agreement between the Company and the Protection Trust dated 25 April 1979 and (ii) the additional preference share call option agreement between the Company and the Protection Trust dated 24 June 1988, as amended from time to time, pursuant to which the Protection Trust has the right to call up to 175,000 cumulative protective preference shares in the capital of Océ with a nominal value of EUR 500 each (equal to 100% of the current authorized share capital of the Company) to promote the well-being of the Company if the well-being, continuity or identity of the Company is at stake as a result of a hostile takeover
OEMs	Original Equipment Manufacturers
Offer	the offer for the Shares, as described in this Offer Memorandum
Offer Condition(s)	the condition(s) to declaring the Offer unconditional (<i>gestand doen</i>) as set out in Section 6.2 (Offer Conditions)
Offer Memorandum	this offer memorandum relating to the Offer
Offeror	Canon Finance Netherlands B.V., a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>), incorporated under the laws of the Netherlands, with its registered office in Amsterdam, the Netherlands, wholly and directly owned by Canon

Offer Price	a cash amount of EUR 8.60 (which includes any dividend or other distribution on the Shares that may be declared prior to the Settlement Date and, consequently, the Offer Price will be decreased by the amount of such declaration of dividend or other distribution, if any, prior to the Settlement Date) for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) on the terms and subject to the conditions and restrictions of the Offer
Options	share option rights granted under the Company's share option plans to subscribe for ordinary shares in the capital of the Company, outstanding on the date of this Offer Memorandum
Position Statement	the position statement by the Boards in accordance with Article 18 of the Decree as included as Part III, but which does not form part of this Offer Memorandum
Post-Closing Distribution	has the meaning attributed to it in Section 10.1
Preference Shares	issued and outstanding convertible cumulative financing preference shares in the capital of Océ with a nominal value of EUR 0.50 each
PricewaterhouseCoopers	PricewaterhouseCoopers Accountants N.V., a public company with limited liability (<i>naamloze vennootschap</i>), incorporated under the laws of the Netherlands, with its registered office in Amsterdam, the Netherlands
Protection Trust	<i>Lodewijk Stichting</i> , a trust (<i>stichting</i>) established under the laws of the Netherlands, having its registered office in Venlo, the Netherlands
Recipient	a holder of Shares who is the recipient of dividends on such Shares
Resident of the Netherlands	a holder of Shares who is, or is deemed to be, a resident of the Netherlands for the purposes of Dutch taxation
Resolutions	the resolutions to be adopted by the Extraordinary General Meeting of Shareholders as set out in the Position Statement Section 7 (Extraordinary General Meeting of Shareholders)
SEC	the U.S. Securities and Exchange Commission
SER Merger Code	SER Merger Code 2000 (<i>SER-Besluit Fusiegedragsregels 2000</i>)
Settlement Date	the date on which, in accordance with the terms and subject to the conditions and restrictions of the Offer, the Offeror shall pay the Offer Price to the Shareholders for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) under the Offer, being no later than five Business Days following the Unconditional Date
Share(s)	issued and outstanding ordinary share(s) in the capital of Océ with a nominal value of EUR 0.50 each
Shareholder(s)	the holder(s) of one or more Shares
Social Economic Council	the Dutch Social-Economic Council (<i>Sociaal-Economische Raad</i>)
Squeeze-Out	has the meaning attributed to it in Section 6.7.2(A) (Squeeze-Out)

Subject to Tax Requirement	has the meaning attributed to it in Section 10.2.3
Substantial Interest	has the meaning attributed to it in Section 10.1
Superior Offer	a credible, written and binding proposal by a bona fide third party to make an alternative proposal, involving an offer for all Shares or all assets of Océ and the Océ Group, which, in either case, in the reasonable opinion of the Boards, after having considered advice of Océ's outside counsel and financial advisers, is superior to the Offer, provided that an alternative proposal shall only be considered superior to the Offer if the consideration per Share exceeds the Offer Price by 10%. The consideration per Share of any consecutive Superior Offer (which shall include any amended Superior Offer) must exceed the most recent offered consideration per Share (either under a Superior Offer or revised offer by Canon) by 5% failing which such alternative proposal shall not qualify as a Superior Offer
Supervisory Board	the supervisory board (<i>raad van commissarissen</i>) of Océ
Tendered Shares	the Shares tendered under the Offer
Trust Office	<i>Stichting Administratiekantoor Preferente Aandelen Océ</i> , a trust (<i>stichting</i>) established under the laws of the Netherlands, having its registered office in Venlo, the Netherlands
Unconditional Date	the date on which the Offeror publicly announces whether the Offer is declared unconditional (<i>gestand wordt gedaan</i>), being no later than on the third Business Day following the Acceptance Closing Date, in accordance with Article 16, paragraph 1 of the Decree
Unconditional Shares	has the meaning attributed to it in Section 6.4.4
U.S.	the United States of America
USD	U.S. Dollar, the official currency of the U.S.
Wft	the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>)
Works Councils Act	the Dutch Works Councils Act (<i>Wet op de ondernemingsraden</i>)

4 SUMMARY

4.1 General

This summary is qualified in its entirety by, and should be read in conjunction with the more detailed information appearing elsewhere in this Offer Memorandum. Shareholders are advised to review the Offer Memorandum in detail and to seek independent advice where appropriate to reach a balanced judgment in respect of the contents of the Offer Memorandum and the Offer itself. Unless the context requires otherwise, capitalised terms used in this Offer Memorandum shall have the meaning set out in Section 3 (Definitions).

The information included in Sections 1, 2, 4.2, 4.3, 4.4, 4.6-4.8, 4.9.1-4.9.3, 4.10, 4.11, 5, 6.3.1, 6.3.2, 6.3.4, 6.3.5, 6.5, 6.7.1-6.7.3, 6.10, 8, 10, 12.2, 13.1, 13.3-13.5, 13.7, 13.8, 13.9.2-13.9.6, 13.10, 13.11.1-13.11.3, 13.12 and 13.13 of this Offer Memorandum has been provided solely by the Offeror. The information included in Sections 4.5, 6.3.3, 6.4, 7, 12.3, 13.6 and Part II (Financial Statements) (with the exception of Sections 2 (Auditors' report), 4 (Auditors' report) and 6 (Review report)) of this Offer Memorandum has been provided solely by Océ. The information included on pages 1-3 and in Sections 3, 4.9.4, 4.9.5, 6.1, 6.2, 6.6, 6.7.4-6.7.6, 6.8, 6.9, 6.11, 9, 11, 12.1, 13.2, 13.9.1 and 13.11.4-13.11.5 of this Offer Memorandum has been provided jointly by the Offeror and Océ. Section 13 (Nederlandse samenvatting van het Bod) is a translated summary in the Dutch language of information provided by the Offeror and/or Océ in the English language.

The information included in Part II (Financial Statements) Sections 2 (Auditors' report), 4 (Auditors' report) and 6 (Review report) has been provided by PricewaterhouseCoopers and is identical to the original auditors' report and review report as at the respective dates these reports were issued by PricewaterhouseCoopers.

The Position Statement does not constitute part of the Offer Memorandum as defined by the Decree and as such is not subject to prior review and approval of the AFM. The Position Statement is, however, subject to review by the AFM after publication thereof.

4.2 The Offer

The Offeror is making the Offer to purchase from the Shareholders all Shares on the terms and subject to the conditions and restrictions contained in this Offer Memorandum. Shareholders tendering their Shares under the Offer will be paid in cash the Offer Price of EUR 8.60 (which includes any dividend or other distribution on the Shares that may be declared prior to the Settlement Date and, consequently, the Offer Price will be decreased to reflect such declaration of dividend or other distribution, if any, prior to the Settlement Date) in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), subject to the Offer being declared unconditional.

The Offer Price of EUR 8.60 per Share represents a premium of:

- 70% based on the closing price as at 13 November 2009 (EUR 5.065), the last trading day before the public announcement that conditional agreement had been reached between Canon and Océ on the Offer for Océ by Canon;
- 86% based on the average closing price over the one month period ending 13 November 2009 (EUR 4.619);
- 105% based on the average closing price over the six month period ending 13 November 2009 (EUR 4.191);
- 137% based on the average closing price over the twelve month period ending 13 November 2009 (EUR 3.625).

See also Sections 5.2 (Offer Price), 6.5 (Substantiation of the Offer Price) and 7.8 (Share price of Océ).

4.3 Rationale for the Offer

Canon and Océ will be able to build upon each other's strong history and proven track record of innovation and customer servicing to create a strong joint enterprise capable of long term success. Both have similar technology oriented backgrounds and corporate values which will be important drivers creating the world's leading group in the printing industry.

Canon and Océ have similar corporate values with a client oriented culture and a technology driven business model. Océ, one of the world's leading providers of document management and printing for professionals, brings to the merger its expertise and strengths in the areas of production printing, wide format printing and business services. Océ's strategy focuses on strengthening its distribution power, increasing product competitiveness and improving operational excellence. The combination of these companies will provide Océ with access to Canon's well-established sales and marketing network worldwide. Additionally, Océ will benefit from the Canon Group "Best in Class" processes and infrastructure as well as financing to facilitate active investment to expand Océ's business operations. The combination of Canon and Océ will have leading positions in the SOHO (Small Office/Home Office), office, production and wide format segments, offering a superlative range of products and services. It will be able to provide optimal customer servicing through its enhanced scale, innovative technologies and strong distribution networks. Océ and Canon have complementary technologies and products and will benefit from improved diversification across regions and businesses.

Under phase III of its "Excellent Global Corporation Plan", launched in 2006, Canon aims to join the ranks of the world's top 100 companies in terms of all key measures of business performance. As a principal strategy toward the realization of this goal, Canon aims to achieve the overwhelming No. 1 position worldwide in all of its current core businesses. Océ boasts a robust direct sales and service network in 32 countries, which will provide valuable additional sales and service support for Canon-brand products. Furthermore Canon will benefit from the addition of Océ's production and wide format printing line-up, along with the research & development synergies made possible through joint development initiatives in these areas.

The printing industry currently is in a period of consolidation, driven by the undeniable fact that scale is increasingly important, especially in research & development and manufacturing. Only players that are able to improve profitability through increased scale and "Best in Class" processes and infrastructure will play a leading role in the printing industry going forward. From this perspective, Canon and Océ form the ideal combination. Together they are excellently positioned to optimize the servicing of their customers and become the undisputed market leader. The customers of both Canon and Océ will benefit from an enlarged range of high quality products and services through an extended global sales and service network.

See also Section 6.6 (Rationale for the Offer and strategy).

4.4 Financing of the Offer

With reference to Article 7 paragraph 4 of the Decree, Canon has announced that it will fully finance the Offer through cash available to the Canon Group.

In its most recent annual report for the year ended 31 December 2008, Canon had total shareholders' equity of approximately USD 29,228 million and cash and cash equivalents of USD 7,464 million (at the rate of JPY91=USD1). At 30 September 2009, the date of its third quarterly results, Canon had total shareholders' equity of approximately USD 29,059 million and cash and cash equivalents of USD 7,041 million (at the rate of JPY90=USD1).

Canon's annual report and interim results report are available on its website, www.canon.com.

4.5 Overview of Shares and rights held by members of the Supervisory Board and the Management Board

At the date of this Offer Memorandum, no member of the Supervisory Board holds, directly or indirectly, any Shares or Options.

At the date of this Offer Memorandum, the members of the Management Board in aggregate hold a total of 79,316 (seventy-nine thousand three hundred and sixteen) Shares, 77,000 (seventy-seven thousand) Options and a conditional right to acquire in total 114,308 (one hundred fourteen thousand and three hundred eight) ordinary shares in the capital of Océ ("**Conditional Shares**"), partly purchased by each of them as private investment and partly granted to each of them pursuant to the Company's applicable long term incentive plans (as the case may be). Each member of the Management Board directly or indirectly holds the following number of Shares, Options and Conditional Shares, as applicable, at the date of this Offer Memorandum.

Management Board member	Shares	Options	Conditional Shares
Mr. R.L. van Iperen	32,482	77,000	65,319
Mr. A.H. Schaaf	46,634	0	48,989
Mr. H.A. Kerkhoven	200	0	0
Total	79,316	77,000	114,308

4.6 Committed Shares, Preference Shares and owned shares

Bestinver has executed the Irrevocable Undertaking pursuant to which it irrevocably agrees, subject to the terms and conditions of the Irrevocable Undertaking, to tender its Shares under the Offer when it is made. The Irrevocable Undertaking contains certain customary undertakings and conditions including that Bestinver will only tender its Shares to a bona fide third party offeror at a price of at least 10% above the Offer and in respect of any consecutive public offers at a price of at least 5% above the most recently offered consideration. Canon will have the right to match any competing offer. See Sections 6.3.1 (Committed Shares) and 7 (Information regarding Océ).

The Depositary Receipt Holders have entered into a conditional agreement with Canon to transfer their Depositary Receipts and the Trust Office has executed an irrevocable undertaking to transfer the Preference Shares, subject to (amongst other conditions) the Offer being declared unconditional (*gestand wordt gedaan*). See Section 6.3.4 (Preference Shares).

At the date of this Offer Memorandum, Canon holds indirectly through the Offeror 23,807,737 Shares, which represent approximately 22.18% of the Company's total issued share capital and 28.05% of the total number of Shares. See Sections 6.3.2 (Owned Shares) and 9 (Further declarations pursuant to the Decree).

4.7 Offer Conditions, Acceptance Period, Declaring the Offer unconditional, Extension and Settlement

4.7.1 Offer Conditions

The Offer shall be declared unconditional (*gestanddoening*) if the Offer Conditions set out in Section 6.2 (Offer Conditions) are fulfilled or, if relevant, waived by the party entitled to waive such conditions.

4.7.2 Acceptance Period

The Acceptance Period begins at 9:00 hours, Amsterdam time on 29 January 2010 and ends on 1 March 2010 at 17:30 hours, Amsterdam time, unless extended in accordance with Article 15 of the Decree and the provisions of this Offer Memorandum. The relevant bank or stockbroker may set an earlier deadline for communication by holders of such Shares in order to permit the bank or stockbroker to communicate their acceptance to the Exchange Agent in a timely manner.

If one or more of the Offer Conditions set out in Section 6.2 (Offer Conditions) are not fulfilled or waived on the Acceptance Closing Date, the Offeror will consider extending the Acceptance Period once for a minimum of two weeks and up to a maximum of ten weeks until all such Offer Conditions have been satisfied or waived, unless it is clear that the relevant condition(s) cannot be met. See also Section 5.8 (Extension). During an extension of the Acceptance Period, any Shares previously tendered and not

withdrawn will remain subject to the Offer, subject to the right of each Shareholder, in accordance with Article 15 of the Decree, to withdraw the Shares already tendered.

If all Offer Conditions are satisfied or, where appropriate, waived, the Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn on the terms of the Offer in accordance with the procedures set out in Section 5.3 (Acceptance by Shareholders).

4.7.3 Declaring the Offer unconditional

The Offer shall be subject to the fulfilment of the Offer Conditions, including, but not limited to, the condition that on the Acceptance Closing Date the number of Tendered Shares together with the Shares that are directly or indirectly held at that time by the Offeror represents at least 85% of all Shares on a fully diluted basis (excluding (i) the Options and Employee Bonds that will be terminated effective as at the Settlement Date and (ii) the conversion rights attached to the Preference Shares).

The Offeror reserves the right to waive certain Offer Conditions. See Section 6.2 (Offer Conditions).

No later than on the third Business Day following the Acceptance Closing Date, such date being the Unconditional Date, the Offeror will determine whether the Offer Conditions have been fulfilled or are to be waived. In addition, the Offeror will announce on the Unconditional Date, in accordance with Article 16, paragraph 1 of the Decree, whether (i) the Offer has been declared unconditional, (ii) the Offer will be extended in accordance with Article 15 of the Decree, or (iii) the Offer is terminated as a result of the Offer Conditions not having been fulfilled or waived by the Offeror.

No later than on the third Business Day following the Unconditional Date, the Offeror may announce a post-acceptance period (*na-aanmeldingstermijn*) for the Offer for a maximum period of two weeks. During a post-acceptance period, Shareholders that have not yet tendered their Shares under the Offer will be given the opportunity to do so in the same manner and under the same conditions set out in this Offer Memorandum all in accordance with Article 17 of the Decree.

4.7.4 Extension

The Offeror may only extend the Offer past the Acceptance Closing Date once at its discretion (extension for more than one period is subject to clearance of the AFM, which will only be given in exceptional circumstances) if one or more Offer Conditions are not fulfilled by the Acceptance Closing Date. If the Offer is extended, all references in this Offer Memorandum to 17:30 hours, Amsterdam time, on 1 March 2010 will be changed, unless the context requires otherwise, to the date and time to which the Offer has been so extended.

If the Offer is extended and the obligation pursuant to Article 16 of the Decree to announce whether the Offer has been declared unconditional is postponed, a public announcement to that effect shall be made no later than the third Business Day following the Acceptance Closing Date in accordance with the provisions of Article 15 of the Decree. During an extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder, in accordance with Article 15 paragraph 3 of the Decree, to withdraw the Shares already tendered during the Acceptance Period.

4.7.5 Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Shareholders having tendered their Shares for acceptance will receive no later than on the Settlement Date the Offer Price in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) on the terms and subject to the conditions and restrictions of the Offer.

4.8 The Offeror

The Offeror is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its registered office in

Amsterdam, the Netherlands and its business address is Fred. Roeskestraat 123-I, 1076 EE, Amsterdam, the Netherlands. See Section 8 (Information regarding the Offeror).

Pursuant to Article 1:1 of the Wft each of Canon and the Offeror is qualified as an offeror in respect of this Offer. Canon is jointly and severally liable for the obligations and confirms the statements of the Offeror under the Offer. Opinions and intentions attributed to the Offeror in the Offer Memorandum are also opinions and intentions of Canon.

4.9 Consequences of the Offer

4.9.1 Liquidity and delisting of the Shares

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly and thus adversely affect the liquidity and market value of the Shares not tendered.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*) and in the event that the Offeror has acquired 95% of the Shares, the listing of the Shares on Euronext Amsterdam will be terminated as soon as possible. This may further adversely affect the liquidity and market value of any listed Shares not tendered.

4.9.2 Post-closing reorganisation of and future legal structure of Océ

Following the settlement of the Offer, the Offeror may propose (where applicable) and implement (or cause to be implemented) the following reorganisation measures:

(A) Squeeze-Out

Certain structural steps may be needed for the Offeror to obtain ownership of 100% of the Shares and the Offeror reserves the right to use any legally permitted method to obtain ownership of 100% of the Shares. In the event that upon the Settlement Date the Offeror holds 95% or more of the Shares, the Offeror's current intention is to acquire the remaining Shares not tendered by means of a squeeze-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a of the Dutch Civil Code ("**Statutory Squeeze-Out**") or, the takeover buy-out procedure in accordance with Article 2:359c of the Dutch Civil Code ("**Takeover Squeeze-Out**" and together with the Statutory Squeeze-Out, "**Squeeze-Out**").

Despite the Offeror having acquired 95% or more of the Shares and thus being entitled to initiate a Squeeze-Out procedure as set out above, the Offeror may also, and instead of proceeding with a Squeeze-Out, by a simple majority vote (if less than 50% of the share capital is present or represented at such meeting, a 2/3 majority is required) of the General Meeting of Shareholders of Océ resolve that a legal merger (*juridische fusie*) between the Offeror and Océ will be entered into in accordance with Articles 2:309 and 2:334 of the Dutch Civil Code or take any of the other steps set out under "Other possible measures" in Section 6.7.2(C). The legal consequences of a legal merger, including the possibility to pursue a Statutory Squeeze-Out thereafter, are the same as set out below under "Legal merger" in Section 6.7.2(B).

(B) Legal merger

In the event that the Offeror has declared the Offer unconditional and has not acquired 95% or more of the Shares following the Settlement Date, the Offeror, may by simple majority vote (if less than 50% of the share capital is present or represented at such meeting, a 2/3 majority is required) of the General Meeting of Shareholders of Océ effect a legal merger (*juridische fusie*) between Océ and the Offeror, or another member of the Canon Group in accordance with Articles 2:309 and 2:334 of the Dutch Civil Code (which Articles refer to a "triangular merger" pursuant to which the shareholders of the disappearing company will become shareholders of a group company of the surviving company) with Océ being the disappearing entity and the Offeror, or a member of the Canon Group, being the surviving entity.

In the event that the legal merger is effected, Shareholders who have not tendered their Shares under the Offer will become, by operation of law, shareholders in the surviving entity alongside the existing shareholders in the surviving entity or, in the event of a "triangular merger", will become shareholders in such group company. If, after a legal merger is effected, the majority shareholder of the surviving entity holds 95% or more of the capital of the surviving entity, such majority shareholder may initiate a Statutory Squeeze-Out in relation to any shares in the surviving entity not held by such majority shareholder.

(C) Other possible measures

The Offeror reserves the right to use any other legally permitted method to obtain 100% of the Shares or otherwise obtain full ownership of the Océ business, including by way of a liquidation, a de-merger as specified in Article 2:334a of the Dutch Civil Code, a sale of all or substantially all of the assets of Océ which may or may not be followed by a distribution of proceeds to the Shareholders or a cross border statutory triangular merger (*grensoverschrijdende juridische driehoeksfusie*), all in accordance with Dutch law, other applicable laws and the Articles of Association of Océ at that time. Also, the Offeror and Océ reserve the right to have the Offeror contribute assets to Océ against the issuance of Shares, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of other Shareholders could be excluded, all in accordance with Dutch law and the Articles of Association of Océ at that time. Any distribution may take the form of a distribution out of the reserves, an interim dividend, a dividend or, in the event Océ is also liquidated, a liquidation distribution.

(D) Amendment of the Articles of Association and changes to corporate governance

It is proposed that the Articles of Association of Océ are amended subject to the Offer being declared unconditional so that the Articles of Association will include the following changes:

- deletion of all references to protective preference shares;
- deletion of the transfer restrictions in respect of the Preference Shares;
- the number of Management Board members to be decided by the General Meeting of Shareholders of Océ;
- the appointment of the chairmen and vice chairmen of the Management Board and Supervisory Board by the General Meeting of Shareholders of Océ;
- removal of the binding nomination of the Supervisory Board for the appointment of Management Board and Supervisory Board members;
- removal of the authority of the Management Board and the approval of the Supervisory Board in respect of the reservation of profit, (interim) distributions and distribution of stock dividends;
- removal of the approval of the Supervisory Board in respect of amendments to the Articles of Association and the winding up of Océ.

The Offeror has agreed that, following settlement of the Offer, as long as Shares are listed on Euronext Amsterdam, it shall procure that the Company shall continue to adhere to the Dutch Corporate Governance Code by way of complying or explaining any deviations in accordance with the provisions of the Dutch Corporate Governance Code. The agenda for the Extraordinary General Meeting of Shareholders shall include a discussion with the Shareholders on the fact that from the Settlement Date until termination of the listing of the Company on Euronext Amsterdam, the Company may not comply with Best Practice Provision III.2.1 of the Dutch Corporate Governance Code.

4.9.3 Dividend policy

The Offeror may elect not to cause Océ to pay (cash) dividends to Shareholders in the future.

4.9.4 Organisational and social consequences

Following the settlement of the Offer, Océ will remain a separate legal entity and will become a division within Canon with its headquarters in Venlo, the Netherlands. The current Management Board and key management of Océ will remain in place. In the Océ division, the strong Océ brand name will be maintained and will be applied in all relevant markets.

Océ will be responsible worldwide for wide format, commercial printing and business services. Océ's office activities will be integrated in Canon's "Office Imaging Products" division. Canon's "Large Format Printing" will functionally be integrated in the "Océ Production Printing" division over time. A steering committee composed of executives of both Océ and Canon will direct and supervise the integration process, which will aim to optimize efficient coordination of Sales, Service, Marketing, Research and Development and Manufacturing and Logistics covering all business areas.

To create optimal scale in the right segments, the Océ division will report (managerially and financially) to Canon's Board of Directors and will lead the research & development and manufacturing for its businesses. Furthermore, Océ's headquarters, combining research & development, production and sales functions, is expected to play an integral role for Canon's European regional operations, one of Canon's key bases within its "Three Regional Headquarters" vision.

The relevant and applicable employee consultation procedures have been completed (including the information provision process with the Merger Committee, the Océ European Works Council and the relevant Océ works councils). The Social Economic Council (*Sociaal Economische Raad (SER)*) and the relevant trade unions have been notified of the Offer in accordance with the SER Merger Code.

4.9.5 Future composition of the Supervisory Board and the Management Board

Supervisory Board

Following settlement of the Offer, as long as Shares are listed on Euronext Amsterdam, the Offeror shall procure that Océ will continue to adhere to the Dutch Corporate Governance Code by way of complying or explaining any deviations in accordance with the provisions of the Dutch Corporate Governance Code, including that the Company may not comply with Best Practice Provision III.2.1 of this code.

Subject to the relevant Resolution being adopted at the Extraordinary General Meeting of Shareholders, the current members of the Supervisory Board Messrs. G.J.A. van de Aast, M. Arentsen, R.W.A. de Becker and D.M. Wendt will resign as per the Settlement Date, subject to the Offer having been declared unconditional (*gestand wordt gedaan*). Messrs. P.A.F.W. Elverding and A. Baan will remain in office. Subject to the Offer having been declared unconditional and effective as per the Settlement Date, the new members of the Supervisory Board will be Messrs. Toshizo Tanaka, Seymour Liebman, Norman Eley and Maurits van den Wall Bake. Mr. Elverding will continue to hold the position of chairman of the Supervisory Board.

Members of the Supervisory Board who step down will receive their pro-rated standard pre-determined annual compensation for the period between 1 December 2009 (start of the financial year of the Company) and the Settlement Date including any unpaid compensation (which includes remuneration for committee memberships) as set out in the table below. Other than their standard pre-determined compensation, no other compensation as referred to in paragraph 2.9 Annex A of the Decree will be paid to resigning members of the Supervisory Board.

Supervisory Board member	Compensation
Mr. G.J.A. van de Aast	EUR 10,500
Mr. M. Arentsen	EUR 11,000
Mr. R.W.A. de Becker	EUR 9,250
Mr. D.M. Wendt	EUR 9,250

Management Board

The current members of the Management Board will initially continue to comprise the Management Board following the Settlement Date. As of the Settlement Date, the Offeror will be entitled to appoint additional members to Océ's management board.

The existing contractual conditions of employment of the members of the Management Board remain unchanged pursuant to the Offer being declared unconditional and the members of the Management Board are not entitled to any success fee upon the Offer being declared unconditional.

4.10 Announcements

Any further announcements declaring whether the Offer is declared unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Acceptance Period will be issued by press release. Subject to any applicable requirements of the Decree and other applicable laws and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

4.11 Envisaged timetable

Expected date and time	Event
28 January 2010	Announcement of general availability of the Offer Memorandum and the Position Statement as from 28 January 2010 and the Offer
09:00 hours, Amsterdam time, 29 January 2010	Commencement of the Acceptance Period, in accordance with Article 14, paragraph 2 of the Decree
14:30 hours, Amsterdam time, 12 February 2010	Extraordinary General Meeting of Shareholders in which among other matters (see the Position Statement Section 7) the Offer will be discussed in accordance with the provisions of Article 18, paragraph 1 of the Decree
17:30 hours, Amsterdam time, 1 March 2010, unless extended	<i>Acceptance Closing Date</i> Deadline for Shareholders wishing to tender Shares, unless extended in accordance with Article 15, paragraph 2 of the Decree
Within three Business Days following the Acceptance Closing Date	<i>Unconditional Date</i> The date on which the Offeror shall publicly announce whether the Offer is declared unconditional (<i>gestand wordt gedaan</i>) in accordance with Article 16, paragraph 1 of the Decree
No later than on the third Business Day following the Unconditional Date	<i>Post-acceptance period</i> The Offeror may announce a post-acceptance period (<i>na-aanmeldingstermijn</i>) for the Offer for a maximum period of two weeks. During a post-acceptance period, Shareholders that have not yet tendered their Shares under the Offer will be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum all in accordance with Article 17 of the Decree
No later than five Business Days after the Unconditional Date	<i>Settlement Date</i> The date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Offer Price per Share to the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) their Shares under the Offer

5 INVITATION TO THE SHAREHOLDERS

5.1 Introduction

The Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) and in particular Section 1 (Restrictions and important information) thoroughly and completely and to seek independent advice where appropriate to reach a balanced judgment with respect to the Offer and the contents of this Offer Memorandum.

With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms and conditions set out below.

5.2 Offer Price

For each Share tendered under the terms and subject to the conditions and restrictions of the Offer, the Offeror offers the Offer Price of EUR 8.60 in cash, which includes any dividend or other distribution on the Shares that may be declared prior to the Settlement Date and, consequently, the Offer Price will be decreased by the amount of such declaration of dividend or other distribution, if any, prior to the Settlement Date.

5.3 Acceptance by Shareholders

5.3.1 General

To the extent permitted by applicable law, the Offeror reserves the right to accept any Shares tendered for acceptance, even if it has not been effected in the manner set out in this Section 5.3 (Acceptance by Shareholders).

5.3.2 Acceptance via an Admitted Institution

Holders of Shares which are held through an Admitted Institution are requested to make their acceptance known via their bank or stockbroker no later than 17:30 hours, Amsterdam time on 1 March 2010, unless the Acceptance Period is extended in accordance with Section 5.8 (Extension). The relevant bank or stockbroker may set an earlier deadline for communication by holders of such Shares in order to permit the bank or stockbroker to communicate their acceptance to the Exchange Agent in a timely manner.

The Admitted Institutions may tender Shares for acceptance only to the Exchange Agent and only in writing. In submitting the acceptance, the Admitted Institutions are required to declare that (i) they have the Tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that the Shares tendered by him are being tendered in compliance with the restrictions set out in Section 1 (Restrictions and important information) and (iii) they undertake to transfer these Shares to the Offeror on or before the Settlement Date, provided the Offer has been declared unconditional (*gestand wordt gedaan*).

Subject to Article 15, paragraph 3 of the Decree, the tendering of Shares in acceptance of the Offer shall constitute irrevocable instructions to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Exchange Agent on or prior to the Settlement Date if the Offer has been declared unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase) and to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Shares tendered against payment by the Exchange Agent of the Offer Price, in respect of those Shares.

5.3.3 Acceptance by holders of Shares in physical form (K-stukken)

Holders of Shares in physical form (*K-stukken*) are requested to tender these Shares in physical form through their (custodian) bank or (stock) broker where their custody/cash accounts are administered, to the Exchange Agent. If such (custodian) bank or stockbroker is not an Admitted Institution, it should in turn inform the relevant Admitted Institution.

5.3.4 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered up to and including the Settlement Date, subject to the proper withdrawal of any tender during any extension of the Acceptance Period, in accordance with Article 15, paragraph 3 of the Decree, that:

- the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and conditions of the Offer;
- such Shareholder has full power and authority to tender, sell and deliver (*leveren*), and has not entered into any other agreement to tender, sell or deliver the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights and restrictions of any kind; and
- such Shares are being tendered in compliance with the restrictions as set out in Section 1.1 (Restrictions) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares.

5.4 Withdrawal rights

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during the extension of the Acceptance Period in accordance with the provisions of Article 15 of the Decree. During such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer. Shares tendered during the extension of the Acceptance Period may not be withdrawn.

5.5 Offer Conditions

The Offer shall be declared unconditional (*gestand wordt gedaan*) if the Offer Conditions set out in Section 6.2 (Offer Conditions) are fulfilled or, if relevant and to the extent permitted by applicable law, waived by the party entitled to waive such Offer Conditions.

5.6 Acceptance Period

The Acceptance Period begins at 9:00 hours, Amsterdam time on 29 January 2010 and ends at 17:30 hours, Amsterdam time on 1 March 2010, unless extended in accordance with Article 15 of the Decree and the provisions of this Offer Memorandum.

If one or more of the Offer Conditions set out in Section 6.2 (Offer Conditions) are not fulfilled or waived on the Acceptance Closing Date, the Offeror will consider extending the Acceptance Period once for a minimum of two weeks and up to a maximum of ten weeks until all such Offer Conditions have been satisfied or waived, unless it is clear that the relevant condition(s) cannot be met. See also Section 5.8 (Extension). During an extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder, in accordance with Article 15 the Decree, to withdraw the Shares already tendered.

If all Offer Conditions are satisfied or, where appropriate, waived, the Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn on the terms of the Offer in accordance with the procedures set forth in Section 5.3 (Acceptance by Shareholders).

5.7 Declaring the Offer unconditional

The Offer shall be subject to the fulfilment of the Offer Conditions, including, but not limited to, the condition that on the Acceptance Closing Date the number of Tendered Shares together with the Shares that are directly or indirectly held at that time by the Offeror represent at least 85% of all Shares on a

fully diluted basis (excluding (i) the Options and Employee Bonds that will be terminated effective as at the Settlement Date and (ii) the conversion rights attached to the Preference Shares).

The Offeror reserves the right to waive certain Offer Conditions. See Section 6.2 (Offer Conditions).

No later than on the third Business Day following the Acceptance Closing Date, such date being the Unconditional Date, the Offeror will determine whether the Offer Conditions have been fulfilled or are to be waived. In addition, the Offeror will announce on the Unconditional Date, in accordance with Article 16, paragraph 1 of the Decree, whether (i) the Offer has been declared unconditional (*gestand wordt gedaan*), (ii) the Offer will be extended in accordance with Article 15 of the Decree, or (iii) the Offer is terminated as a result of the Offer Conditions not having been fulfilled or waived by the Offeror.

No later than on the third Business Day following the Unconditional Date, the Offeror may announce a post-acceptance period (*na-aanmeldingstermijn*) for the Offer for a maximum period of two weeks. During a post-acceptance period, Shareholders that have not yet tendered their Shares under the Offer will be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum all in accordance with Article 17 of the Decree.

5.8 Extension

The Offeror may only extend the Offer past the Acceptance Closing Date once at its discretion (extension for more than one period is subject to clearance of the AFM, which will only be given in exceptional circumstances) if one or more Offer Conditions are not fulfilled by the Acceptance Closing Date. If the Offer is extended, all references in this Offer Memorandum to 17:30 hours, Amsterdam time, on 1 March 2010 will be changed, unless the context requires otherwise, to the date and time to which the Offer has been so extended.

If the Offer is extended and the obligation pursuant to Article 16 of the Decree to announce whether the Offer has been declared unconditional is postponed, a public announcement to that effect shall be made no later than the third Business Day following the Acceptance Closing Date in accordance with the provisions of Article 15 of the Decree. During an extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder, in accordance with Article 15 paragraph 3 of the Decree, to withdraw the Shares already tendered during the Acceptance Period.

5.9 Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Shareholders having tendered their Shares for acceptance will receive no later than on the Settlement Date, the Offer Price in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) on the terms and subject to the conditions and restrictions of the Offer.

5.10 Dividend

The Offeror may elect not to cause Océ to pay (cash) dividends to Shareholders in the future.

5.11 Commission

Admitted Institutions shall receive from the Exchange Agent on behalf of the Offeror a commission in the amount of EUR 0.01 in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), up to a maximum of EUR 1,000 per Shareholder account. The commission must be claimed from the Offeror through the Exchange Agent within 30 days of the Unconditional Date. No costs will be charged to the Shareholders by the Offeror or Océ for the delivery and payment of the Shares if an Admitted Institution is involved. The Offeror and the Company cannot rule out that Admitted Institutions (or banks or stockbrokers) will charge costs to the Shareholders. Costs might also be charged if a foreign institution is involved in the delivery and payment of the Shares.

5.12 Restrictions

The Offer is being made with due observance of the statements, conditions and restrictions included in the Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effected in the manner set out above.

5.13 Announcements

Any further announcements declaring whether the Offer is declared unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Acceptance Period will be issued by press release. Subject to any applicable requirements of the Decree and other applicable laws and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

6 EXPLANATION AND BACKGROUND OF THE OFFER

6.1 Introduction

On 16 November 2009, Canon and Océ jointly announced that they had reached conditional agreement to combine their printing activities through a fully self-funded, public cash offer by Canon for all of the Shares to be made by Canon subject to the fulfilment of the Offer Conditions. In further press releases dated 17 November 2009 and 1 December 2009, Canon announced that it had acquired Shares through market purchases representing approximately 21.3% and 25.3% respectively of the total number of Shares. On 14 December 2009, Canon and Océ jointly announced that a request for approval of the Offer Memorandum by the AFM would be made no later than 8 February 2010 in accordance with Article 7 paragraph 1 of the Decree. See Section 12 (Press releases).

6.2 Offer Conditions

Notwithstanding any other provisions of the Offer, the obligation of the Offeror to declare the Offer unconditional (*gestand te doen*) shall be subject to the following conditions precedent (the "**Offer Conditions**") being satisfied or waived, as the case may be on the Unconditional Date:

- (a) on the Acceptance Closing Date the number of Tendered Shares together with the Shares that are directly or indirectly held at that time by the Offeror represent at least 85% of all Shares (which do not include Océ's treasury Shares) on a fully diluted basis (excluding (i) the Options and Employee Bonds that will be terminated effective as from the Settlement Date and (ii) the conversion rights attached to the Preference Shares);
- (b) (i) the Merger Protocol shall not have been terminated and (ii) the Company shall not have breached the Merger Protocol which breach is such that the Offeror reasonably cannot be expected to proceed with the Offer;
- (c) neither the Trust Office nor any Depositary Receipt Holder has converted (whether in part or completely) any Preference Shares into Shares;
- (d) the Boards shall not have revoked or changed the recommendation included in the Position Statement;
- (e) the Boards shall not have taken any action or made any public announcement that prejudices or frustrates or reasonably may prejudice or frustrate the Offer in any material respect, other than to the extent specifically permitted by the Merger Protocol in respect of a (potential) Superior Offer;
- (f) the Protection Trust shall not have exercised its call option under the Océ Option Agreement;
- (g) none of the Irrevocable Undertaking, the irrevocable undertakings of the Protection Trust (as described in Section 6.3.5) and the Trust Office (as described in Section 6.3.4), and the conditional agreement with the Depositary Receipt Holders (as described in Section 6.3.4) shall have been revoked or changed;
- (h) the Extraordinary General Meeting of Shareholders will have resolved, subject to the Offer being declared unconditional (*gestand wordt gedaan*), that (i) the Articles of Association of the Company will be amended as set out in Section 6.7.2 of this Offer Memorandum and (ii) the Supervisory Board will be constituted as set out in Section 6.7.6 of this Offer Memorandum;
- (i) no public announcement has been made indicating for the first time that a bona fide third party declares or reaffirms that it makes or that it intends to make, an offer or an amended offer for all or part of the Shares, the Options, shares or securities convertible into shares in the capital of the Company or any of its subsidiaries or any material part of the undertaking, business or assets of the Company, provided that the Offeror may only invoke this Offer Condition (i) in order to increase the Offer Price per Share, or (ii) if such offer or announced offer is a Superior Offer or is declared unconditional;

- (j) no notification shall have been received from the AFM stating that the preparation of the Offer is in violation of chapter 5.5 of the Wft, and that, pursuant to Article 5.80 of the Wft, the investment firms (*beleggingsondernemingen*, as defined in the Wft) would not be allowed to cooperate with the settlement of the Offer;
- (k) no order, stay, judgment or decree is issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority, or any statute, rule, regulation governmental order or injunction has been enacted, enforced or deemed applicable to the Offer, any of which restrains, prohibits or delays or is reasonably expected to restrain, prohibit or delay the consummation of the Offer or the ability of the Offeror to acquire effective control of the Company in any material respect; or
- (l) no Material Adverse Change shall have occurred or become known to the Offeror, whereby "**Material Adverse Change**" means any event or circumstance that, individually or together with other events or circumstances, has or is reasonably expected to have a material adverse effect on the business, assets, results of operations, cash flow, financial position, or capitalization of the Company and its group, taken as a whole, that would (i) substantially impair the economic benefits that an acquirer of the Company may reasonably expect for itself and its shareholders to be realized from the acquisition of the Company and its group companies, or (ii) which would be such that the Offeror cannot reasonably be expected to continue with the Offer or to declare the Offer unconditional; and that does not directly result from any event or circumstance that is caused by:
 - (i) a general economic decline affecting the companies active in the industry in which the Company operates unless such decline disproportionately affects the Company;
 - (ii) any matter to the extent such matter is actually known to the Offeror or its advisers involved in the Offer prior to 16 November 2009;
 - (iii) any matter disclosed in the written information provided by or on behalf of the Company to the Offeror or its advisers involved in the Offer in the Data Room or otherwise prior to 16 November 2009 to the extent such matter is reasonably understandable on the face of the information;
 - (iv) the announcement, making and implementation of the Offer; or
 - (v) a violation of the Merger Protocol or applicable law by the Offeror.

The Offer Conditions are for the benefit of the Offeror (other than the Offer Conditions (b)(i) and (j) which are for the benefit of both the Offeror and the Company) and may, to the extent permitted by law, be waived by the Offeror (either in whole or in part) at any time by written notice to Océ. The Offer Condition 6.2(j) cannot be waived.

Without any limitation to the Offeror's right to rely on to the Offer Condition set forth in Section 6.2(a) above, a waiver by the Offeror of this Offer Condition requires the prior express written approval of the Boards if on the Acceptance Closing Date the number of Shares that is tendered in the Offer together with the Shares that are directly or indirectly held at that time by the Offeror would represent less than 50% plus one of the Shares.

The Offeror and the Company have made a commitment to each other to use their reasonable best efforts to procure the fulfilment of the Offer Conditions as soon as reasonably practicable.

In accordance with its terms, the Merger Protocol may be terminated by mutual consent of both parties or in the event of a non-fulfilment of any of the conditions to the commencement of the Offer or any of the Offer Conditions, a material breach by the other party (i.e. a breaching party may not invoke its own breach to terminate the Merger Protocol), a failure by Canon to submit a matching offer in the event of a Superior Offer or a failure by the Boards to reaffirm their recommendation in the event of a matching offer by Canon.

6.3 Committed Shares, owned Shares, treasury Shares, Preference Shares and protection shares

6.3.1 Committed Shares

Bestinver executed the Irrevocable Undertaking pursuant to which it irrevocably agrees, subject to the terms and conditions of the Irrevocable Undertaking, to accept the Offer in respect of all Shares held by it, in the Acceptance Period and pursuant to which Bestinver irrevocably agrees to cooperate with such acceptance. The acceptance of the Offer by Bestinver will be on the same terms and subject to the same conditions and restrictions as set forth in this Offer Memorandum.

The Irrevocable Undertaking contains certain customary undertakings and conditions including that Bestinver will only tender its Shares to a bona fide third party offeror at a price of at least 10% above the Offer and in respect of any consecutive public offers at a price of at least 5% above the most recently offered consideration. Canon will have the right to match any competing offer. The Irrevocable Undertaking relates to 8,087,554 Shares which represent approximately 9.5% of the total number of Shares at the date of this Offer Memorandum.

No information which is not included in this Offer Memorandum and which is relevant for the assessment of the Offer has been provided to Bestinver by or on behalf of Canon or the Offeror.

6.3.2 Owned Shares

At the date of this Offer Memorandum, Canon holds indirectly through the Offeror 23,807,737 Shares, which represent approximately 22.18% of the Company's total issued share capital and 28.05% of the total number of Shares.

6.3.3 Treasury Shares

At the date of this Offer Memorandum, 2,465,788 (two million four hundred and sixty-five thousand seven hundred and eighty-eight) Shares are held by the Company.

6.3.4 Preference Shares

The Trust Office, which holds on behalf of the Depositary Receipt Holders all issued and outstanding Preference Shares, has issued an irrevocable commitment to Canon that it (i) will not on its own initiative convert any Preference Shares into Shares before the Settlement Date, (ii) will transfer all Preference Shares to the Offeror (in return for the corresponding Depositary Receipts (*decertificering*)) subject to the settlement of the Offer and subject to the administration conditions (*administratievoorwaarden*) of the Trust Office and (iii) absent instructions to the contrary from the holders of the Depositary Receipts and provided that the Boards continue to recommend and support the Offer and no hostile third party offer has been announced and continues to be threatening, will exercise the voting rights attached to the Preference Shares to vote in favour of the Resolutions.

The Depositary Receipt Holders have entered into a conditional agreement with Canon subject to the Offer being declared unconditional in respect of, amongst others, (i) the sale and transfer of all Depositary Receipts upon settlement of the Offer, (ii) omission of conversions of Depositary Receipts and (iii) their agreement that the Trust Office will exercise the voting rights attached to the Preference Shares to vote in favour of the Resolutions.

6.3.5 Protection Shares

Lodewijk Stichting (the "**Protection Trust**") has agreed (i) to waive its right to request the Enterprise Chamber (*Ondernemingskamer*) to initiate an inquiry proceeding and to irrevocably renounce its call option under the Océ Option Agreements, subject to the condition precedent that the Offer is declared unconditional and (ii) not to exercise the right to request the Enterprise Chamber to initiate an inquiry proceeding and not to exercise its call option under the Océ Option Agreements for as long as the Boards recommend and support the Offer and no hostile third party offer has been announced and continues to be threatening.

6.4 Overview of Shares and rights held by members of the Supervisory Board and Management Board

6.4.1 General

In the context of the Offer and as is the case in relation to all employees of Océ, also the existing rights of the members of the Management Board under their employment agreements (including in relation to their remuneration package) will be respected.

At the date of this Offer Memorandum the Company operates certain long term incentive plans in respect of its key employees (including the members of the Management Board) to strengthen the long term commitment of these key employees to the Company. Once the Offer is declared unconditional (*gestand wordt gedaan*) the long term incentive plans will not be able to continue after the Settlement Date in accordance with the terms thereof, amongst others, as the Company will then no longer be operating as an independent stand-alone company. It is the intention of the Offeror and the Company to relinquish the current long term incentive plans, as is customary in transactions of this kind and in accordance with the terms thereof. In this relation the Supervisory Board, in consultation with the Offeror, in line with market practice and after due and careful consideration and having obtained advice from Towers Watson (the Supervisory Board's adviser in respect of remuneration), has determined certain arrangements in relation to the settlement of the Company's applicable long term incentive plans, as described below. The valuation of the settlement arrangements is determined as per a date shortly prior to the first announcement of the Offer, so that the effects of the announcement of the Offer are not taken into account.

6.4.2 Overview of Shares held by members of the Supervisory Board and Management Board

At the date of this Offer Memorandum, no member of the Supervisory Board holds, directly or indirectly, any Shares or Options.

At the date of this Offer Memorandum, the members of the Management Board in aggregate hold a total of 79,316 (seventy-nine thousand three hundred and sixteen) Shares, 77,000 (seventy-seven thousand) Options and a conditional right to acquire in total 114,308 (one hundred fourteen thousand and three hundred eight) ordinary shares in the capital of Océ ("**Conditional Shares**"), partly purchased by each of them as private investment and partly granted to each of them pursuant to the Company's applicable long term incentive plans (as the case may be). Each member of the Management Board directly or indirectly holds the following number of Shares, Options and Conditional Shares, as applicable, at the date of this Offer Memorandum.

Management Board member	Shares	Options	Conditional Shares
Mr. R.L. van Iperen	32,482	77,000	65,319
Mr. A.H. Schaaf	46,634	0	48,989
Mr. H.A. Kerkhoven	200	0	0
Total	79,316	77,000	114,308

6.4.3 Share transactions in the period of 12 months prior to the date of this Offer Memorandum

In the year preceding the date of this Offer Memorandum, no transactions or agreements in respect of securities in the Company were effected or concluded by any of the current members of the Management Board or the Supervisory Board.

Pursuant to and in accordance with the terms of the Company's applicable long term incentive plans, certain members of the Management Board were awarded Shares as set out below in the year preceding the date of this Offer Memorandum:

Management Board member	Award date	Applicable plan	Number of Shares	Share price (EUR)
Mr. R.L. van Iperen	21 April 2009	Share Plan 2006	2,297	2.02
Mr. A.H. Schaaf	30 January 2009	Share Plan July 2006	7,688	2.04

6.4.4 Impact of the Offer on the Company's long term incentive plans

General

The Company operates certain long term incentive plans in respect of its key employees (including the members of the Management Board) to strengthen the long term commitment of these key employees to the Company. Up to and including the 2005 financial year the Company maintained a number of option plans as part of its long term incentive programmes. At the end of 2004 and 2005 the option plans for the members of the Management Board and certain senior management, respectively, were replaced by share plans. Since the start of 2007, the share plans have gradually been replaced by long term cash incentive plans.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*), the Supervisory Board, in consultation with the Offeror, has determined certain settlement arrangements (described below) in relation to the Company's applicable long term incentive plans in view of (amongst other factors):

- the desire of the Offeror to acquire 100% of the Shares and the further intended delisting of the Shares;
- the long term incentive plans not being able to continue after the Settlement Date in accordance with the terms thereof; and
- the intention of the Offeror and the Company to relinquish the current long term incentive plans, as is customary in transactions of this kind and in accordance with the terms thereof and subject to the discretionary authority of the Supervisory Board thereunder.

These settlement arrangements have been determined after due and careful consideration to the factors mentioned above and after obtaining advice from Towers Watson, the Supervisory Board's adviser in respect of remuneration. The valuation of the settlement arrangements (i) is based on objective valuation criteria, (ii) is determined as per a date shortly prior to the first announcement of the Offer so that the effects of the announcement of the Offer are not taken into account, and (iii) is calculated proportionally over a performance period lasting until shortly prior to the first announcement of the Offer.

Options

Pursuant to the Company's applicable option plans certain key employees (including members of the Management Board) were granted Options to subscribe for ordinary shares in the capital of the Company. The applicable vesting periods of all option plans have expired and the option rights granted thereunder have become unconditional and exercisable. In view of the Offer being made and the other considerations mentioned above and as determined by the Supervisory Board in accordance with the terms and conditions of the option plans, and subject to the Offer being declared unconditional (*gestand wordt gedaan*), the Options will be cancelled and the holders thereof will receive compensation in cash equal to an amount representing the time and expectation value of the Options calculated pursuant to customary formulas as at the end of October 2009, i.e. prior to the date of the first announcement of the Offer. Accordingly, the effects of the announcement of the Offer are not taken into account in this valuation.

Of the current members of the Management Board only Mr. Van Iperen holds Options, as the option plans were replaced by the share plans before the other members of the Management Board entered into service. An overview of the Options held by Mr. Van Iperen and the amount of compensation as a result of the cancellation and settlement of the Options, subject to the Offer being declared unconditional (*gestand wordt gedaan*), is set out below.

Series	Expiring	Options outstanding	Exercise price (EUR)	Payment (EUR)
Plan 2002	nov-2010	21,000	9.77	3,780
Plan 2003	nov-2011	21,000	10.75	8,610
Plan 2004	nov-2012	35,000	12.21	21,000
Mr. R.L. van Iperen		77,000		33,390*

* The full amount of compensation as a result of the cancellation and settlement of the Options shall be applied in repayment for that amount of the loan provided by the Company to Mr. Van Iperen within the framework of the option plans. At the date of this Offer Memorandum the loan has an amount outstanding of EUR 34,140.

At the date of this Offer Memorandum no member of the Supervisory Board holds any Options.

Share plans and cash incentive plans

Certain key employees of the Company (including the members of the Management Board) participate in the Company's share plans and other long term cash incentive plans.

(A) Incentive plans for members of the Management Board

Pursuant to the applicable share plans each of Mr. Van Iperen and Mr. Schaaf have been granted a certain number of Conditional Shares as set out in paragraph 6.4.2 above, which Conditional Shares become (wholly or partly) unconditional (vest) at the expiry of the applicable performance period under the relevant share plan. At the end of the applicable performance period the performance of the Company is measured against that of a peer group of companies. The relative ranking of the Company within the peer group of companies determines the definitive number of ordinary shares which are then unconditionally awarded (vested) to the relevant members of the Management Board. Accordingly, based on such ranking either all or only a part of the Conditional Shares are awarded unconditionally (i.e. vest). Subject to the terms of the applicable share plans the vested ordinary shares are subject to a lock-up period.

The applicable cash incentive plan includes a compensation mechanism similar to that of the share plans, whereby at the end of the applicable performance period the relevant member of the Management Board is entitled to an amount in cash based on the Company's relative ranking within the peer group of companies.

In view of the Offer being made and the other considerations set out above, and subject to the Offer being declared unconditional (*gestand wordt gedaan*), the share plans and the cash incentive plan applicable to the members of the Management Board will not anymore be able to continue after the Settlement Date considering that amongst others, the Company will then no longer be operating as an independent stand-alone company. Accordingly, the share plans and the cash incentive plan will be relinquished and the rights of the participants will be settled in accordance with the terms of the incentive plans and as determined by the Supervisory Board, in consultation with the Offeror, based on the above-mentioned considerations. The terms of the settlement arrangements are the following:

- The number of Conditional Shares which would have been granted unconditionally to the relevant members of the Management Board under the applicable share plans (the "**Unconditional Shares**"), and the amount of compensation which would have been paid to each of them under the applicable cash incentive plan (as the case may be), in each case at the end of the applicable performance period, are each established based on the performance of the Company within the peer group of companies measured proportionally as at the end of October 2009, which is the most recent date prior to the first announcement of the Offer that the performance of the peer group of companies can be determined as required by the terms of the applicable incentive plans. Accordingly, the effect of the Offer is not taken into account when determining the ranking of the Company within the peer group of companies and does not affect this valuation;
- In respect of the right to be granted Unconditional Shares each relevant member of the Management Board will receive an amount in cash per Unconditional Share equal to the Offer Price, as if the Unconditional Shares were awarded to the relevant members of the Management Board and then tendered under the Offer;

- A part of the Shares held by the relevant members of the Management Board at the date of this Offer Memorandum (as set out in Section 6.4.2 above) have been granted to them unconditionally pursuant to the applicable share plans prior to the date of this Offer Memorandum (the "**Vested Shares**"). The number of Vested Shares held by each relevant member of the Management Board is set out in the table below. Any Vested Shares that are subject to a lock-up period (to the extent applicable) are considered released from such lock-up and may be tendered under the Offer.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*) and pursuant to the settlement arrangements described above, the members of the Management Board will receive the following gross payments at the Settlement Date:

	Share plans				Cash plan	
Management Board member	Vested Shares	Unconditional Shares* (cash settled)	Offer price per Share (EUR)	Payment for Shares (EUR) (X)**	Payment cash plan (EUR) (Y)	Total payments (X + Y)
Mr. R.L. van Iperen	7,482	6,708	8.60	122,034	60,118	182,152
Mr. A.H. Schaaf	26,634	5,031	8.60	272,319	45,089	317,408
Mr. H.A. Kerkhoven	0	0	8.60	0	45,089	45,089
Total						544,649
* Out of the 65,319 Conditional Shares held by Mr. Van Iperen at the date of this Offer Memorandum 6,708 will become Unconditional Shares. Out of the 48,989 Conditional Shares held by Mr. Schaaf at the date of this Offer Memorandum 5,031 will become Unconditional Shares.						
** Payment for Shares (EUR) X is equal to (Vested shares plus Unconditional Shares) times Offer Price per Share						

(B) Incentive plans for key employees

The long term incentive plans currently applicable to key employees consist of cash incentive plans and share plans. In view of the Offer being made and the other considerations as set out in Section 6.4.4, and subject to the Offer being declared unconditional (*gestand wordt gedaan*), these incentive plans will be settled in a similar manner as the incentive plans applicable to the members of the Management Board.

6.4.5 Shares purchased as private investment

A part of the Shares held by the relevant members of the Management Board at the date of this Offer Memorandum (as set out in Section 6.4.2 above) have been purchased by them as private investment. The number of such Shares held by each relevant member of the Management Board is set out in the table below. Subject to the Offer being declared unconditional (*gestand wordt gedaan*), the members of the Management Board will – when they tender such Shares under the Offer – receive the following payments in respect thereof at the Settlement Date:

Management Board member	Shares	Offer Price	Payment (EUR)
Mr. R.L. van Iperen	25,000	8.60	215,000
Mr. A.H. Schaaf	20,000	8.60	172,000
Mr. H.A. Kerkhoven	200	8.60	1,720
Total			388,720

The Company has agreed to ensure that, for as long as the Boards recommend and support the Offer, each member of each of the Management Board and the Supervisory Board will tender any Shares such member directly or indirectly holds under the Offer. At the date of this Offer Memorandum none of the members of the Supervisory Board hold any Shares.

6.4.6 Other arrangements

The Offeror and the Company consider human resources management a critical success factor for the combination between the companies, which will be based on merit and skills. Accordingly, in the context of the Offer being made by the Offeror, the existing rights of the employees (including the members of

the Management Board) and the existing labour related agreements and relations will be respected, including the applicable covenants with the Company's works councils and unions, the applicable social plans and collective labour agreements, and also the current obligations in respect of the employees' pension rights.

The Offeror and the Supervisory Board also consider it important for the continuity of the management of the Company that the members of the Management Board remain in place and continue their services to the Company also after the Settlement Date.

In the event that the services of any member of the Management Board are terminated after the Settlement Date by either the Offeror or any member of the Management Board, for instance, as a result of changes in employment conditions after the Settlement Date (which may be, for instance, related to the fact that the functions and responsibilities of any such member may be reduced), the Offeror and the Supervisory Board consider it appropriate and have approved, and the members of the Management Board have accepted, that – in line with their respective employment agreements – each member of the Management Board is entitled to receive a severance payment of an amount equal to two times such member's basic gross annual salary (as set out below).

Management Board member	Basic annual salary (EUR)	Severance payment (if any) (EUR)
Mr. R.L. van Iperen	674,730	1,349,460
Mr. A.H. Schaaf	506,048	1,012,096
Mr. H.A. Kerkhoven	506,048	1,012,096

6.5 Substantiation of the Offer Price

6.5.1 Analysis

A number of factors have been important in determining the Offer Price, including:

- (a) discounted cash flow analysis, assuming (i) financial forecasts for Océ stand-alone, (ii) a weighted average cost of capital of 8% and, (iii) a long-term effective corporate tax rate of 30%. The applied forecast period is 7 years, the residual value at the end of year 7 is based on perpetuity of the cash flow in year 7. Discounting of the projected cash flows in year 1 to 7 is based on the assumption that the cash flow is generated at the middle of the year. The main purpose of the discounted cash flow analysis was to perform a sensitivity analysis and cross checking of target prices by equity research analysts and the market share price of Océ;
- (b) an analysis of target share prices of Océ by research analysts who follow the developments of Océ and the markets in which it operates and regularly issue reports on Océ. The equity research analysts' target prices ranged from EUR 3.50 to EUR 4.80. The target prices range was based on equity research reports issued by Fortis Bank Nederland, Goldman Sachs, ING Financial, Kempen & Co, Rabo Securities, RBS, SNS Securities and UBS; and
- (c) an analysis of bid premiums in public offers that were concluded in the period between 1 July 2007 and 1 November 2009 (SHV/Eriks, Adecco/DNC, Eriks/Econosto, Randstad/Vedior, Staples/Corporate Express, Candover-Landsbanki-Eyrir/Stork, SABMiller/Grolsch, Rexel/Hagemeyer, TomTom/Tele Atlas, KPN/Getronics, Danone/Numico and CVC/Univar) showing a one-day median premium of 55.6%.

In addition, certain financial information derived from annual and interim accounts, as well as certain analyst reports referred to under (b) above, market reports and press releases have been reviewed.

The Offer Price has been calculated based on eighty-four million eight hundred and seventy-one thousand three hundred and twenty (84,871,320) Shares issued and outstanding as at 13 November 2009, the last trading day prior to the initial public announcement of the Offer on 16 November 2009.

6.5.2 Premiums

The Offer Price of EUR 8.60 per Share represents a premium of:

- 70% based on the closing price as at 13 November 2009 (EUR5.065), the last trading day before the public announcement that conditional agreement had been reached between Canon and Océ on the Offer for Océ by Canon;
- 86% based on the average closing price over the one month period ending 13 November 2009 (EUR 4.619);
- 105% based on the average closing price over the six month period ending 13 November 2009 (EUR 4.191);
- 137% based on the average closing price over the twelve month period ending 13 November 2009 (EUR3.625).

See Section 7.8 (Share price of Océ).

6.5.3 Deductions from the Offer Price

Any dividend or distribution on the Shares received after the Acceptance Closing Date by a Shareholder which did not tender his Shares under the Offer on or before the Acceptance Closing Date will be deducted from the Offer Price payable to such Shareholder in respect of the Shares tendered after the Acceptance Closing Date. In the event of a Squeeze-Out or a legal merger, the Offeror anticipates that the economic value per Share will be equal to the Offer Price less the amount of such distribution. See Section 6.7.2 (Post-closing reorganisation of and future legal structure of Océ).

6.6 Rationale for the Offer and strategy

Canon and Océ will be able to build upon each other's strong history and proven track record of innovation and customer servicing to create a strong joint enterprise capable of long term success. Both have similar technology oriented backgrounds and corporate values which will be important drivers creating the world's leading group in the printing industry.

Canon and Océ have similar corporate values with a client oriented culture and a technology driven business model. Océ, one of the world's leading providers of document management and printing for professionals, brings to the merger its expertise and strengths in the areas of production printing, wide format printing and business services. Océ's strategy focuses on strengthening its distribution power, increasing product competitiveness and improving operational excellence. The combination of these companies will provide Océ access to Canon's well-established sales and marketing network worldwide. Additionally, Océ will benefit from the Canon Group "Best in Class" processes and infrastructure as well as financing to facilitate active investment to expand Océ's business operations. The combination of Canon and Océ will have leading positions in the SOHO (Small Office/Home Office), office, production and wide format segments, offering a superlative range of products and services. It will be able to provide optimal customer servicing through its enhanced scale, innovative technologies and strong distribution networks. Océ and Canon have complementary technologies and products and will benefit from improved diversification across regions and businesses.

Under phase III of its "Excellent Global Corporation Plan", launched in 2006, Canon aims to join the ranks of the world's top 100 companies in terms of all key measures of business performance. As a principal strategy toward the realization of this goal, Canon aims to achieve the overwhelming No. 1 position worldwide in all of its current core businesses. Océ boasts a robust direct sales and service network in 32 countries, which will provide valuable additional sales and service support for Canon-brand products. Furthermore Canon will benefit from the addition of Océ's production and wide format printing line-up, along with the research & development synergies made possible through joint development initiatives in these areas.

The printing industry currently is in a period of consolidation, driven by the undeniable fact that scale is increasingly important, especially in research & development and manufacturing. Only players that are

able to improve profitability through increased scale and "Best in Class" processes and infrastructure will play a leading role in the printing industry going forward. From this perspective, Canon and Océ form the ideal combination. Together they are excellently positioned to optimize the servicing of their customers and become the undisputed market leader. The customers of both Canon and Océ will benefit from an enlarged range of high quality products and services through an extended global sales and service network.

6.7 Consequences of the Offer

6.7.1 Liquidity and delisting of the Shares

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly and thus adversely affect the liquidity and market value of the Shares not tendered.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*) and in the event that the Offeror has acquired 95% of the Shares, the listing of the Shares on Euronext Amsterdam will be terminated as soon as possible. This would further adversely affect the liquidity and market value of any listed Shares not tendered.

In accordance with their policy on delisting, shares can be delisted from Euronext Amsterdam at the request of an offeror which has made a public offer if such public offer for all shares of a certain type is declared unconditional and at least 95% of such shares are held by such offeror.

6.7.2 Post-closing reorganisation of and future legal structure of Océ

Following the settlement of the Offer, the Offeror may propose (where applicable) and implement (or cause to be implemented) the following reorganisation measures:

(A) Squeeze-Out

Certain structural steps may be needed for the Offeror to obtain ownership of 100% of the Shares and the Offeror reserves the right to use any legally permitted method to obtain ownership of 100% of the Shares. In the event that upon the Settlement Date the Offeror holds 95% or more of the Shares, the Offeror's current intention is to acquire the remaining Shares not tendered by means of a Statutory Squeeze-Out in accordance with Article 2:92a or 2:201a of the Dutch Civil Code or, a Takeover Squeeze-Out in accordance with Article 2:359c of the Dutch Civil Code.

Despite the Offeror having acquired 95% or more of the Shares and thus being entitled to initiate a Squeeze-Out procedure as set out above, the Offeror may also, and instead of proceeding with a Squeeze-Out, by a simple majority vote (if less than 50% of the share capital is present or represented at such meeting, a 2/3 majority is required) of the General Meeting of Shareholders of Océ resolve that a legal merger (*juridische fusie*) between the Offeror and Océ will be entered into in accordance with Articles 2:309 and 2:334 of the Dutch Civil Code or take any of the other steps set out under "Other possible measures" in Section 6.7.2(C). The legal consequences of a legal merger, including the possibility to pursue a Statutory Squeeze-Out thereafter, are the same as set out below under "Legal merger" in Section 6.7.2(B).

(B) Legal merger

In the event that the Offeror has declared the Offer unconditional and has not acquired 95% or more of the Shares following the Settlement Date, the Offeror, may by simple majority vote (if less than 50% of the share capital is present or represented at such meeting, a 2/3 majority is required) of the General Meeting of Shareholders of Océ effect a legal merger (*juridische fusie*) between Océ and the Offeror, or another member of the Canon Group in accordance with Articles 2:309 and 2:334 of the Dutch Civil Code (which Articles refer to a "triangular merger" pursuant to which the shareholders of the disappearing company will become shareholders of a group company of the surviving company) with Océ being the disappearing entity and the Offeror, or a member of the Canon Group, being the surviving entity.

In the event that the legal merger is effected, Shareholders who have not tendered their Shares under the Offer will become, by operation of law, shareholders in the surviving entity alongside the existing shareholders in the surviving entity or, in the event of a "triangular merger", will become shareholders in such group company. If, after a legal merger is effected, the majority shareholder of the surviving entity holds 95% or more of the capital of the surviving entity, such majority shareholder may initiate a Statutory Squeeze-Out in relation to any shares in the surviving entity not held by such majority shareholder.

(C) Other possible measures

The Offeror reserves the right to use any other legally permitted method to obtain 100% of the Shares or otherwise obtain full ownership of the Océ business, including by way of a liquidation, a de-merger as specified in Article 2:334a of the Dutch Civil Code, a sale of all or substantially all of the assets of Océ which may or may not be followed by a distribution of proceeds to the Shareholders or a cross border statutory triangular merger (*grensoverschrijdende juridische driehoeksfusie*), all in accordance with Dutch law, other applicable laws and the Articles of Association of Océ at that time. Also, the Offeror and Océ reserve the right to have the Offeror contribute assets to Océ against the issuance of Shares, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of other Shareholders could be excluded, all in accordance with Dutch law and the Articles of Association of Océ at that time. Any distribution may take the form of a distribution out of the reserves, an interim dividend, a dividend or, in the event Océ is also liquidated, a liquidation distribution.

(D) Amendment of the Articles of Association and changes to corporate governance

It is proposed that the Articles of Association of Océ are amended subject to the Offer being declared unconditional so that the Articles of Association will include the following changes:

- deletion of all references to protective preference shares;
- deletion of the transfer restrictions in respect of the Preference Shares;
- the number of Management Board members to be decided by the General Meeting of Shareholders of Océ;
- the appointment of the chairmen and vice chairmen of the Management Board and Supervisory Board by the General Meeting of Shareholders of Océ;
- removal of the binding nomination of the Supervisory Board for the appointment of Management Board and Supervisory Board members;
- removal of the authority of the Management Board and the approval of the Supervisory Board in respect of the reservation of profit, (interim) distributions and distribution of stock dividends;
- removal of the approval of the Supervisory Board in respect of amendments to the Articles of Association and the winding up of Océ.

The Offeror has agreed that, following settlement of the Offer, as long as Shares are listed on Euronext Amsterdam, it shall procure that the Company shall continue to adhere to the Dutch Corporate Governance Code by way of complying or explaining any deviations in accordance with the provisions of the Dutch Corporate Governance Code. The agenda for the Extraordinary General Meeting of Shareholders shall include a discussion with the Shareholders on the fact that from the Settlement Date until termination of the listing of the Company on Euronext Amsterdam, the Company may not comply with Best Practice Provision III.2.1 of the Dutch Corporate Governance Code.

6.7.3 Dividend Policy

The Offeror may elect not to cause Océ to pay (cash) dividends to Shareholders in the future.

6.7.4 Organisational and social consequences

Following the settlement of the Offer, Océ will remain a separate legal entity and will become a division within Canon with its headquarters in Venlo, the Netherlands. The current Management Board and key management of Océ will remain in place. In the Océ division, the strong Océ brand name will be maintained and will be applied in all relevant markets.

Océ will be responsible worldwide for wide format, commercial printing and business services. Océ's office activities will be integrated in Canon's "Office Imaging Products" division. Canon's "Large Format Printing" will functionally be integrated in the "Océ Production Printing" division over time. A steering committee composed of executives of both Océ and Canon will direct and supervise the integration process, which will aim to optimize efficient coordination of Sales, Service, Marketing, Research and Development and Manufacturing and Logistics covering all business areas.

To create optimal scale in the right segments, the Océ division will report (managerially and financially) to Canon's Board of Directors and will lead the research & development and manufacturing for its businesses. Furthermore, Océ's headquarters, combining research & development, production and sales functions, is expected to play an integral role for Canon's European regional operations, one of Canon's key bases within its "Three Regional Headquarters" vision.

The relevant and applicable employee consultation procedures have been completed (including the information provision process with the Merger Committee, the Océ European Works Council and the relevant Océ works councils). The Social Economic Council (*Sociaal Economische Raad (SER)*) and the relevant trade unions have been notified of the Offer in accordance with the SER Merger Code.

6.7.5 Business Partners

Océ is carefully exploring with its various business partners the future of their relationship in relation to the Offer.

6.7.6 Future composition of the Supervisory Board and the Management Board

Supervisory Board

Following settlement of the Offer, as long as Shares are listed on Euronext Amsterdam, the Offeror shall procure that Océ will continue to adhere to the Dutch Corporate Governance Code by way of complying or explaining any deviations in accordance with the provisions of the Dutch Corporate Governance Code, including that the Company may not comply with Best Practice Provision III.2.1 of this code.

Subject to the relevant Resolution being adopted at the Extraordinary General Meeting of Shareholders, the current members of the Supervisory Board Messrs G.J.A. van de Aast, M. Arentsen, R.W.A. de Becker and D.M. Wendt will resign as per the Settlement Date, subject to the Offer having been declared unconditional (*gestand wordt gedaan*). Messrs. P.A.F.W. Elverding and A. Baan will remain in office. Subject to the Offer having been declared unconditional and effective as per the Settlement Date, the new members of the Supervisory Board will be Messrs. Toshizo Tanaka, Seymour Liebman, Norman Eley and Maurits van den Wall Bake. Mr. Elverding will continue to hold the position of chairman of the Supervisory Board.

Members of the Supervisory Board who step down will receive their pro-rated standard pre-determined annual compensation for the period between 1 December 2009 (start of the financial year of the Company) and the Settlement Date including any unpaid compensation (which includes remuneration for committee memberships) as set out in the table below. Other than their standard pre-determined compensation, no other compensation as referred to in paragraph 2.9 Annex A of the Decree will be paid to resigning members of the Supervisory Board.

Supervisory Board member	Compensation
Mr. G.J.A. van de Aast	EUR 10,500
Mr. M. Arentsen	EUR 11,000
Mr. R.W.A. de Becker	EUR 9,250
Mr. D.M. Wendt	EUR 9,250

Management Board

The current members of the Management Board will initially continue to comprise the Management Board following the Settlement Date. As of the Settlement Date, the Offeror will be entitled to appoint additional members to the Océ's management board.

The existing contractual conditions of employment of the members of the Management Board remain unchanged pursuant to the Offer being declared unconditional and the members of the Management Board are not entitled to any success fee upon the Offer being declared unconditional.

6.8 Employee statement

6.8.1 General

The Océ employees will become part of a global leader in the printing industry which will capitalize on the strong brands of both companies. Océ and Canon do not expect that there shall be any material negative consequences as a result of the Offer for the existing employment level of Océ, excluding already announced personnel reductions. The combination will respect the existing rights of the employees of Océ, including applicable covenants with the Océ works councils and the unions, the applicable social plans and collective labour agreements. The combination will also respect the current obligations with respect to the pension rights of Océ's employees.

The relevant and applicable employee consultation procedures have been completed (including the information provision process with the Merger Committee, the Océ European Works Council and the relevant Océ works councils). The Social Economic Council (*Sociaal Economische Raad (SER)*) and the relevant trade unions have been notified of the Offer in accordance with the SER Merger Code.

6.8.2 Incentive programmes

Certain employees of the Company (other than the members of the Management Board) participate in the Company's employee bond programme. The bond programme provides participants with the right to convert the bonds held into the value of ordinary shares in the capital of the Company (cash settled instruments). In view of the Offer being made and the other considerations set out in Section 6.4.4 of this Offer Memorandum and subject to the Offer being declared unconditional (*gestand wordt gedaan*), the employee bonds will be settled in a similar manner as the incentive plans applicable to the members of the Management Board and senior management. The Offeror and the Company will consider implementing new (long term) incentive plans to replace the current plans, subject to respecting the existing rights of the employees (including in respect of their overall compensation).

6.9 Clearance from competition authorities

Clearance in respect of the Offer has been obtained from the competition authorities of the United States on 18 December 2009, Switzerland on 21 December 2009 and the European Union and Taiwan on 22 December 2009. See Sections 12.1.3-12.1.5.

6.10 Financing of the Offer

With reference to Article 7 paragraph 4 of the Decree, Canon has announced that it will fully finance the Offer through cash available to the Canon Group.

In its most recent annual report for the year ended 31 December 2008, Canon had total shareholders' equity of approximately USD 29,228 million and cash and cash equivalents of USD 7,464 million (at the rate of JPY91=USD1). At 30 September 2009, the date of its third quarterly results, Canon had total

shareholders' equity of approximately USD 29,059 million and cash and cash equivalents of USD 7,041 million (at the rate of JPY90=USD1).

Canon's annual report and interim results report are available on its website, www.canon.com.

Canon intends to refinance short and long term debt of Océ that becomes repayable upon the completion of the Offer.

6.11 Certain arrangements between Océ and the Offeror

Notwithstanding the Offer Condition set out in Section 6.2(i), Océ is restricted from soliciting any third party to communicate an offer or proposal for the making of an offer that may form an alternative to the Offer. In the event of a Superior Offer, the Offeror will have the opportunity to make a revised offer for Océ. If the Offeror so matches a Superior Offer, the Boards will be required to reaffirm their recommendation of the Offeror's revised offer.

To induce the Offeror to make the Offer on the terms as set forth in this Offer Memorandum, Canon and Océ agreed to the following arrangements:

- (a) in the event that the Merger Protocol has been terminated by either party as a result of the Offeror failing to submit a revised offer equal to or exceeding the consideration of a Superior Offer within ten Business Days following the notice of such Superior Offer, or if the Offeror has indicated that it will not submit such revised offer; or
- (b) in the event that (i) any of the Boards has revoked or changed its recommendation of the Offer or a breach of the Company's obligations in respect of the provisions on exclusivity and any (potential) Superior Offer in the Merger Protocol has occurred, and (ii) the Merger Protocol has been terminated in accordance with its terms,

the Offeror is entitled to EUR 7,950,000 as compensation for opportunity costs and other costs incurred by the Offeror in connection with the Offer, provided that if the Merger Protocol is terminated as described under (a) above 50% of such amount will be paid by the Company to the Offeror immediately upon written request thereto and the remaining 50% upon the relevant Superior Offer being declared unconditional or being completed otherwise (as the case may be).

In the event of liability of the Company under 6.11(a) above, the Company may not be held liable by the Offeror for additional damages in relation to such termination. The payment by the Company of any amount in accordance with 6.11(b) above shall not limit the Offeror's rights to seek remedy for breach of the Merger Protocol on any other basis.

7 INFORMATION REGARDING OCÉ

7.1 Overview

Océ is one of the world's leading providers of document management and printing products and services for professionals. Océ develops and supplies digital printing systems, software and services for the production, reproduction, distribution and management of the documents, in colour and black & white, in small format and in wide format, for professional users in offices, educational institutions, industry, construction, architectural firms, advertising and the graphic arts market. Océ is the only European producer offering such range of printing systems and a leading supplier of these systems worldwide. Océ's reputation is founded on productivity and reliability, ease of use and a favourable "total cost of ownership".

Océ's product offerings comprise printers, copiers, scanners, software, services, imaging supplies, services for system integration and outsourcing of document management activities and leasing of printing systems.

The broad and very complete product portfolio consists of products developed by the company itself for wide format and for the (very) high volume segments of small format, supplemented by selected machines from OEMs. Océ supplies its equipment as part of its total solutions, ranging from the provision of initial advice through to the maintenance of the systems. Océ's customers include many of the world's Fortune 500 companies and leading commercial printers.

Océ is commercially active in around 100 countries and in more than 30 of these countries has its own sales and service organisation. In Europe, the United States, Canada and Singapore Océ has research and manufacturing facilities. Océ's total revenues in 2009 amounted to EUR 2.6 billion.

Océ is listed on Euronext Amsterdam and its headquarters are located in Venlo, the Netherlands.

7.2 History

Océ, founded in 1877, was originally a family business that produced additives for colouring butter and margarine. Océ's founder, a chemist named Lodewijk van der Grinten, initially supplied colouring to dairy farmers and afterwards to the first margarine factories.

In 1919, Lodewijk van der Grinten's grandson, Louis van der Grinten, became interested in the blueprint process used for producing wide format technical drawings, used in amongst others the construction and manufacturing industries. At that time, blueprint paper was extremely light-sensitive, and therefore had a very short shelf life. Louis van der Grinten invented a coating that extended the life of blueprint paper to at least one year. This is considered to be Océ's first step in providing document printing solutions. In the 1920s, Océ developed methods for copying original documents using a dry diazo process. By 1940, this process had almost entirely replaced the blueprint process in the industry.

Océ was incorporated as a limited liability company under the laws of the Netherlands in 1953. In 1958, Océ acquired the equipment manufacturer EMWEE. Following this acquisition Océ started assembling the equipment it developed, which until then had been assembled through third-party manufacturers. Thus Océ, originally a chemical business, reinvented itself as an equipment manufacturer. By the end of the same year, 1958, the family business Océ went public and became listed on the Amsterdam Stock Exchange.

Océ entered the office printing market in 1967 with an electro-photographic process for copying documents, using special, chemically treated paper. By that time Océ also had set up its own factory to build its own equipment. Océ sold its first plain paper office copier in 1973. The new and innovative process developed by Océ printed paper with an unusually short paper path, with mono-component toner, and transferred the image with 'copy press'. Soon thereafter Océ also developed an application for wide format printing.

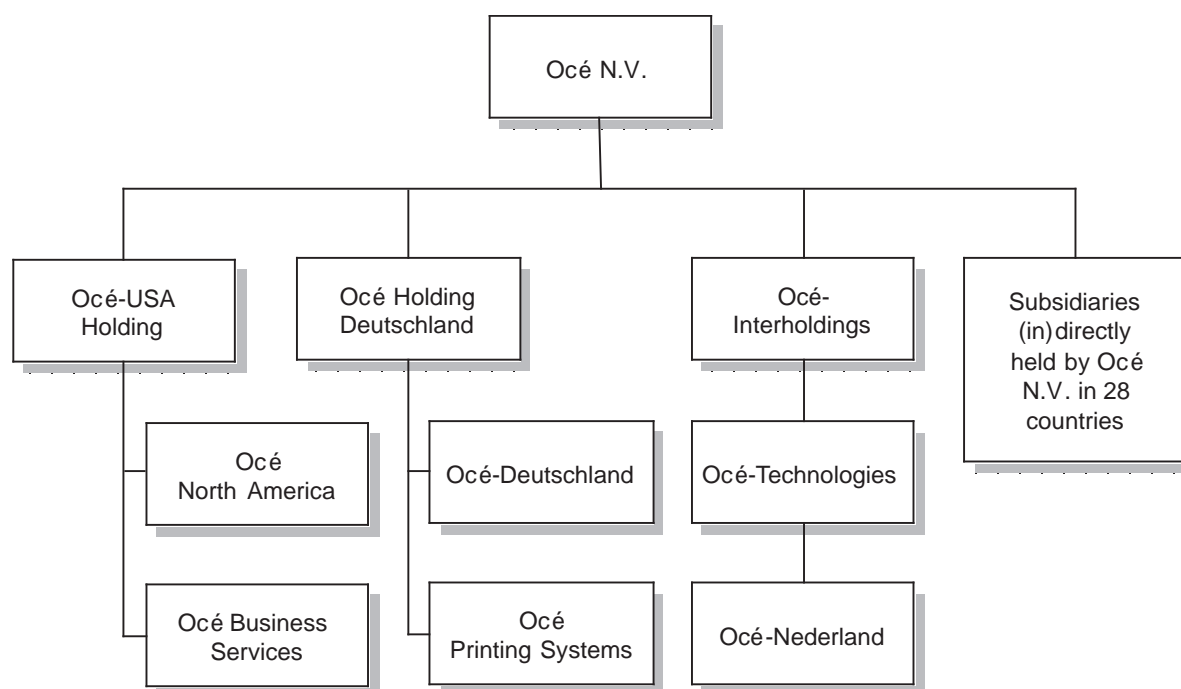
Today, Océ has developed into a company that offers a wide range of innovative printing and copying systems, high speed digital production printers and wide format printing systems. Océ is also an international provider of document management outsourcing services.

In October 2007, Océ celebrated 130 years of being in business.

7.3 Group structure

Océ is a public limited liability company (*naamloze vennootschap*) existing under the laws of the Netherlands, with its registered office and headquarters in Venlo, the Netherlands, its business address is Sint Urbanusweg 43, 5914 CA Venlo, the Netherlands.

The chart below shows the corporate organisation of the Océ Group compiled from a geographic perspective.



The principal subsidiaries of the Océ Group are listed below. (Holdings of less than 95% of the total equity are specifically stated as such.)

Europe		
<i>Austria</i>	Océ-Österreich Ges.m.b.H	Vienna
<i>Belgium</i>	Océ-Belgium N.V./S.A.	Brussels
	Océ Software Laboratories Namur S.A.	Gembloux
<i>Czech Republic</i>	Océ-Czeska republika, s.r.o.	Prague
<i>Denmark</i>	Océ-Nordic Holding ApS	Copenhagen
	Océ-Danmark a/s	Copenhagen
<i>Finland</i>	Océ-Finland Oy	Helsinki
<i>France</i>	Océ-France S.A.	Noisy-le-Grand
	Océ Print Logic Technologies S.A.	Créteil
	Océ Business Services S.A.	Neuilly-sur-Seine
<i>Germany</i>	Océ-Deutschland G.m.b.H.	Mülheim/Ruhr
	Océ Printing Systems G.m.b.H	Poing
	Océ-Deutschland Business Services G.m.b.H.	Mülheim/Ruhr

<i>Hungary</i>	Océ-Hungária Kft.	Budapest
<i>Ireland</i>	Océ-Ireland Ltd.	Dublin
<i>Italy</i>	Océ-Italia S.p.A.	Milan
<i>Netherlands</i>	Océ-Technologies B.V.	Venlo
	Océ-Nederland B.V.	's-Hertogenbosch
<i>Norway</i>	Océ-Norge A.S.	Oslo
<i>Poland</i>	Océ-Poland Limited Sp. Z.o.o.	Warsaw
<i>Portugal</i>	Océ-Portugal Equipamentos Gráficos S.A.	Lisbon
<i>Romania</i>	Océ Software S.R.L.	Timisoara
<i>Slovakia</i>	Océ-Slovenská republika s.r.o.	Bratislava
<i>Spain</i>	Océ-España S.A.	Barcelona
<i>Sweden</i>	Océ Svenska AB	Stockholm
<i>Switzerland</i>	Océ (Schweiz) A.G.	Glattbrugg
<i>United Kingdom</i>	Océ (UK) Limited	Brentwood
North America		
<i>United States</i>	Océ North America, Inc	Trumbull, CT
	- Commercial Printing Division	Boca Raton, FL
	- Corporate Printing Division	Trumbull, CT
	- Wide Format Printing Division	Chicago, IL
	Océ Business Services, Inc.	New York, NY
	Océ Reprographic Technologies, Corp.	Phoenix, AZ
	Onyx Graphics, Inc	Salt Lake City, UT
<i>Canada</i>	Océ-Canada Inc.	Toronto
	Océ Display Graphics Systems	Vancouver
<i>Mexico</i>	Océ Mexico S.A. de C.V.	Mexico City
Asia/Pacific		
<i>Australia</i>	Océ-Australia Ltd.	Scoresby
<i>China</i>	Océ Office Equipment (Shanghai) Co., Ltd.	Shanghai
<i>Hong Kong</i>	Océ (Hong Kong China) Ltd.	Hong Kong
<i>Japan</i>	Océ-Japan Corporation	Tokyo
<i>Malaysia</i>	Océ Malaysia Sdn. Bhd.	Petaling Jaya
<i>Singapore</i>	Océ (Singapore) Pte. Ltd.	Singapore
<i>Thailand</i>	Océ (Thailand) Ltd.	Bangkok
Other countries		
<i>Brazil</i>	Océ-Brasil Comércio e Indústria Ltda.	São Paulo
Direct Export/Emerging Markets		
<i>Netherlands</i>	Océ Direct Export/Emerging Markets	Venlo
Financing companies		
<i>Australia</i>	Océ-Australia Finance Pty. Ltd.	Scoresby
<i>Belgium</i>	Océ-Interservices N.V./S.A.	Brussels
<i>France</i>	Océ-France Financement S.A.	Saint-Cloud
<i>Germany</i>	Océ-Deutschland Financial Services G.m.b.H	Mülheim/Ruhr

<i>Spain</i>	Océ-Renting S.A.	Barcelona
<i>United Kingdom</i>	Océ (UK) Finance Ltd.	Brentwood
<i>United States</i>	Océ-Financial Services, Inc.	Boca Raton, FL
Minority Holdings		
<i>Cyprus</i>	Heliozid Océ-Reprographic (Cyprus) Ltd.	25%
<i>Netherlands</i>	MuTrax B.V.	19.9%
<i>Singapore</i>	Datapost Pte. Ltd.	30%

7.4 Current business objectives and strategy

7.4.1 Industry trends and strategy

Océ is active in the entire value chain of printing systems: from development via manufacturing, sales, services and maintenance to the provision of business services and financing. The commercial organisation is coordinated by three Strategic Business Units: Digital Document Systems (small format), Wide Format Printing Systems (wide format) and Océ Business Services. In a number of countries and market segments where Océ has only a limited market presence, part of the product range is made available via specialised distributors. Through its own research and development Océ develops basic technologies and the majority of its own product concepts. Direct customer feedback serves as an important source of inspiration for new products. In the Océ business model cooperation with partners plays a major role in numerous fields. These partnerships cover areas such as research and development, manufacturing, OEMs, distribution and financing. Sustainability is a constantly present factor in the conduct of the Océ business.

The markets in which Océ is active are subject to continuous and fast-moving changes. Various developments are of relevance in this respect, such as the continuously changing economic climate (due to the global financial crisis), the ongoing consolidation in the printing industry and the changes in application of printing solutions. The following trends are of particular importance:

- commoditisation of printing products;
- shift from black & white to colour;
- shift to digital printing in the graphic arts market and display graphics;
- increasing outsourcing by customers of document related services;
- replacement of paper documents by electronic documents; and
- growing economic importance of the market in Asia.

The policy of Océ is aimed at responding to and anticipating these developments by developing a full-line product portfolio consisting of its own hardware and software products supplemented by OEM equipment and document-related services in combination with ongoing investments in the sales and service organisation.

The current economic crisis is obviously also having an impact on Océ. As a result, the strategic pillar of optimising business processes has become more important. Océ seeks to create value for all stakeholders by realising profitable growth. This forms the basis for Océ's continuity. Océ concentrates on strengthening existing and building new leading positions in the market for its professional document printing and management systems. Océ's strategy is aimed at increasing its distribution power, strengthening the product portfolio and optimizing business processes.

7.4.2 Strategic objectives

Océ has identified the following strategic objectives as per 28 January 2009.

Towards customers

- To build and strengthen leading positions in high production segments in small format environments;
- To expand the existing position in outsourcing services toward document management services with high added value;
- To strengthen its leading position in the division "Technical Document Systems";
- To build a leading position in the division "Display Graphics Systems";
- To be a supplier of print media that makes total solutions possible;

Towards employees

- To be an attractive employer worldwide;

*Towards Shareholders**

- To achieve a return on capital employed of at least 13%;
- To realise an average annual organic growth in revenues of 5%;
- To maintain the relative gross margin;
- To maintain sound balance sheet ratios;
- To further expand a constructive dialogue with Shareholders;

* The extraordinary scale and speed of the economic downturn has influenced the time frame for achievement of the financial targets.

Towards business partners

- To cooperate in the technology sector with the top specialists in the industry;
- To cooperate with high value suppliers of components, modules and machines;
- To cooperate with market partners which make a substantial contribution toward boosting Océ distribution power;
- To cooperate with leading vendor lease partners;

Towards society

- To contribute to eco-efficient and eco-effective document management and printing by:
 - enabling customers to achieve eco-efficient and eco-effective document management;
 - challenging employees to come up with beyond the ordinary ideas;
 - attracting investments from green investment funds;
 - requiring partners to adopt the same norms and standards with regard to sustainability as Océ adopts;

- challenging customers to inspire Océ with new ideas; and
- combining economic growth with a reduced environmental footprint and increased well-being of people.

7.5 Supervisory Board, Management Board and Employees

7.5.1 Supervisory Board

The Supervisory Board consists of six members:

Mr. P.A.F.W. (Peter) Elverding (Chairman)

Nationality: Dutch
 Appointed: 2006
 End of current term of office: 2010
 Maximum period of office: 2018
 Post(s) held: former chairman of the Board of Executive Directors of Royal DSM N.V.
 Committees at Océ: chairman Selection and Nomination Committee; member Remuneration Committee
 Other positions: chairman of the Supervisory Board of ING Group N.V. and Camille Oostwegel Holding B.V., vice-chairman of the Supervisory Board of Q-Park N.V. and member of the Supervisory Board of SHV Holdings N.V. and Royal FrieslandCampina N.V.

Mr. A. (Adri) Baan

Nationality: Dutch
 Appointed: 2003
 End of current term of office: 2011
 Maximum period of office: 2015
 Post(s) held: former member of the Board of Management of Royal Philips Electronics N.V.; former member of the Group Management Committee of Royal Philips Electronics N.V.
 Committees at Océ: member Selection and Nomination Committee; member Remuneration Committee
 Other positions: chairman of the Supervisory Board of VolkerWessels Stevin N.V.; chairman of the Supervisory Board of Wolters Kluwer N.V.; chairman of the Supervisory Board of Dockwise Ltd.; member of the Supervisory Board of Imtech N.V.; chairman of Administratiekantoor KASBANK N.V.; member of the Board of Trustees Amsterdam University and Amsterdam Medical Center; chairman of Foundation for Resocialization of Criminal Juveniles; adviser Warburg Pincus

Mr. G.J.A. (Gerard) van de Aast

Nationality: Dutch
 Appointed: 2006
 End of current term of office: 2010
 Maximum period of office: 2018
 Committees at Océ: member Audit Committee
 Other positions: chairman of the Executive Board of VolkerWessels Stevin N.V.

Mr. M. (Rinus) Arentsen RA

Nationality: Dutch
 Appointed: 2004
 End of current term of office: 2012
 Maximum period of office: 2016
 Post(s) held: former member of the Board of Executive Directors of CSM N.V.
 Committees at Océ: chairman Audit Committee
 Other positions: member of the Supervisory Board of Incotec Group B.V.; board member of several foundations

Mr. R.W.A. (Rudi) De Becker

Nationality: Belgian
Appointed: 2009
End of current term of office: 2013
Maximum period of office: 2021
Committees at Océ: none
Other positions: Chief Executive Officer of Univeg N.V., chairman of the Supervisory Board of Fabory

Mr. D.M. (Dietmar) Wendt

Nationality: German
Appointed: 2008
End of current term of office: 2012
Maximum period of office: 2020
Committees at Océ: none
Other positions: Chief Executive Officer of SPIRIT/21 AG, member of the Supervisory Board of SVA BizSphere AG

7.5.2 Management Board

The Management Board consists of three members:

Mr. R.L. (Rokus) van Iperen (Chairman)

Nationality: Dutch.

Mr. Van Iperen was appointed as a member of the Management Board in May 1995 and as chairman of the Management Board in September 1999. He is primarily responsible for Corporate Strategy, Corporate Personnel and Organisation, Corporate Public Affairs, Secretariat of the Company, Legal Affairs and Corporate and Marketing Communications. Mr. Van Iperen is employed with Océ since 1978. After several positions within Research and Development he was appointed as Vice President in 1986. From 1989 he was responsible for the Printing Systems business unit. From 1992 and until his appointment as member of the Management Board Mr. Van Iperen was Managing Director of Océ Belgium N.V.

Mr. H.A. (Hans) Kerkhoven

Nationality: Dutch.

Mr. Kerkhoven was appointed as a member of the Management Board and Chief Financial Officer in October 2008, with responsibility for Finance and Administration (Corporate Treasury, Corporate Tax, Internal Audit, Investor Relations and Group Controlling), Corporate Information Management and Financing Companies. From 1988 until 2004 Mr. Kerkhoven worked in various financial management positions for Unilever in the Netherlands, Hungary and Singapore. From 2004 he worked at Mittal Steel (currently known as ArcelorMittal) in financial management positions. From 2006 until 2008 Mr. Kerkhoven was Vice President Finance and Performance Management at ArcelorMittal in Luxembourg.

Mr. A.H. (Anton) Schaaf

Nationality: Dutch.

Mr. Schaaf was appointed as a member of the Management Board and Chief Technology and Operations Officer in October 2006, with responsibility for Research and Development, Manufacturing & Logistics and purchase of non-product related commodities and services, Direct Export / Emerging Markets and Océ Business Services Europe. From 1987 until 2005 Mr. Schaaf worked for Siemens AG in various positions worldwide, including the positions of Executive Vice President, member of the Executive Board and Chief Technology Officer of Siemens Communications in Germany. From 2005 he was Chief Technology Officer of Deutsche Telekom AG.

7.5.3 Employees

At the date of this Offer Memorandum, approximately 22,000 people worldwide are employed by the Océ Group.

7.6 Capital and Shares

The authorised share capital of Océ amounts to EUR 175,000,000 and is subdivided into:

- 145,000,000 ordinary shares of EUR 0.50 each;
- 30,000,000 convertible cumulative financing preference shares of EUR 0.50 each; and
- 175,000 cumulative protective preference shares of EUR 500 each.

At the date of this Offer Memorandum: (i) a total number of 87,337,108 (eighty seven million three hundred and thirty-seven thousand one hundred and eight) ordinary shares in the capital of Océ have been issued, of which 84,871,320 (eighty four million eight hundred and seventy-one thousand three hundred and twenty) ordinary shares are issued and outstanding and 2,465,788 (two million four hundred and sixty-five thousand seven hundred and eighty-eight) ordinary shares are held by Océ; (ii) a total number of 20,000,000 (twenty million) convertible cumulative financing preference shares in the capital of Océ have been issued and paid up; and (iii) no cumulative protective preference shares have been issued. All issued shares are fully paid-up.

7.7 Main Shareholders

At the date of this Offer Memorandum, the following shareholders of Océ have registered with the AFM an interest of at least 5% of the total issued and outstanding share capital of Océ:

Shareholders	Shares	Voting rights	Percentage of Shares	Preference Shares *	Percentage of total voting rights and/or shareholding**
Canon Inc.***	23,807,737	23,807,737	28.05	-	22.18
Orbis Investment Management Limited	-	7,777,780	-	-	7.5
Bestinver Gestion, SGIIC S.A.****	5,489,200	5,489,200	6.5	-	5.1
Pictet & Cie (through Orbis Global Equity Fund Ltd. and Orbis Optimal SA Fund Ltd.)	5,878,499	-	6.9	-	5.6
Kempen Capital Management N.V. (Ducatus)*****	-	-	-	10,720,000	10.0
ASR Nederland N.V.*****	-	-	-	7,280,000	6.8

* In the form of Depositary Receipts.

** This represents the percentage of total voting rights and/or shareholding as filed with the AFM.

*** See also Section 6.3.2.

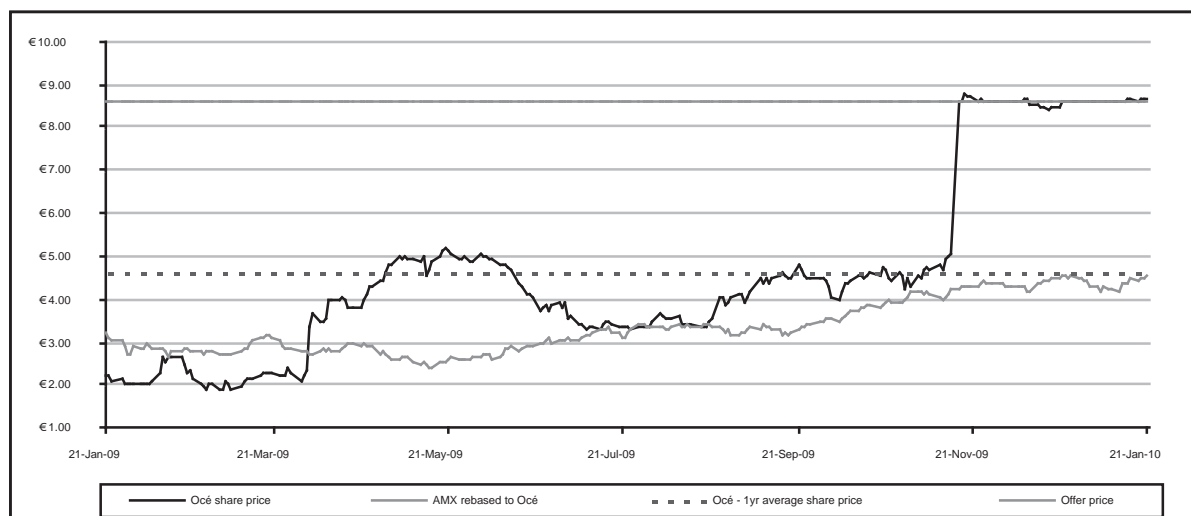
**** Bestinver Gestion SGIIC S.A. has committed to tender its current holding of approximately 9.5% of the Shares.

***** Kempen Capital Management N.V. (Ducatus), ASR Nederland N.V. and ING AM Insurance Companies B.V. (the latter holding 2,000,000 Depositary Receipts) have entered into a conditional agreement with Canon to transfer their Depositary Receipts subject to the Offer being declared unconditional.

Pursuant to the Océ Option Agreements, Océ has an irrevocable obligation to issue cumulative protective preference shares to the Protection Trust on the latter's first request.

7.8 Share price of Océ

The chart below shows the development of the price of the Share on Euronext Amsterdam in the period from 21 January 2009 to 21 January 2010.



* AMX refers to the Amsterdam Midcap Index, the index of Euronext Amsterdam that lists the shares of medium sized companies. Océ is listed in AMX.

8 INFORMATION REGARDING THE OFFEROR

8.1 Overview

The Offeror is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated on 16 November 2009 and existing under the laws of the Netherlands, with its registered office in Amsterdam, the Netherlands, its business address is Fred. Roeskestraat 123-I, 1076 EE, Amsterdam, the Netherlands. The Offeror is a wholly owned direct subsidiary of Canon. Pursuant to Article 1:1 of the Wft each of Canon and the Offeror are qualified as an offeror in respect of this Offer. Canon is jointly and severally liable for the obligations and confirms the statements of the Offeror under the Offer. Opinions and intentions attributed in the Offer Memorandum to the Offeror are also opinions and intentions of Canon.

ATC Management B.V. is the statutory director (*statutair bestuurder*) of the Offeror and renders domiciliation services to the Offeror. The policy and operations of ATC Management B.V. are determined by its statutory directors (*statutair bestuurders*) Mr. J.H. Scholts, Mr. R. Posthumus, Mr. R. Rosenboom, Mr. R. Langelaar and Mr. A.R. van der Veen. Pursuant to certain contractual arrangements between the Offeror, Canon, ATC Management B.V. and ATC Corporate Services (Netherlands) B.V., Canon may give instructions to TC Management B.V. on how to perform its duties as statutory director (*statutair bestuurder*) provided that these instructions must be in accordance with the laws of the Netherlands and the Offeror's articles of association. These arrangements also provide that ATC Corporate Services (Netherlands) B.V. will render certain administrative services to the Offeror.

Canon Inc. is a public company with limited liability, incorporated under the laws of Japan, with its registered office and headquarters in Tokyo, Japan, its business address is 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan. Canon is a leader in the fields of professional and consumer imaging equipment and information systems. Canon's extensive range of products includes copying machines, multifunction office systems, inkjet and laser beam printers, cameras, video equipment, medical equipment and semiconductor-manufacturing equipment. With almost 170,000 employees worldwide, Canon has manufacturing and marketing subsidiaries in Japan, the Americas, Europe, Asia and Oceania; and a global Research & Development network with companies based in the United States, Europe, Asia and Australia. Canon's consolidated net sales for fiscal 2008 (ended 31 December 2008) totalled USD 44.99 billion (at an exchange rate of ¥91 = USD1). Canon is listed on the Tokyo, Osaka, Nagoya, Fukuoka, Sapporo and New York stock exchanges. American depositary receipts of Canon's shares are traded on the New York Stock Exchange.

8.2 Canon Group strategy

In 1996, Canon launched its medium- and long-term "Excellent Global Corporation Plan", which is divided into a series of five year terms with distinct strategies and targets under a single overarching vision: in accordance with the philosophy of "*kyosei*", which aims at all people, regardless of race, religion or culture, harmoniously living and working together in the future, Canon will continue contributing to society through technological innovation, aiming to be a corporation worthy of admiration and respect worldwide.

Canon has five key strategies:

- Achieving the overwhelming No. 1 position worldwide in all of its current core businesses.
- Expanding business operations through diversification.
- Identifying new business domains and accumulating required technologies.
- Establishing new production systems to sustain international competitiveness.
- Nurturing truly autonomous individuals and promoting effective corporate reforms.

8.3 Board of Directors of Canon

The Board of Directors of Canon sets the strategic objectives of the Canon Group, determines investment policies, agrees on performance criteria and delegates the detailed planning and implementation of those objectives and policies, in accordance with appropriate risk parameters. The Board of Directors monitors compliance with policies, and achievement against objectives, by holding Canon Group management accountable for its activities through regular reports to the board, including quarterly performance reporting and budget updates.

The Board of Directors met 13 times in the year ended 31 December 2008 (in addition to the annual general meeting).

The members of Canon's Board of Directors

At the date of this Offer Memorandum, Canon has the following directors:

Canon Board member	Function
Mr. Fujio Mitarai	Chairman & CEO
Mr. Tsuneji Uchida	President & COO
Mr. Toshizo Tanaka	Executive Vice President & CFO
Mr. Toshiaki Ikoma	Executive Vice President & CTO
Mr. Nobuyoshi Tanaka	Senior Managing Director
Mr. Junji Ichikawa	Senior Managing Director
Mr. Akiyoshi Moroe	Senior Managing Director
Mr. Kunio Watanabe	Senior Managing Director
Mr. Yoroku Adachi	Senior Managing Director
Mr. Yasuo Mitsuhashi	Senior Managing Director
Mr. Tomonori Iwashita	Managing Director
Mr. Masahiro Osawa	Managing Director
Mr. Shigeyuki Matsumoto	Managing Director
Mr. Katsuichi Shimizu	Managing Director
Mr. Ryoichi Bamba	Managing Director
Mr. Toshio Homma	Managing Director
Mr. Masaki Nakaoka	Managing Director
Mr. Haruhisa Honda	Managing Director
Mr. Toshiyuki Komatsu	Director
Mr. Tetsuro Tahara	Director
Mr. Seijiro Sekine	Director
Mr. Shunji Onda	Director
Mr. Kazunori Fukuma	Director
Mr. Hideki Ozawa	Director
Mr. Masaya Maeda	Director

* Messrs. Fujio Mitarai, Tsuneji Uchida and Toshizo Tanaka are "representative directors" within the meaning of the Japanese Corporate Act.

8.4 Capital and Shares of the Offeror

The Offeror's issued share capital totals EUR 18,000 divided into 180 ordinary shares of the same class with a nominal value of EUR 100 per share. All the outstanding shares are fully paid up. The Offeror's articles of association provide that shares are held in registered form.

8.5 Social consequences relating to the Offer

The Offeror and Canon do not expect that there will be any changes made to the existing rights and benefits of, nor there to be a reduction in the number of directors and employees of, the Offeror, Canon and any of their respective group companies, as a direct consequence of the Offer.

9 FURTHER DECLARATIONS PURSUANT TO THE DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror and Canon with regard to subject (ii), the Offeror, the management board of the Offeror, Canon, the Board of Directors of Canon and Océ's Boards with regard to subjects (i), (iii) and (iv) and the Offeror, Canon and Océ with regard to subject (v), each individually, hereby declare as follows:

- (i) There have been consultations between Canon and the Company regarding the Offer, which have resulted in (conditional) agreement regarding the Offer. Discussions regarding the Offer Price and the conditions of the Offer have taken place between Canon and the Management Board and their respective advisers. Discussions regarding the future strategy of the Company have taken place between Canon and the Management Board. The Management Board has regularly consulted with the Supervisory Board throughout this process and the Supervisory Board has been extensively involved therein.
- (ii) With due observance of and without prejudice to the restrictions referred to in Section 1 (Restrictions and important information), the Offer concerns all Shares and applies on an equal basis to all Shares and Shareholders.
- (iii) At the date of this Offer Memorandum, Canon has an indirect capital interest in the share capital of the Company through the Offeror of approximately 22.18% (being 23,807,737 Shares) and has no other indirect or direct interests in the share capital of the Company, whereas the Company has no interest in the share capital of the Offeror or Canon, whether directly or indirectly. In the year preceding to the date of this Offer Memorandum, Canon has acquired (i) 8,020,322 Shares off market, of which 5,513,447 for an average purchase price of EUR 8.5466 per Share on 16 November 2009 and 2,228,322 for an average purchase price of EUR 8.5584 per Share on 17 November 2009 and 278,553 for an average price of EUR 8.590 per Share on 12 January 2010 and (ii) 15,787,415 Shares on Euronext Amsterdam and through market orders on other stock exchanges (including multilateral trading facilities). See below for an overview of the average trade price per trading day in respect of Shares acquired by Canon on Euronext Amsterdam and through market orders on other stock exchanges (including multilateral trading facilities):

Trade date	Number of Shares	Average purchase price	Low trade of purchase	High trade of purchase
16 November 2009	12,585,383	8.5400	8,539	8,560
17 November 2009	306,471	8.5512	8,540	8,570
18 November 2009	43,218	8.5751	8,562	8,580
24 November 2009	116	8.5800	8,580	8,580
25 November 2009	142,157	8.5800	8,580	8,580
26 November 2009	192,878	8.5800	8,580	8,580
27 November 2009	62,540	8.5800	8,580	8,580
30 November 2009	396,110	8.5900	8,590	8,590
3 December 2009	143,352	8.5871	8,570	8,590
4 December 2009	202,130	8.5876	8,580	8,590
7 December 2009	50,690	8.5889	8,580	8,590
22 December 2009	612,164	8,5630	8,495	8,590
23 December 2009	243,627	8,5852	8,550	8,590
24 December 2009	4,110	8,5900	8,590	8,590
28 December 2009	83,457	8,5865	8,580	8,590
29 December 2009	114,515	8,5900	8,580	8,590
30 December 2009	2,890	8,5900	8,590	8,590
4 January 2010	131,706	8,5900	8,580	8,590

Trade date	Number of Shares	Average purchase price	Low trade of purchase	High trade of purchase
5 January 2010	2,561	8,5900	8,590	8,590
6 January 2010	61,601	8,5900	8,580	8,590
7 January 2010	35,314	8,5900	8,590	8,590
8 January 2010	63,829	8,5900	8,590	8,595
11 January 2010	148	8,5861	8,585	8,590
12 January 2010	108,088	8,5900	8,590	8,590
13 January 2010	197,434	8,5900	8,590	8,590
18 January 2010	60	8,5900	8,590	8,590
19 January 2010	196	8,5900	8,590	8,590
20 January 2010	75	8,5900	8,590	8,590
21 January 2010	498	8,5900	8,590	8,590
22 January 2010	97	8,5900	8,590	8,590

- (iv) No securities in the Company are held, no transactions or concluded agreements in respect of securities in the Company have been effected or have been concluded, and no similar transactions have been effected in respect of securities in the Company, by the Offeror, the management board of the Offeror, Canon, Canon's Board of Directors, any company within the Canon Group, the Company or any of the Boards nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, subparagraphs 5, 6, and 7 of the Decree, other than in respect of (i) the Shares indirectly held by Canon as described in Section 6.3.2 (Owned Shares) and Section 9(iii) above, (ii) the Shares held by the Company as described in Section 6.3.3 (Treasury Shares), (iii) the Depositary Receipts and Preference Shares held by the Depositary Receipt Holders and the Trust Office, respectively, as described in Section 6.3.4 (Preference Shares) and (iv) the Shares held by certain members of the Supervisory Board and Management Board as described in Section 6.4 (Overview of Shares held by members of the Supervisory Board and Management Board).
- (v) The costs Canon and the Offeror have incurred and expect to incur in relation to the Offer amount to approximately EUR 14 million and relate to bank adviser fees, exchange agent fees, broker commissions, legal fees, financial and tax due diligence fees, public relations and communications advice and printing. These costs will be borne by Canon. The costs Océ has incurred and expects to incur in relation to the Offer amount to approximately EUR 9 million and relate to fees of legal advisers, financial advisers, tax advisers, strategic advisers, accountants and communications advisers. These costs will be borne by Océ.

10 DUTCH TAX ASPECTS OF THE OFFER

10.1 Introduction

The information set out below is a general summary of certain Dutch tax consequences in connection with (i) the disposal of the Shares under the Offer, and (ii) a distribution by Océ, pursuant to a liquidation or otherwise, as part of a post-closing reorganisation as described in Section 6.7.2(C) (the "**Post-Closing Distribution**"). This summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of Shares, who may be subject to special tax treatment under any applicable law nor does this summary intend to be applicable in respect of all categories of holders of Shares. The summary is based upon the tax laws of the Netherlands as in effect on the date of this Offer Memorandum, as well as regulations, rulings and decisions of the Netherlands and its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which could apply retroactively and could affect the continuing validity of this summary.

As this is a general summary, we recommend that investors or shareholders consult their own tax advisers as to the Dutch or other tax consequences of the disposal of the Shares under the Offer and the Post-Closing Distribution, including, in particular, the application to their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the Offer.

The description of taxation set out in following summary is not intended for any holder of the Shares, who:

- (i) is an individual and for whom the income or capital gains derived from the Shares are attributable to employment activities the income from which is taxable in the Netherlands;
- (ii) holds, or is deemed to hold a Substantial Interest in Océ (as defined below);
- (iii) is an entity that is a resident of the Netherlands and that is, in whole or in part, not subject to or is exempt from Dutch corporate income tax;
- (iv) is an entity for which the income or capital gains derived in respect of the Shares are exempt under the participation exemption (as set out in the Dutch Corporate Income Tax Act 1969); or
- (v) is a fiscal investment institution (*fiscale beleggingsinstelling*) or an exempt investment institution (*vrijgestelde beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Generally a holder of Shares will have a substantial interest in Océ ("**Substantial Interest**") if he holds, alone or together with his partner, whether directly or indirectly, the ownership of, or certain other rights over, Shares representing 5% or more of the total issued and outstanding capital of Océ (or the issued and outstanding capital of any class of its shares), or rights to acquire Shares, whether or not already issued, that represent at any time 5% or more of its total issued and outstanding capital (or the issued and outstanding capital of any class of its shares) or the ownership of certain profit-participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of the liquidation proceeds of Océ. A holder of Shares will also have a Substantial Interest in Océ if certain relatives of that holder or of his partner have a Substantial Interest in Océ. If a holder of Shares does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

10.2 Dutch dividend withholding tax

10.2.1 Withholding requirement

No Dutch dividend withholding tax (*dividendbelasting*) is due upon a disposal of the Shares under the Offer, pursuant to a Squeeze-Out (as defined in Section 6.7.2(A) above) or pursuant to a legal merger (as described in Section 6.7.2(B) above). The Post-Closing Distribution, if any, is generally subject to 15% Dutch dividend withholding tax, provided that if such Post-Closing Distribution takes the form of

a liquidation distribution, the liquidation proceeds would generally only be subject to Dutch dividend withholding tax to the extent they exceed the average paid-in capital (as recognized for Dutch dividend withholding tax purposes) of the Shares on which the distribution takes place.

10.2.2 Residents of the Netherlands

A holder of Shares who is, or who is deemed to be, a resident of the Netherlands (a "**Resident of the Netherlands**"), can generally credit the withholding tax against his Dutch income tax or Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his aggregate Dutch income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such Resident of the Netherlands is not considered to be the beneficial owner of the dividends. A holder of Shares, who is the recipient of dividends (the "**Recipient**") will not be considered the beneficial owner of the dividends if, as a consequence of a combination of transactions, a person other than the Recipient wholly or partly benefits from the dividends, whereby such person retains, directly or indirectly, an interest in Shares on which the dividends were paid and the person who retains, directly or indirectly, an interest in the Shares on which the dividends were paid, is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the Recipient ("**Dividend Stripping**").

10.2.3 Non-Residents of the Netherlands

With respect to a holder of the Shares, who is not, nor deemed to be, a resident of the Netherlands for the purposes of Dutch taxation (a "**Non-Resident of the Netherlands**") and who is considered to be a resident of the Netherlands Antilles or Aruba under the provisions of the Tax Convention for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), or who is considered to be a resident of a country other than the Netherlands under the provisions of a double taxation convention the Netherlands has concluded with such country, the following may apply. Such Shareholder may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Convention for the Kingdom of the Netherlands or double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax. In addition, an exemption from Dutch dividend withholding tax will generally apply to dividends distributed to certain qualifying entities that are resident of another EU member state, provided that the following tests are satisfied:

- (i) the entity takes one of the legal forms listed in the Annex to the EU Parent Subsidiary Directive (Directive 90/435/EEC, as amended), or a legal form designated by ministerial decree (the "**Legal Form Requirement**");
- (ii) the entity at the time of the distribution has an interest in Océ to which the participation exemption as meant in Article 13 of the Dutch Corporate Income Tax Act 1969 or to which the participation credit as meant in Article 13aa of the Dutch Corporate Income Tax Act 1969 would have been applicable, had such entity been a Resident of the Netherlands;
- (iii) this entity is subject to the tax levied in its country of residence as meant in Article 2, paragraph c of the EU Parent Subsidiary Directive (Directive 90/435/EEC, as amended) without the possibility of an option or of being exempt (the "**Subject to Tax Requirement**"); and
- (iv) this entity is, in its Member State of residence, not considered to be resident outside the Member States of the European Union under the terms of a double taxation convention concluded with a third State.

The exemption from Dutch dividend withholding tax is not available if pursuant to a provision for the prevention of fraud or abuse included in a double taxation treaty between the Netherlands and the country of residence of the non-resident holder of Shares, such holder would not be entitled to the reduction of tax on dividends provided for by such treaty. Furthermore, the exemption from Dutch dividend withholding tax will only be available to the beneficial owner of the Post-Closing Distribution. If a non-resident holder of Shares is resident in a Member State of the European Union with which the Netherlands has concluded a double taxation treaty that provides for a reduction of tax on dividends based on the ownership of the number of voting rights, the condition under (ii) above is also satisfied if such holder owns, or has owned, as the case may be, at least 5% of the voting rights in Océ.

Following recent case law by the Court of Justice of the European Communities, draft legislation has been published on 15 September 2009, which is intended to be effective from 1 January 2010, which draft legislation purports to make the above exemption from Dutch dividend withholding tax also available to certain qualifying entities tax resident within the European Economic Area under the same conditions that apply to entities that are tax resident within the EU. In the same law proposal, it is proposed to abolish both the Legal Form Requirement and Subject to Tax Requirement for the above exemption. It should be noted that, notwithstanding the proposed abolishment of the Subject to Tax Requirement, the exemption of dividend withholding tax will remain inapplicable for cross border dividend payments to entities that perform a similar function as Dutch fiscal investment institutions and exempt investment institutions, because domestic dividend payments to these institutions will also not benefit from the exemption.

A Non-Resident of the Netherlands who is considered to be a resident of another EU member state and who is an entity that is not subject to taxation levied by reference to profits in its EU member state of residence, is entitled to a refund of dividend withholding taxes, provided:

- (i) such entity, had it been a Resident of the Netherlands, would not be subject to corporate income tax in the Netherlands;
- (ii) such entity can be considered to be the beneficial owner of the dividends;
- (iii) such entity does not perform a similar function to that of a fiscal investment institution (*fiscale beleggingsinstelling*) or an exempt investment institution (*vrijgestelde beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969; and
- (iv) certain administrative conditions are met.

The above mentioned draft legislation purports to also make the above refund available to certain qualifying entities tax resident within the European Economic Area under the same conditions that apply to entities that are tax resident within the EU.

The concept of Dividend Stripping, described above, will also be applied to determine whether a Non-Resident of the Netherlands may be eligible for a full or partial exemption from, reduction or refund of Dutch dividend withholding tax.

10.3 Corporate income tax and individual income tax

10.3.1 Residents of the Netherlands

(A) Individuals

A Resident of the Netherlands who is an individual and who holds Shares, is subject to Dutch income tax on the gains realised upon disposal of the Shares under the Offer and/or the Post-Closing Distribution at the progressive rate (up to 52%; rate for 2009) if:

- (i) the holder has an enterprise or a co-entitlement to the net worth of an enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Shares are attributable; or
- (ii) such gains and/or the Post-Closing Distribution are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If conditions (i) and (ii) mentioned above do not apply, any holder of Shares who is an individual and who is a Resident of the Netherlands will be subject to Dutch income tax on a deemed return regardless of the actual income and gains realized upon disposal of the Shares under the Offer or pursuant to the actual Post-Closing Distribution. This deemed return has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold (*heffingvrij vermogen*). The average of the individual's yield basis is determined as the fair market value of certain qualifying assets (including the Shares and the proceeds of the Post-Closing Distribution, if any) held by such an individual less the fair market value of certain qualifying liabilities on 1 January

and 31 December, divided by two. The deemed return of 4% will be taxed at a rate of 30% (rate for 2009). A legislative proposal is pending pursuant to which as of 1 January 2011 the deemed return will be calculated on the basis of a taxpayer's yield basis on 1 January of a calendar year in stead of on the basis of the average yield basis at the beginning and at the end of the calendar year.

(B) Entities

A Resident of the Netherlands who is an entity and who holds Shares, will generally be subject to Dutch corporate income tax with respect to gains realized upon disposal of the Shares under the Offer and the Post-Closing Distribution. The Dutch corporate income tax rate is 20% for the first EUR 200,000 of taxable income and 25.5% for taxable income exceeding EUR 200,000 (rates applicable for 2010).

10.3.2 Non-Residents of the Netherlands

A Non-Resident of the Netherlands who holds Shares, is generally not subject to Dutch income or corporate income tax (other than dividend withholding tax described above) on the gains realized upon disposal of the Shares under the Offer and the Post-Closing Distribution, provided that:

- (i) if he is an individual, such Non-Resident of the Netherlands does not opt to be taxed as a resident of the Netherlands for the purposes of Dutch taxation;
- (ii) such Non-Resident of the Netherlands does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable or deemed attributable;
- (iii) in the case of a Non-Resident of the Netherlands who is an individual, the gains realized by such individual upon disposal of the Shares under the Offer and the Post-Closing Distribution are not taxable as benefits from "miscellaneous activities" in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*), which include the performance of activities with respect to Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*);
- (iv) in the case of a Non-Resident of the Netherlands who is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Shares are attributable; and
- (v) in the case of a Non-Resident of the Netherlands who is an entity, such entity is not entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in the Netherlands, other than by way of the holding of securities, to which enterprise the Shares are attributable.

10.4 Value-added tax

No Dutch value added tax (*omzetbelasting*) will be payable in relation to the disposal of Shares under the Offer or the receipt of the Post-Closing Distribution.

10.5 Other taxes and duties

No Dutch capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands in respect of or in connection with the Offer and the Post-Closing Distribution.

11 OTHER INFORMATION

11.1 Available documents

Copies of this Offer Memorandum, the Articles of Association (which are incorporated by reference in, and form an integral part of, this Offer Memorandum), the annual financial statements (*jaarrekeningen*) of Océ for the Financial Year 2008, the Financial Year 2007 and the Financial Year 2006, as adopted by the General Meeting of Shareholders of Océ (which are incorporated by reference in, and form an integral part of, this Offer Memorandum), and the annual financial statements of Océ for the financial year 2009 (which will be published in February 2010) are (or will be made) available free of charge at Océ's website: www.investor.oce.com and at the offices of the Océ and the Exchange Agent, and can be obtained by contacting Océ or the Exchange Agent at the address below:

The Exchange Agent

Fortis Bank (Nederland) N.V. / MeesPierson CFCM
Rokin 55
1012 KK Amsterdam
The Netherlands

P.O. Box 243
1000 AE Amsterdam
The Netherlands
Tel: +31 (0) 20 527 24 67
Email: prospectus@nl.fortis.com

Digital copies of this Offer Memorandum are also available on the website of Canon:
www.canon.com/publicoffer.

11.2 Exchange Agent

Fortis Bank (Nederland) N.V. / MeesPerson CFCM is designated as Exchange Agent with respect to the Offer.

12 PRESS RELEASES

12.1 Joint press releases of Canon and Océ

12.1.1 Press release of 16 November 2009

This is a joint press release by Canon Inc. (trading symbol CAJ) ("Canon") and Océ N.V. (trading symbol OCE) ("Océ") pursuant to the provisions of Section 5 paragraph 1 and Section 7 paragraph 4 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft). This announcement and related materials do not constitute an offer for the issued and outstanding ordinary shares in the capital of Océ (the "Shares"), but constitute notice that a conditional agreement has been reached between Canon and Océ on the terms of a recommended offer to be made by Canon for the Shares. This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



CANON AND OCÉ TO CREATE GLOBAL LEADER IN PRINTING INDUSTRY

Canon intends to acquire all ordinary shares of Océ through an all cash public offer

- Canon and Océ aim to create the overall No. 1 presence in the printing industry;
- Combination to capitalize on excellent complementary fit in product range, channel mix, R&D, and business lines resulting in an outstanding client offer;
- Strong strategic rationale for Canon and Océ - growing and building on proven track record in innovation and client servicing;
- Canon intends to make an offer of €8.60 per Share (cum dividend) for 100% of the outstanding Shares of Océ, representing a premium of 70% over Océ's closing share price of Friday 13 November 2009 and 137% to the average share price over the last 12 months;
- The Management and Supervisory Boards of Océ fully and unanimously support and will recommend the intended Offer;
- Holders of the depository receipts for Océ's cumulative preference shares, Ducatus, ASR and ING (approximately 19% of the total share capital), agreed to sell their interests to Canon; large shareholder Bestinver Gestion S.A. (approximately 9.5% of outstanding Shares) has provided an irrevocable undertaking to tender;
- Océ remains separate legal entity as a Canon division, headquartered in Venlo (the Netherlands); Océ brand is to be maintained and applied in all relevant markets. Océ to lead its R&D and manufacturing. Management Board and key management remains in place;
- Employees part of industry leader – existing labor agreements will be respected, no redundancies as a result of the Offer.

16 November 2009 — Canon and Océ today announced that they have reached conditional agreement to combine their printing activities through a fully self-funded, public cash offer by Canon for all the Shares of Océ. The offer price of € 8.60 per Share of Océ (the "Offer") represents a premium of 70% over the closing share price of Friday 13 November 2009 and 137% to the average closing price of Océ's Shares over the last 12 months. The Offer values 100% of the issued and outstanding Shares of Océ at approximately €730 million.

Canon and Océ aim to create the overall No. 1 presence in the printing industry, building on an enhanced scale and a combined history of innovation and excellent client servicing. The combination will capitalize on an excellent complementary fit in product mix, channel mix, R&D, and business lines resulting in an outstanding client offer spanning the entire printing industry.

Canon's President and COO Tsuneji Uchida says:

"We are delighted to welcome Océ, the ideal partner in every respect, into the Canon Group. Through the merger of Canon and Océ, we believe that we will be able to realize clear benefits, not only in the area of R&D, but also in terms of product mix and marketing and are confident that this winning combination will contribute greatly to our goal of becoming the overall No. 1 presence in the printing industry."

Océ's CEO Rokus van Iperen says:

"I am very much looking forward to joining forces with Canon. There is a great fit between our companies, which share similar values and a strong commitment to technology and innovation. I am proud Canon intends to team up with Océ, based upon the prominence of our customers and technology and of course our people that have shaped our company for generations."

This is the best possible combination in the consolidating global printing industry and will deliver scale in R&D, manufacturing and distribution. The combined organization provides us with access to a huge sales network in Asia as well as mutual cross selling opportunities in Europe and the United States. Our customers will benefit from an outstanding product and services offering and our employees will be offered appealing development opportunities."

Strategic rationale

Canon and Océ will be able to build upon each other's strong history and proven track record of innovation and customers servicing and create a strong joint enterprise capable of long term successes. The similar technology oriented background and corporate values will be important drivers creating the world's leading group in the printing industry.

Canon and Océ have similar backgrounds in corporate values with a client oriented culture and a technology driven business model. Océ, one of the world's leading providers of document management and printing for professionals, brings to the merger its expertise and strengths in the areas of production printing, wide format printing and business services. Océ's strategy focuses on strengthening its distribution power, increasing product competitiveness and improving operational excellence. The combination will provide Océ access to Canon's well-established sales and marketing network throughout Asia. Additionally, Océ will benefit from the Canon Group Best in Class processes and infrastructure as well as financing to facilitate active investment toward the expansion of Océ's business operations. The combination of Canon and Océ will have leading positions in the SOHO (Small Office/Home Office), office, production and wide format segments, offering a superlative range of products and services. It would be able to provide optimal customer servicing through its enhanced scale, innovative technologies and strong distribution networks. Océ and Canon have complementary technologies and products and would benefit from improved diversification across regions and businesses.

Under Phase III of its Excellent Global Corporation Plan, launched in 2006, Canon aims to join the ranks of the world's top 100 companies in terms of all key measures of business performance. As a principal strategy toward the realization of this goal, Canon aims to achieve the overwhelming No. 1 position worldwide in all of its current core businesses. Océ boasts a robust direct sales and service network in 32 countries, which will provide valuable additional sales and service support for Canon-brand products. Furthermore Canon will benefit from the addition of Océ's production and wide format printing line-up, along with the R&D synergies made possible through joint development initiatives in these areas.

The printing industry currently is in a period of consolidation, driven by the undeniable fact that scale is increasingly important, especially in R&D and manufacturing. Only players that are able to improve profitability through increased scale and Best in Class processes and infrastructure will play a leading role in the printing industry going forward. In this perspective, Canon and Océ form the ideal combination. Together they are excellently positioned to optimize the servicing of their customers and become the undisputed market leader.

Océ's position in the combination

Following the completion of the merger, Océ will remain a separate legal entity and will become a division within Canon with headquarters in Venlo (the Netherlands). Océ will be responsible worldwide for wide format, commercial printing and business services. Océ's office activities will be integrated in Canon's Office Imaging Products division ("OIP"). Canon's Large Format Printing will functionally be integrated in the Océ Production Printing Division ("Océ division") over time.

In order to create optimal scale in the right segments, the Océ division will report (managerial and financially) to the Canon Board and will lead the R&D and manufacturing for its businesses. Furthermore, Océ's headquarters, combining R&D, production and sales functions, is expected to play an integral role for Canon's European regional operations, one of Canon's key bases within its Three Regional Headquarters vision. The current Management Board and key management of Océ will remain in place. In the Océ division, the strong Océ brand name will be maintained and will be applied in all relevant markets.

Corporate governance

Following completion of the Offer the Management Board of the Océ division will consist of the following persons: Messrs. Van Iperen, Kerkhoven and Schaaf. Océ's Supervisory Board will include the following persons: Messrs. Tanaka, Elverding and Baan, as well as three additional persons to be selected among Canon's top executives.

Integration phase

The integration of both Canon and Océ businesses will take place over the coming 3 years. Canon and Océ have agreed on a high level integration plan and integration project organization. The integration will be aimed to optimize efficient coordination of Sales, Service, Marketing, R&D and Manufacturing & Logistics covering all business areas, the process of which will be directed and supervised by a Steering Committee composed of executives from Canon and Océ. The Sales and Service integration will be led by joint integration teams per region with initially two dedicated organizations, respectively for the OIP and for the Océ division.

Social aspects

The Océ employees will become part of a global leader in the printing industry which will capitalize on the strong brands of both companies. Océ and Canon do not expect that there shall be any material negative consequences as a result of the Offer for the existing employment level of Océ, excluding already announced personnel reductions. The combination will respect the existing rights of the employees of Océ, including applicable covenants with the Océ works councils and the unions, the applicable social plans and collective labor agreements. The combination will also respect the current obligations with respect to the pension rights of Océ's employees.

Customers

The customers of both Canon and Océ will benefit from an enlarged range of high quality products and services through an extended global sales and service network.

Business Partners

Océ will carefully explore with its various business partners the future of their relationship in view of the contemplated transaction.

Financial highlights of the Offer

Canon intends to acquire all the outstanding Shares of Océ through a fully self-funded cash offer consisting of €8.60 in cash per ordinary Océ Share, representing:

- a 70 % premium over Océ closing price on Friday 13 November 2009;
- a 137 % premium over Océ's average twelve months share price.

No further dividends are expected to be declared prior to the completion of this Offer.

Committed Shareholders

Bestinver Gestion S.A. SGIIC, a holder of approximately 9.5% of the outstanding Shares, has committed itself to tender its Shares under the intended Offer when it is made. The irrevocable contains certain customary undertakings and conditions including that the shareholder will only tender its Shares to a bona fide third party offeror at a price of at least 10% above the Offer. Canon will have the right to match any competing offer.

Ducatus N.V., ASR Nederland N.V. and ING AM Insurance Companies B.V., each holder of depository receipts for cumulative preference shares in Océ and *Stichting Administratiekantoor Preferente Aandelen Océ*, which holds on their behalves all the cumulative preference shares representing in aggregate approximately 19% of Océ's voting rights, have entered into a conditional agreement with Canon to transfer their depository receipts and cumulative preference shares, respectively, on the condition of the Offer being declared unconditional.

Recommendation

The Management and Supervisory Boards of Océ fully and unanimously support the transaction with Canon, after giving due consideration to the strategic, financial and social aspects of the transaction and taking into account the interest of the shareholders and all other stakeholders of Océ, including clients and employees. The Management and Supervisory Boards of Océ will recommend to the shareholders that they accept the Offer.

Financing of the Offer

The cash consideration of the Offer is € 730 million, based on a 100% acceptance of Océ's ordinary shareholders. The cash consideration for depository receipts for cumulative preference shares amounts to € 65 million. Canon intends to refinance short and long term debt of Océ, as needed. As per 31 August 2009, the total amount of short and long term debt amounted to € 704 million. Canon will finance the Offer and debt repayment from internally generated funds.

Offer Conditions and Process

The Offer will commence after the formal filing with the AFM (Dutch Authority Financial Markets) of an Offering Memorandum. The commencement of the Offer is subject to the satisfaction of certain pre-offer conditions customary for a transaction of this kind, such as (i) relevant antitrust clearances for the Offer, (ii) no revocation of the recommendation by Océ's Management Board or Supervisory Board, (iii) no revocation of the agreements with the Committed Shareholders, (iv) no competing offer having been made, (v) no order, stay judgment or decree restraining, prohibiting or delaying the transaction, (vi) agreement on and AFM approval of the Offering Memorandum, (vii) no material breach of the merger protocol and (viii) no material adverse change having occurred.

When made, the consummation of the Offer will be subject to the satisfaction or waiver of certain offer conditions customary for transactions of this kind, such as (i) a minimum acceptance of 85% of the Shares on a fully diluted basis, (ii) no revocation of the recommendation by Océ's Management Board and Supervisory Board, (iii) no revocation of the agreements with the Committed Shareholders, (iv) no competing offer having been made, (v) no order, stay judgment or decree restraining, prohibiting or delaying the transaction, (vi) no material breach of the merger protocol and (vii) no material adverse change having occurred.

Océ may terminate the conditional agreement with Canon in the event that a bona fide third party makes an offer which is, in the reasonable opinion of Océ's Management Board and Supervisory Boards, superior to the Offer. An alternative offer shall only be regarded as superior in the event its bid price exceeds the Offer price by 10%, or in the event of a consecutive bid by 5%. Canon has a right to match a superior offer. In the event the conditional agreement is terminated pursuant to a competing offer, Océ shall pay to Canon an amount of € 7,950,000 as compensation for opportunity costs and other costs incurred by Canon.

The relevant bodies and authorities (such as the relevant employee representative bodies, the AFM, the Social Economic Council and the relevant antitrust authorities) have been or will be informed and/or consulted (as applicable), as customary in a transaction of this kind.

If the Offer is declared unconditional, it is intended that Océ's listing on the Official Market of NYSE Euronext Amsterdam N.V. will be terminated as soon as possible.

In the event that the Offer is declared unconditional and less than 95% of the Shares is acquired, Canon may utilize available legal measures (for example a legal merger and squeeze out) in order to increase their ownership to 100% of the total share capital of Océ.

Expected timing

- The Offering Memorandum is expected to be published and the Offer is expected to commence in the first quarter of 2010;
- Following the publication of the Offering Memorandum, Océ will convene an extraordinary general meeting of shareholders to inform its shareholders about the Offer and to approve certain customary resolutions that are to be adopted as a condition to the Offer;
- The settlement date is to be determined.

Advisors

Mizuho Securities acted as financial advisor to Canon.

Stibbe and Herbert Smith acted as legal advisors to Canon.

ING Corporate Finance acted as financial advisor to Océ and provided a fairness opinion.

Lazard acted as financial advisor to Océ Supervisory Board and provided a fairness opinion.

De Brauw Blackstone Westbroek acted as legal advisor to Océ.

Hill & Knowlton acted as communication advisor to Océ.

Exchange agent

Fortis Bank (Nederland) N.V. / MeesPierson CFCM will act as the exchange agency for this Offer.

Media Events and Investor Communication Information

Press conferences

- Océ: 16 November 2009, 10.00 - 11.00 hrs CET, Hotel Okura Amsterdam
- Canon: 16 November 2009, 17.00 - 18.00 hrs JST, Tokyo Kaikan, Tokyo

Analysts and investors meetings

- Océ: 16 November 2009, 13.00 - 14.30 hrs CET, Hotel Okura Amsterdam
- Canon: 16 November 2009, 17.00 - 18.00 hrs JST, Tokyo Kaikan, Tokyo

For more information

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Overview of Canon

Canon Inc. (NYSE: CAJ), headquartered in Tokyo, Japan, is a leader in the fields of professional and consumer imaging equipment and information systems. Canon's extensive range of products includes copying machines, multifunction office systems, inkjet and laser beam printers, cameras, video equipment, medical equipment and semiconductor-manufacturing equipment. With almost 170,000 employees worldwide, Canon has manufacturing and marketing subsidiaries in Japan, the Americas, Europe, Asia and Oceania; and a global R&D network with companies based in the United States, Europe, Asia and Australia. Canon's consolidated net sales for fiscal 2008 (ended December 31, 2008) totaled \$44.99 billion (at an exchange rate of ¥91 = US\$1).

For more information on Canon, visit the company's website: www.canon.com

Overview of Océ

Océ is one of the world's leading providers of document management and printing for professionals. The broad Océ offering includes office printing and copying systems, high speed digital production printers and wide format printing systems for both technical documentation and color display graphics. Océ is also a foremost supplier of document management outsourcing. Many of the world's Fortune 500 companies and leading commercial printers are Océ customers. The company was founded in 1877. With headquarters in Venlo, the Netherlands, Océ is active in over 90 countries and employs some 22,000 people worldwide. Total revenues in 2008 amounted to €2.9 billion. Océ is listed on NYSE Euronext in Amsterdam.

For more information on Océ N.V., visit the company's website: www.investor.oce.com

Restrictions

This announcement is for information only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Canon or Océ (the "Companies") in any jurisdiction.

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Canon and Océ disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Canon, nor Océ, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any Océ shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

In addition, the Offer is not being, and will not be, made directly or indirectly, in or into the United States or Canada, and the Offer should not be accepted from within the United States or Canada. Accordingly, any documents related to the Offer are not being, and will not be, mailed or otherwise forwarded, distributed or sent in, into or from the United States or Canada, and any acceptances received from the United States or Canada will be rejected as invalid.

This press release may include "forward-looking statements" and language indicating trends, such as "anticipated" and "expected." Although Canon and Océ believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither Canon nor Océ, nor any of their advisors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.

This press release is also published in Dutch; the English version will prevail over the Dutch version.

12.1.2 Press release of 14 December 2010

This is a joint press release by Canon Inc. and Océ N.V. pursuant to the provisions of Section 7 paragraph 1 sub (a) of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft). This announcement and related materials do not constitute an offer for the issued and outstanding ordinary shares in the capital of Océ N.V. This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



GOOD PROGRESS ON THE PREPARATIONS OF THE PUBLIC OFFER FOR OCÉ

14 December 2009 — Reference is made to the joint press release by Canon Inc. (trading symbol CAJ) ("Canon") and Océ N.V. (trading symbol OCE) ("Océ") dated 16 November 2009 in respect of the intended fully self-funded, public cash offer for all issued and outstanding ordinary shares in the capital of Océ (the "Shares") by Canon at an offer price of €8.60 per Share (the "Offer").

Canon and Océ confirm that good progress is being made on the preparations of the Offer. Canon and Océ filed notifications with the competition authorities of the European Union, the United States, Switzerland and Taiwan. The Océ Merger Committee (Fusiecommissie), the Océ European Works Council (Europese ondernemingsraad) and the relevant Océ works councils have been and are being provided with information regarding the Offer in accordance with the applicable rules and regulations.

Canon expects to submit a request for approval of the offer memorandum in respect of the Offer to the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten or "AFM") before 8 February 2010, which is the date by which under Dutch law a request for approval must be submitted to the AFM. Senior management of both companies is working side by side to ensure the process runs as smoothly as possible.

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For more information on Canon, visit the company's website: www.canon.com

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The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Canon and Océ disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply

with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Canon, nor Océ, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any Océ shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

This press release is also published in Dutch; the English version will prevail over the Dutch version.

12.1.3 Press release of 21 December 2010

This is a joint press release by Canon Inc. and Océ N.V. pursuant to the provisions of Section 4 paragraph 3 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft.) and Section 5:25i of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht). This announcement and related materials do not constitute an offer for the issued and outstanding ordinary shares in the capital of Océ N.V. This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



U.S. WAITING PERIOD EXPIRED WITHOUT SECOND REQUEST

21 December 2009—Reference is made to the joint press releases of Canon Inc. (trading symbol CAJ) ("Canon") and Océ N.V. (trading symbol OCE) ("Océ") of 16 November 2009 announcing that Canon intends to make a fully self-funded, public cash offer for all the issued and outstanding ordinary shares of Océ (the "Ordinary Shares") at an offer price of € 8.60 in cash per Ordinary Share (the "Offer") and 14 December 2009 in respect of the progress being made on the preparations of the Offer.

Today, Canon and Océ announce that in relation to their proposed transaction the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, has expired as of 18 December 2009, without a second request. The anti-trust procedure in the United States is in this way completed.

Clearances from the EU, Swiss and Taiwanese competition authorities are still to be obtained, but the filing procedures are on track.

For more information

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For more information on Océ, visit the company's website: www.investor.oce.com

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This press release is also published in Dutch; the English version will prevail over the Dutch version.

12.1.4 Press release of 22 December 2010

This is a joint press release by Canon Inc. and Océ N.V. pursuant to the provisions of Section 4 paragraph 3 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft.) and Section 5:25i of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht). This announcement and related materials do not constitute an offer for the issued and outstanding ordinary shares in the capital of Océ N.V. This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



CANON RECEIVES CLEARANCE FROM THE SWISS COMPETITION AUTHORITIES

22 December 2009—Reference is made to the joint press releases of Canon Inc. (trading symbol CAJ) ("Canon") and Océ N.V. (trading symbol OCE) ("Océ") of 16 November 2009 announcing that Canon intends to make a fully self-funded, public cash offer for all the issued and outstanding ordinary shares of Océ (the "Ordinary Shares") at an offer price of € 8.60 in cash per Ordinary Share (the "Offer") and 14 December 2009 in respect of the progress being made on the preparations of the Offer.

Today, Canon and Océ jointly announce that the Swiss competition authorities have granted clearance for Canon's proposed acquisition of Océ without imposing any conditions. As announced on 21 December 2009, the anti-trust procedure in the United States is also completed.

Clearance from the EU and Taiwanese competition authorities is still to be obtained, but the filing procedures are on track.

For more information

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This press release is also published in Dutch; the English version will prevail over the Dutch version.

12.1.5 Press release of 22 December 2010

This is a joint press release by Canon Inc. and Océ N.V. pursuant to the provisions of Section 4 paragraph 3 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft.) and Section 5:25i of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht). This announcement and related materials do not constitute an offer for the issued and outstanding ordinary shares in the capital of Océ N.V. This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



CANON RECEIVES CLEARANCE FROM EUROPEAN COMMISSION AND TAIWANESE COMPETITION AUTHORITIES

22 December 2009 – Reference is made to the joint press releases of Canon Inc. (trading symbol CAJ) ("Canon") and Océ N.V. (trading symbol OCE) ("Océ") of 16 November 2009 announcing that Canon intends to make a fully self-funded, public cash offer for all the issued and outstanding ordinary shares of Océ (the "Ordinary Shares") at an offer price of €8.60 in cash per Ordinary Share (the "Offer") and 14 December 2009 in respect of the progress being made on the preparations of the Offer.

Today, Canon and Océ jointly announce that the European Commission and the Taiwanese competition authorities have granted clearance for Canon's proposed acquisition of Océ, without imposing any conditions. As announced on 21 December 2009 and earlier today, the anti-trust procedures in respectively the United States and Switzerland are also successfully completed.

With the approval of these competition authorities, an important step in the offer process has been taken.

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This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Canon or Océ in any jurisdiction.

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of these restrictions. Any Océ shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

This press release is also published in Dutch; the English version will prevail over the Dutch version.

12.2 Press releases of Canon

12.2.1 Press release of 17 November 2009

This is a press release by Canon Inc. pursuant to the provisions of Section 4 paragraph 3 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft). This announcement and related materials do not constitute an offer for the issued and outstanding ordinary shares in the capital of Océ N.V. This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



CANON GIVES NOTICE TO AFM OF ACQUIRED SHAREHOLDING IN OCÉ

17 November 2009 – On 16 November 2009 Canon Inc. (trading symbol CAJ) ("Canon") and Océ N.V. (trading symbol OCE) ("Océ") announced that Canon intends to make a fully self-funded, public cash offer for all the issued and outstanding ordinary shares of Océ (the "Ordinary Shares") at an offer price of €8.60 in cash per Ordinary Share.

Today, Canon has given notice to the AFM (Dutch Authority Financial Markets) that it has acquired through market purchases a number of Ordinary Shares representing approximately 16.9% of Océ's total issued share capital. These Ordinary Shares were acquired by Canon at an average price of €8.542 (with €8.56 as the highest price paid) and represent approximately 21.3% of the total Ordinary Shares.

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12.2.2 Press release of 1 December 2009

This is a press release by Canon Inc. pursuant to the provisions of Section 4 paragraph 3 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft). This announcement and related materials do not constitute an offer for the issued and outstanding ordinary shares in the capital of Océ N.V. This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



CANON GIVES NOTICE TO AFM OF ACQUIRED SHAREHOLDING IN OCÉ

1 December 2009 – On 16 November 2009 Canon Inc. (trading symbol CAJ) ("Canon") and Océ N.V. (trading symbol OCE) ("Océ") announced that Canon intends to make a fully self-funded, public cash offer for all the issued and outstanding ordinary shares of Océ (the "Ordinary Shares") at an offer price of €8.60 in cash per Ordinary Share.

Today, Canon has given notice to the AFM (Dutch Authority Financial Markets) that it has acquired through market purchases a number of Ordinary Shares representing approximately 20.0% of Océ's total issued share capital. These Ordinary Shares were acquired by Canon at an average price of €8.546 (with €8.59 as the highest price paid) and represent approximately 25.3% of the total Ordinary Shares.

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12.3 Press releases of Océ

12.3.1 Press release of 18 November

This is a press release by Océ N.V. pursuant to the provisions of Section 4 paragraph 1 of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft). This announcement is not for release, publication or distribution, in whole or in part, in or into directly or indirectly the United States and Canada.



OCÉ: STRATEGIC REVIEW PROCESS WAS THOROUGH AND COMPLETE

Reference is made to the joint press release by Canon Inc. and Océ N.V. dated 16 November 2009 regarding the intention of Canon to acquire all ordinary shares of Océ through an all cash public offer, and to the press release dated 17 November 2009 of Canon in which it announced that it had acquired 21.3% of the outstanding ordinary shares of Océ.

Océ has noted today's questions about the process which has led to the 16 November 2009 announcement and wishes to reiterate that the strategic review process has been careful and complete. In particular, after its various public announcements including at its general meetings of shareholders dated 21 October 2008 and 23 April 2009 that it would seek further economies of scale, Océ has been in frequent contact with all relevant industry players, and has considered and discussed various transaction forms, all in the best interest of its shareholders and other stakeholders. The envisaged transaction with Canon is the result of this extensive process and is fully and unanimously supported by Océ's Management and Supervisory Boards.

Océ N.V.
18 November 2009

Overview of Océ

Océ is one of the world's leading providers of document management and printing for professionals. The broad Océ offering includes office printing and copying systems, high speed digital production printers and wide format printing systems for both technical documentation and color display graphics. Océ is also a foremost supplier of document management outsourcing. Many of the world's Fortune 500 companies and leading commercial printers are Océ customers. The company was founded in 1877. With headquarters in Venlo, the Netherlands, Océ is active in over 90 countries and employs some 22,000 people worldwide. Total revenues in 2008 amounted to €2.9 billion. Océ is listed on NYSE Euronext in Amsterdam.

For more information on Océ N.V., visit the company's website: www.investor.oce.com

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13 NEDERLANDSE SAMENVATTING VAN HET BOD

13.1 Restricties en belangrijke informatie

In dit Hoofdstuk 13 wordt een samenvatting gegeven van een aantal elementen uit het Biedingsbericht. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang kan zijn om een afgewogen oordeel te kunnen vormen over het Bod. Het bestuderen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. De Aandeelhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen over het Bod en de beschrijving daarvan in het Biedingsbericht. In geval van verschillen tussen deze Nederlandse samenvatting en de Engelse tekst van het Biedingsbericht prevaleert de Engelse tekst van het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen).

Het uitbrengen van het Bod, de verkrijgbaarstelling van het Biedingsbericht en deze Nederlandse samenvatting, alsmede verspreiding van andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan bepaalde restricties onderhevig zijn. Dit Bod wordt niet, direct of indirect, gedaan in en mag niet worden geaccepteerd door of namens Aandeelhouders vanuit enige jurisdictie waarin het doen van het Bod of het accepteren daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving of waarvoor enige registratie, goedkeuring of neerlegging bij enige toezichthoudende instantie vereist is die niet uitdrukkelijk in dit Biedingsbericht is voorzien. Echter aanmeldingen onder het Bod door Aandeelhouders die niet in Nederland woonachtig zijn, zullen worden aanvaard door de Bieder, indien zulke aanmeldingen in overeenstemming zijn met (i) de aanmeldingsprocedures zoals omschreven in dit Biedingsbericht en (ii) de van toepassing zijnde wet en regelgeving van de jurisdicties van waaruit zulke aanmeldingen zijn gedaan. Personen die dit Biedingsbericht ontvangen dienen zorgvuldig kennis te nemen van en te handelen in overeenstemming met zulke restricties en iedere noodzakelijke autorisatie, goedkeuring of instemming te verkrijgen. Het niet voldoen aan deze restricties kan een overtreding van de effectenwet- en regelgeving van de betreffende jurisdictie opleveren. De Bieder, Canon, Océ en hun respectievelijke met de vennootschap betrokken ondernemingen, bestuurders, commissarissen, werknemers en adviseurs sluiten iedere aansprakelijkheid terzake van overtredingen van voornoemde beperkingen uit. De Aandeelhouders dienen zo nodig onverwijld onafhankelijk advies in te winnen over hun positie. Voor de restricties van het Bod wordt tevens verwezen naar Hoofdstuk 1 (Restrictions and important information). Iedere persoon (inclusief maar niet beperkt tot bewaarders, gevolmachtigden en beheerders) die dit Biedingsbericht of enig verwant document naar enige jurisdictie buiten Nederland wenst door te sturen of van plan zou zijn dit te doen dient zorgvuldig Hoofdstuk 1 (Restrictions and important information) te lezen voor enige actie wordt ondernomen.

De informatie in de Hoofdstukken 1, 2, 4.2, 4.3, 4.4, 4.6-4.8, 4.9.1-4.9.3, 4.10, 4.11, 5, 6.3.1, 6.3.2, 6.3.4, 6.3.5, 6.5, 6.7.1-6.7.3, 6.10, 8, 10 12.2, 13.1, 13.3-13.5, 13.7, 13.8, 13.9.2-13.9.6, 13.10, 13.11.1-13.11.3, 13.12 en 13.13 van dit Biedingsbericht is uitsluitend verschaft door de Bieder. De informatie in de Hoofdstukken 4.5, 6.3.3, 6.4, 7, 12.3, 13.6 en Deel II (Financial Statements) (met uitzondering van Hoofdstukken 2 (Auditors' report), 4 (Auditors' report) en 6 (Review report)) van dit Biedingsbericht is uitsluitend verschaft door Océ. De informatie op pagina's 1-3 en in de Hoofdstukken 3, 4.9.4, 4.9.5, 6.1, 6.2, 6.6, 6.7.4-6.7.6, 6.8, 6.9, 6.11, 9, 11 12.1, 13.2, 13.9.1 en 13.11.4-13.11.5 van dit Biedingsbericht is door de Bieder en Océ gezamenlijk verschaft. Deze Nederlandse samenvatting van het Biedingsbericht (Hoofdstuk 13) is opgesteld door de Bieder en Océ gezamenlijk, op basis van de informatie in de overige hoofdstukken van het Biedingsbericht die door de Bieder en/of Océ is verschaft.

De informatie in Deel II (Financial Statements) Hoofdstukken 2 (Auditors' report), 4 (Auditors' report) en 6 (Review report) is uitsluitend verschaft door PricewaterhouseCoopers en is identiek aan het originele *auditors' report* en *review report* van de respectievelijke data als afgegeven door PricewaterhouseCoopers.

Uitsluitend de Bieder en Océ zijn verantwoordelijk voor de juistheid en compleetheid van de informatie die in dit Biedingsbericht verschaft wordt, ieder afzonderlijk voor de informatie die door hen zelf is verschaft en ieder afzonderlijk én gezamenlijk voor de informatie die door hen gezamenlijk is verschaft. De Bieder en Océ verklaren beide, voorzover hun redelijkerwijs bekend kan zijn, dat de gegevens

in het Biedingsbericht of in het gedeelte waarvoor zij verantwoordelijk zijn, in overeenstemming zijn met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan vermelding de strekking van het Biedingsbericht zou wijzigen. Bepaalde financiële en statistische informatie in dit Biedingsbericht kan naar boven of beneden afgerond zijn en kan derhalve niet als precies worden aangemerkt.

De informatie in dit Biedingsbericht geeft de situatie weer op de datum van dit Biedingsbericht, tenzij anders aangegeven. Onder geen beding houdt de verspreiding van dit Biedingsbericht in dat de hierin opgenomen informatie ook na de publicatiedatum van dit Biedingsbericht juist en volledig is of dat er sinds deze datum geen wijziging is opgetreden in de in het Biedingsbericht uiteengezette informatie of in de gang van zaken bij de Océ Groep. Het voorgaande laat echter onverlet de verplichting van zowel de Bieder als Océ om, indien zulks van toepassing is, een openbare mededeling te doen ingevolge artikel 4 lid 1 en 3 van het Bob, voor zover van toepassing.

De Standpuntbepaling vormt geen integraal onderdeel van het Biedingsbericht zoals omschreven in het Bob en is niet onderworpen aan voorafgaande beoordeling en goedkeuring van de AFM. De Standpuntbepaling is echter onderworpen aan beoordeling door de AFM na publicatie daarvan.

13.2 Nederlandse Definities

Gedefinieerde termen in deze Nederlandse samenvatting zullen de volgende betekenis hebben:

Aandeelhouder(s)	de houder(s) van een of meerdere Aandelen
Aande(e)l(en)	geplaatste en uitstaande gewone aande(e)l(en) in het kapitaal van Océ met een nominale waarde van EUR 0.50 elk
Aangemelde Aandelen	de Aandelen die zijn aangemeld onder het Bod
Aanmeldingstermijn	de periode, gedurende welke de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, beginnend op 29 januari 2010, om 9:00 uur, Amsterdamse tijd, en eindigend op de Sluitingsdatum
AFM	Stichting Autoriteit Financiële Markten
Beschermingsstichting	Lodewijk Stichting, een stichting, opgericht naar Nederlands recht, met statutaire zetel in Venlo, Nederland
Bestinver	Bestinver Gestion S.A., SGIIC
Bieder	Canon Finance Netherlands B.V., een besloten vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland, volledig en direct gehouden door Canon
Biedingsbericht	dit biedingsbericht (zijnde de Engelse tekst en de Nederlandse samenvatting) met betrekking tot het Bod
Biedprijs	een bedrag in contanten van EUR 8,60 (inclusief dividend of enige andere uitkering op de Aandelen die kan zijn gedaan voor de Dag van Betaling en – als gevolg daarvan – zal de Biedprijs met een dergelijk bedrag verminderd worden) voor elk Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd onder de voorschriften, en voorwaarden en restricties van het Bod
Bob	Besluit openbare biedingen Wft
Bod	het bod op de Aandelen zoals in dit Biedingsbericht beschreven

Buitengewone Vergadering van Aandeelhouders	de buitengewone vergadering van Aandeelhouders van Océ, die wordt gehouden op 12 februari 2010, om 14:30 uur, Amsterdamse tijd, aan de Van der Grintenstraat 1, 5919 HD, Venlo Nederland, tijdens welke vergadering, onder andere (zie Standpuntbepaling Hoofdstuk 7) het Bod zal worden besproken, overeenkomstig het bepaalde in artikel 18 lid 1 van het Bob
Canon	Canon Inc., een naamloze vennootschap, opgericht naar Japans recht, met statutaire zetel in Tokyo, Japan
Canon Groep	Canon, inclusief haar groepsmaatschappijen in de zin van artikel 2:24b van het Burgerlijk Wetboek
Certificaathouders	Beleggingsfonds 'Ducatus', een beleggingsfonds waarvoor Kempen Capital Management N.V. optreedt als beheerder en Kempen Bewaarder Beleggingsfonds 'Ducatus' B.V. als bewaarder, ASR Levensverzekering N.V. (een directe, 100% dochtermaatschappij van ASR Nederland N.V.) en ING AM Insurance Companies B.V.
Certificaten	certificaten voor Preferente Aandelen
Dag van Betaling	de datum waarop de Bieder, in overeenstemming met de voorschriften, en voorwaarden en restricties van het Bod, de Biedprijs zal betalen aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en hebben geleverd onder het Bod; dit vindt niet later dan de vijfde Werkdag na de Gestanddoeningsdatum plaats
Dataroom	de virtuele dataroom zoals voorbereid door Océ die informatie over Océ bevat, beschikbaar gesteld aan Canon bij de voorbereiding van het Bod
EUR	euro, het wettig betaalmiddel van de Europese Monetaire Unie
Euronext Amsterdam	Euronext Amsterdam door NYSE Euronext
Fusiecommissie	de Fusiecommissie als bedoeld in Océ's Statuut Fusiecommissie van 27 mei 1981
Fusieprotocol	het fusieprotocol (<i>Merger Protocol</i>) tussen Océ en Canon van 16 november 2009
Gecommitteerde Aandelen	de Aandelen gecommitteerd door Bestinver die de Onherroepelijke Toezegging is aangegaan zoals beschreven in Hoofdstuk 6.3.1 en 13.7 (Gecommitteerde Aandelen)
Gestanddoeningsdatum	de datum waarop de Bieder publiekelijk aankondigt of het Bod gestand wordt gedaan, zijnde niet later dan de derde Werkdag na de Sluitingsdatum overeenkomstig artikel 16 lid 1 van het Bob
Materiële Ongunstige Wijziging	heeft de betekenis die daaraan is toegekend in Hoofdstuk 6.2 en 13.9.1 (Voorwaarden)
Océ	Océ N.V. een naamloze vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Venlo, Nederland

Océ Groep	Océ, inclusief haar groepsmaatschappijen in de zin van artikel 2:24b van het Burgerlijk Wetboek
Océ Optie Overeenkomsten	zowel (i) de optieovereenkomsten tussen Océ en de Beschermingsstichting van 25 April 1979 en (ii) de additionele preferente aandelen calloptieovereenkomst tussen Océ en de Beschermingsstichting van 24 juni 1988, zoals gewijzigd van tijd tot tijd, op grond waarvan de Beschermingstichting het recht heeft om een calloptie uit te oefenen tot het nemen van 175.000 cumulatieve beschermingspreferente aandelen in het kapitaal van Océ met een nominale waarde van EUR 500 ieder (gelijk aan 100% van het huidige maatschappelijke aandelenkapitaal van Océ) ter bescherming van het welzijn van Océ in het geval het welzijn, de continuïteit of identiteit van Océ op het spel staat als het gevolg van een vijandige overname
Omwissel- en Betaalkantoor	Fortis Bank (Nederland) N.V. / MeesPierson CFCM, een naamloze vennootschap opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland
Onherroepelijke Toezegging	de onherroepelijke toezegging (<i>Irrevocable Undertaking</i>) als overeengekomen tussen Canon en Bestinver op 12 november 2009
Opties	optierechten op Aandelen verleend onder Océ's aandelenoptieplannen uitstaand op de datum van dit Biedingsbericht
Preferente Aandelen	geplaatste en uitstaande cumulatieve converteerbare financieringspreferente aandelen in het kapitaal van Océ met een nominale waarde van EUR 0,50 elk
PricewaterhouseCoopers	PricewaterhouseCoopers Accountants N.V., een naamloze vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland
Raad van Bestuur	de raad van bestuur van Océ
Raad van Commissarissen	de raad van commissarissen van Océ
Raden	de Raad van Bestuur en de Raad van Commissarissen gezamenlijk
SER Fusiegedragsregels	SER-Besluit Fusiegedragsregels 2000
Sluitingsdatum	het tijdstip en datum waarop de Aanmeldingstermijn eindigt, te weten op 1 maart 2010 om 17:30 uur, Amsterdamse tijd, behoudens verlenging met inachtneming van artikel 15 lid 2 van het Bob, in welk geval de Aanmeldingstermijn op die latere datum eindigt
Standpuntbepaling	de standpuntbepaling van de Raden (<i>Position Statement</i>) overeenkomstig het bepaalde in artikel 18 van het Bob, zoals opgenomen in Deel III (Position Statement); de standpuntbepaling vormt geen onderdeel van dit Biedingsbericht
Stichting Preferente Aandelen	Stichting Administratiekantoor Preferente Aandelen Océ, een stichting, opgericht naar Nederlands recht, met statutaire zetel in Venlo, Nederland
Statuten	de statuten van Océ, zoals gewijzigd op 22 augustus 2008

Superieur Bod	een geloofwaardig, schriftelijk en bindend voorstel van een bona fide derde partij tot het maken van een alternatief voorstel, inhoudende een bod op alle Aandelen of alle activa van Océ en de Océ Groep dat, in beide gevallen, naar de redelijke mening van de Raden, na advies te hebben ingewonnen van Océ's juridische en financiële adviseurs, superieur is aan het Bod, met dien verstande dat een alternatief voorstel slechts dan als superieur zal worden aangemerkt indien de prijs per Aandeel de Biedprijs met 10% overstijgt. De prijs per aandeel van enig volgend Superieur Bod (wat mede omvat enig aangepast Superieur Bod) moet de meest recent geboden prijs per Aandeel (al dan niet onder een Superieur Bod of een herziend bod van Canon) met 5% overtreffen, bij gebreke waarvan dergelijk alternatief bod zich niet zal kwalificeren als een Superieur Bod
Toegelaten Instelling(en)	tot Euronext Amsterdam toegelaten instelling(en)
USD	US Dollar, het wettig betaalmiddel van de Verenigde Staten van Amerika
Vennootschap	Océ N.V. een naamloze vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Venlo, Nederland
Voorwaarde(n)	de opschortende voorwaarde(n) met betrekking tot het Bod zoals uiteengezet in Hoofdstuk 6.2 en 13.9.1 (Voorwaarden)
Voorwaardelijke Aandelen	heeft de betekenis zoals uiteengezet in Hoofdstuk 4.5, 6.4 en 13.6
Werkdag	iedere dag anders dan een zaterdag, zondag of officiële feestdag, waarop banken in Nederland, volgens de Algemene Bank-CAO, en Euronext Amsterdam over het algemeen open zijn voor zakelijk verkeer
Werknemerobligaties	alle werknemerobligaties converteerbaar in Aandelen uitstaand op de datum van dit Biedingsbericht en verleend onder Océ's converteerbare werknemerobligatie programma van 22 april 2005
Wft	Wet op het financieel toezicht

13.3 Het Bod

Onder verwijzing naar de mededelingen, voorwaarden en restricties zoals opgenomen in dit Biedingsbericht worden de Aandeelhouders hierbij uitgenodigd om hun Aandelen aan te bieden aan de Bieder op de wijze en onder de voorschriften en voorwaarden zoals in dit Biedingsbericht beschreven. Indien het Bod gestand wordt gedaan, zal aan de Aandeelhouders die hun Aandelen onder het Bod aanmelden, betaling in contanten plaatsvinden van de Biedprijs ten bedrage van EUR 8,60 (inclusief dividend of andere uitkering op de Aandelen die kan zijn gedaan voor de Dag van Betaling en – als gevolg daarvan – zal de Biedprijs verminderd worden om deze vaststelling van dividend of andere uitkering, indien van toepassing, voor de Dag van Betaling te reflecteren) voor elk Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd. De Biedprijs vertegenwoordigt een premie van:

- 70% op grond van de slotkoers van 13 november 2009 (EUR 5,065), de laatste handelsdag voordat de openbare mededeling is gedaan waarin werd aangekondigd dat voorwaardelijke overeenstemming is bereikt tussen Canon en Océ over het Bod op Océ door Canon;
- 86% op grond van de gemiddelde slotkoers over een periode van één maand eindigend op 13 november 2009 (EUR 4,619);
- 105% op grond van de gemiddelde slotkoers over een periode van zes maanden eindigend op 13 november 2009 (EUR 4,191);

- 137% op grond van de gemiddelde slotkoers over een periode van twaalf maanden eindigend op 13 november 2009 (EUR 3,625).

Verwezen wordt ook naar Hoofdstukken 5.2 (Offer Price), 6.5 (Substantiation of the Offer Price) en 7.8 (Share price of Océ).

13.4 Rationale voor het Bod

Canon en Océ zullen in staat zijn verder te bouwen op elkaars sterke historie en bewezen prestaties op het gebied van innovatie en dienstverlening aan klanten. Samen creëren zij een sterke onderneming met uitzicht op lange termijn successen. Dezelfde op technologie gerichte achtergrond en ondernemingswaarden zullen belangrijke drijfveren zijn in de totstandkoming van de leidende groep in de wereldwijde printing industrie.

Canon en Océ hebben gelijke achtergronden in ondernemingswaarden met een klantgerichte cultuur en een door technologie gedreven business model. Océ, één van de leidende leveranciers van document management en printsystemen voor professionals, brengt in deze fusie haar expertise en kracht mee op het gebied van productie printing, grootformaat printing en zakelijke diensten. Océ's strategie richt zich op versterking van de distributiekraft en concurrerende producten én verbetering van de bedrijfsprocessen. De combinatie van deze bedrijven zal Océ toegang bieden tot Canon's goed ontwikkelde verkoop- en marketing netwerk wereldwijd. Daarnaast zal Océ profiteren van de "Best in Class"-processen en infrastructuur van Canon, alsmede van financieringsmogelijkheden voor de expansie van Océ's activiteiten. De combinatie van Canon en Océ zal leidende posities hebben in de marktsegmenten Small Office/Home Office, kantoren, productie en grootformaat, waar een uitstekend assortiment producten en diensten zal worden geboden. Dankzij de vergrote schaal, de innovatieve technologieën en de sterke distributiekkanalen, biedt de combinatie optimale dienstverlening aan klanten. Canon en Océ hebben aanvullende technologieën en producten die zullen profiteren van verbeterde diversificatie over regio's en activiteiten.

Onder Fase III van haar "Excellent Global Corporation Plan", gelanceerd in 2006, streeft Canon naar een plaats in de wereldlijst van top 100 bedrijven op het gebied van alle bepalende maatstaven van zakelijke prestaties. Als onderdeel van deze doelstelling streeft Canon naar het bereiken van de algehele nummer één positie wereldwijd in al haar huidige kernactiviteiten. Océ heeft in 32 landen een robuust netwerk van directe verkoop en diensten, dat voorziet in een waardevolle aanvulling van de verkoop en service van Canon merkproducten. Bovendien zal Canon profiteren van de toevoeging van Océ's productie en haar assortiment grootformaat printers alsmede van synergie op het gebied van research en development die mogelijk zullen worden gemaakt door ontwikkeling van gezamenlijke initiatieven.

De printing industrie maakt momenteel een consolidatiefase mee die gedreven wordt door het onbetwistbare feit dat schaal in toenemende mate belangrijk is, vooral in research en development en productie. Alleen spelers die in staat zijn hun winstgevendheid te verbeteren door toenemende schaal en "Best in Class"-processen en infrastructuur, zullen een leidende rol blijven vervullen in de printing industrie. In dit licht, vormen Canon en Océ de ideale combinatie. Samen zijn zij uitstekend in staat de dienstverlening aan klanten verder te verbeteren en de onbetwiste marktleider te worden. De klanten van zowel Canon als Océ zullen profiteren van een vergroot assortiment producten en diensten van hoge kwaliteit via een uitgebreid wereldwijd netwerk van verkoop en dienstverlening.

Verwezen wordt ook naar Hoofdstuk 6.6 (Rationale for the Offer and strategy).

13.5 Financiering van het Bod

Onder verwijzing naar artikel 7 lid 4 van het Bob heeft Canon aangekondigd, dat zij het Bod volledig zal bekostigen met kasmiddelen die op dit moment beschikbaar zijn binnen de Canon Groep.

Uit haar meest recente jaarverslag t.w. voor het op 31 december 2008 geëindigde boekjaar blijkt dat Canon op 31 december 2008 een eigen vermogen had van ongeveer USD 29.228 miljoen en de beschikking had over USD 7.464 miljoen aan contanten en daaraan gelijk te stellen middelen (met een wisselkoers van JPY91=USD1). Uit haar derdekwartalcijfers blijkt dat Canon op 30 september 2009

een eigen vermogen had van USD 29.059 miljoen en de beschikking had over USD 7.041 miljoen aan contanten en daaraan gelijk te stellen middelen (met een wisselkoers van JPY90=USD1).

Het jaarverslag en de kwartaalcijfers van Canon zijn beschikbaar op haar website, www.canon.com.

13.6 Overzicht Aandelen en rechten gehouden door leden van de Raad van Commissarissen en de Raad van Bestuur

Op de datum van dit Biedingsbericht, worden, direct dan wel indirect, geen Aandelen of Opties gehouden door leden van de Raad van Commissarissen.

Op de datum van dit Biedingsbericht, houden de leden van de Raad van Bestuur in totaal 79.316 (negenenzeventigduizend driehonderdzesentien) Aandelen, 77.000 (zevenenzeventigduizend) Opties en een voorwaardelijk recht om in totaal 114.308 (honderdveertigduizend driehonderdacht) gewone aandelen in het kapitaal van Océ te verwerven (de "**Voorwaardelijke Aandelen**"), deels gekocht als privé-investering en deels aan hen toegekend op grond van de lange termijn incentive plannen van de Vennootschap (zoals van toepassing). Ieder lid van de Raad van Bestuur houdt, direct dan wel indirect, de volgende aantallen Aandelen, Opties en Voorwaardelijke Aandelen, zoals van toepassing, op de datum van dit Biedingsbericht:

Leden van de Raad van Bestuur	Aandelen	Opties	Voorwaardelijke Aandelen
Dhr. R.L. van Iperen	32.482	77.000	65.319
Dhr. A.H. Schaaf	46.634	0	48.989
Dhr. H.A. Kerkhoven	200	0	0
Total	79.316	77.000	114.308

13.7 Gecommitteerde Aandelen, Preferente Aandelen en gehouden Aandelen

Bestinver is de Onherroepelijke Toezegging aangegaan op grond waarvan zij onherroepelijk heeft toegezegd, onder de voorwaarden en condities van de Onherroepelijke Toezegging, om de door haar gehouden Aandelen aan te bieden onder het Bod op het moment dat het Bod wordt gedaan. De Onherroepelijke Toezegging bevat gebruikelijke toezeggingen en condities, waaronder de voorwaarde dat Bestinver haar Aandelen slechts aan een bona fide derde bidder mag aanbieden indien de biedprijs 10% hoger is dan het Bod, of in het geval van een volgend bod, 5%. Canon heeft het recht het superieure bod te matchen. Verwezen wordt ook naar Hoofdstukken 6.3.1 (Committed Shares) en 7 (Information regarding Océ).

De Certificaathouders zijn ieder een voorwaardelijke overeenkomst aangegaan met Canon teneinde hun Certificaten aan Canon over te dragen en de Stichting Preferente Aandelen is een onherroepelijke toezegging aangegaan tot overdracht van de Preferente Aandelen, op (onder meer) de voorwaarde dat het Bod gestand wordt gedaan.

Op de datum van dit Biedingsbericht, houdt Canon indirect via de Bieder 23.807.737 Aandelen, hetgeen ongeveer 22,18% van het totale uitstaande aandelenkapitaal van de Vennootschap en 28,05% van de Aandelen vertegenwoordigt. Verwezen wordt ook naar Hoofdstukken 6.3.2 (Owned Shares) en 9 (Further declarations pursuant to the Decree).

13.8 Aanvaarding door Aandeelhouders

13.8.1 Algemeen

Voorzover de wet dit toestaat, behoudt de Bieder zich het recht voor om Aandelen te aanvaarden die zijn aangemeld voor aanvaarding, zelfs indien dit niet is geschiedt op de wijze zoals omschreven in dit Hoofdstuk 13.8 (Aanvaarding door Aandeelhouders).

13.8.2 Aanvaarding via een Toegelaten Instelling

Houders van Aandelen die worden gehouden via een Toegelaten Instelling worden verzocht hun aanmelding kenbaar te maken via hun bank of commissionair die hun effecten- en/of geldrekening beheert niet later dan op 1 maart 2010 om 17:30 uur Amsterdamse tijd, tenzij de Aanmeldingstermijn is verlengd met inachtneming van Hoofdstuk 13.9.4 (Verlenging). De relevante bank of commissionair kan een eerdere uiterste datum stellen voor de houders van zulke Aandelen om de bank of commissionair in de gelegenheid te stellen de aanmelding op tijd aan het Omwissel- en Betaalkantoor te communiceren.

De Toegelaten Instellingen mogen de Aandelen uitsluitend schriftelijk voor aanvaarding aanmelden bij het Omwissel- en Betaalkantoor. Bij het indienen van de aanmeldingen dienen de Toegelaten Instellingen te verklaren dat (i) zij de Aangemelde Aandelen in hun administratie hebben, (ii) elke Aandeelhouder die het Bod aanvaardt onherroepelijk ervoor instaat en garandeert dat de Aandelen die door hem worden aangeboden, aangeboden worden in overeenstemming met de beperkingen als uiteengezet in Hoofdstuk 1 (Restrictions and important information) en dat (iii) zij zich verbinden deze Aandelen te zullen leveren aan de Bieder op de Dag van Betaling, mits het Bod gestand wordt gedaan.

Behoudens het bepaalde in artikel 15 lid 3 van het Bob, vormt het aanmelden van Aandelen een onherroepelijke opdracht tot het blokkeren van enigerlei poging de aangemelde Aandelen over te dragen, zodat op of voorafgaand aan de Dag van Betaling niet tot levering van zulke Aandelen kan worden overgegaan (anders dan aan het Omwissel- en Betaalkantoor op of voorafgaand aan de Dag van Betaling mist het Bod gestand wordt gedaan en de Aandelen voor koop geaccepteerd zijn) en om de effectenrekening waar zulke Aandelen op gehouden worden te debiteren op de Dag van Betaling ten aanzien van alle Aandelen die worden aangemeld tegen betaling door het Omwissel- en Betaalkantoor van de Biedprijs met betrekking tot deze Aandelen.

13.8.3 Aanvaarding door houders van fysieke Aandelen (K-stukken)

Houders van Aandelen in fysieke vorm (K-stukken) worden verzocht die Aandelen in fysieke vorm via de bank of commissionair die hun effecten- en/of geldrekening beheert bij het Omwissel- en Betaalkantoor aan te melden. Verwezen wordt naar Hoofdstuk 5.3.3 (Acceptance by holders of Shares in physical form (K-stukken)).

13.8.4 Verklaringen, verplichtingen en garanties door Aandeelhouders die hun Aandelen aanmelden

Door zijn/haar Aandelen aan te melden onder het Bod verklaart, verplicht en garandeert elke Aandeelhouder die zijn/haar Aandelen aanmeldt, zich jegens de Bieder op de dag dat die Aandelen worden aangemeld tot en met de Dag van Betaling, behoudens correcte terugtrekking van een aanmelding gedurende enige verlenging van de Aanmeldingstermijn, in overeenstemming met artikel 15 lid 3 van het Bob, dat:

- de aanmelding van Aandelen door de Aandeelhouders een aanvaarding inhoudt van het Bod onder de voorschriften en voorwaarden van het Bod;
- de betrokken Aandeelhouder volledig gerechtigd en bevoegd is de Aandelen aan te melden, te verkopen en te leveren, en geen andere overeenkomst is aangegaan tot aanmelding, verkoop of levering van de volgens opgave aangemelde Aandelen met derden anders dan de Bieder (zulks tezamen met alle bijbehorende rechten) en dat, wanneer deze Aandelen door de Bieder worden verworven, de Bieder die Aandelen in volledige en onbezwaarde vorm verwerft, vrij van rechten van derden en beperkingen van welke aard dan ook; en
- bij aanmelding van dergelijke Aandelen, Hoofdstuk 1 (Restrictions and important information) en de effectenwetgeving en overige toepasselijke wet- en regelgeving van de jurisdictie waarin de betrokken Aandeelhouder zich bevindt of waarvan hij/zij ingezetene is, is nageleefd en geen registratie, goedkeuring of indiening bij enige toezichthoudende instantie van die jurisdictie vereist is in verband met de aanmelding van die Aandelen.

13.9 Voorwaarden, Aanmeldingstermijn, Gestanddoening, Verlenging en Levering

13.9.1 Voorwaarden

Niettegenstaande andere bepalingen met betrekking tot het Bod, is de verplichting van de Bieder om het Bod gestand te doen onder de voorwaarde dat op de Gestanddoeningsdatum aan de volgende opschortende Voorwaarden is voldaan of, voorzover relevant, daarvan afstand is gedaan:

- (a) het aantal Aangemelde Aandelen op de Sluitingsdatum tezamen met de Aandelen die op dat moment direct of indirect door de Bieder worden gehouden vertegenwoordigt ten minste 85% van alle Aandelen (waarbij niet inbegrepen de Aandelen die Océ zelf houdt) op een volledig verwaterde basis (met uitzondering van (i) de Opties en de Werknemerobligaties die met ingang van de Dag van Betaling zullen worden beëindigd en (ii) de conversierechten verbonden aan de Preferente Aandelen);
- (b) (i) het Fusieprotocol is niet beëindigd en (ii) geen schending van het Fusieprotocol door de Vennootschap heeft plaatsgevonden als gevolg waarvan het redelijkerwijs niet van de Bieder verwacht kan worden dat het Bod zal worden doorgezet;
- (c) noch Stichting Preferente Aandelen noch enig Certificaathouder heeft (gedeeltelijk of volledig) Preferente Aandelen in Aandelen geconverteerd;
- (d) de Raden hebben hun aanbeveling opgenomen in de Standpuntbepaling niet ingetrokken of gewijzigd;
- (e) de Raden hebben geen actie ondernomen of enige publieke mededeling gedaan waardoor het Bod in materiële zin wordt belemmerd, gefrustreerd of mogelijk belemmerd of gefrustreerd, tenzij voorzover uitdrukkelijk toegestaan onder het Fusieprotocol in verband met een (potentieel) Superieur Bod;
- (f) de Beschermingsstichting heeft haar calloptie niet uitgeoefend onder de Océ Optie Overeenkomsten;
- (g) noch de Onherroepelijke Toezegging noch de onherroepelijke toezeggingen van de Beschermingsstichting (zoals omschreven in Hoofdstuk 6.3.5) en de Stichting Preferente Aandelen (zoals omschreven in Hoofdstuk 6.3.4) noch de voorwaardelijke overeenkomsten met de Certificaathouders (zoals omschreven in Hoofdstuk 6.3.4) zijn ingetrokken of gewijzigd;
- (h) de Buitengewone Vergadering van Aandeelhouders heeft besloten, onder de voorwaarde dat het Bod gestand wordt gedaan, dat (i) de Statuten van de Vennootschap worden gewijzigd in overeenstemming met Hoofdstuk 6.7.2 en (ii) de Raad van Commissarissen wordt samengesteld in overeenstemming met Hoofdstuk 6.7.6;
- (i) er is geen openbare mededeling gedaan waarin voor de eerste keer melding wordt gemaakt dat een bona fide partij verklaart of bevestigt dat het een bod of aangepast bod uitbrengt, of de intentie heeft een bod of aangepast bod uit te brengen, op alle of een deel van de Aandelen, de Opties, aandelen of effecten converteerbaar in aandelen in het kapitaal van de Vennootschap of een van haar dochtervennootschappen of enig materieel deel van de onderneming, business of activa van de Vennootschap, met dien verstande dat de Bieder deze Voorwaarde alleen mag invoeren (i) omwille van het verhogen van de Biedprijs per Aandeel; of (ii) indien zulks bod of aangekondigd bod kwalificeert als Superieur Bod of indien het gestand is gedaan;
- (j) er is geen kennisgeving ontvangen van de AFM waarin wordt gesteld dat de voorbereiding van het Bod in strijd is met hoofdstuk 5.5 van de Wft en op grond van deze regels, de beleggingsondernemingen in de zin van artikel 5:80 van de Wft niet zouden mogen meewerken aan de executie en voltooiing van het Bod;
- (k) er is geen bevel, schorsing, uitspraak of besluit genomen door een rechter, arbiter, overheid, overheidsinstantie of andere toezichthoudende of administratieve instantie en geen wet in formele zin, regel, wettelijke regeling, overheidsbesluit of rechtelijke beschikking, van kracht geworden, geëxecuteerd of van toepassing geacht op het Bod, waardoor het Bod of de mogelijkheid van

de Bieder om effectieve controle over de Vennootschap te verkrijgen op enige materiële wijze wordt beperkt, verboden of vertraagd of waardoor het redelijkerwijs te verwachten is dat het zal worden beperkt, worden verboden of worden vertraagd;

- (l) geen Materiële Ongunstige Wijziging heeft zich voorgedaan of is bekend geworden bij de Bieder, waarbij "**Materiële Ongunstige Wijziging**" elk voorval of omstandigheid omvat dat, individueel of tezamen met andere voorvallen of omstandigheden, een materieel ongunstige wijziging tot gevolg heeft of waarvan zulks redelijkerwijs te verwachten is, op de onderneming, activa, resultaten van de bedrijfsactiviteiten, cashflow, financiële positie of kapitalisatie van Océ en de Océ Groep, beschouwd in zijn geheel, dat (i) substantieel afbreuk zou doen aan economische voordelen die een overnemer van Océ redelijkerwijs zou mogen verwachten voor zichzelf en zijn aandeelhouders te realiseren met de aankoop van Océ en de Océ Groep, of (ii) waardoor het redelijkerwijs niet van de Bieder te verwachten is dat het Bod zal worden doorgezet of dat het Bod gestand wordt gedaan; en dat hetgeen geen direct gevolg is van enig voorval of omstandigheid dat veroorzaakt wordt door:
- (i) een algemene economische teruggang in de markt die ondernemingen zoals de Vennootschap in het algemeen raakt, tenzij zulke teruggang de Vennootschap disproportioneel raakt;
 - (ii) elk geval dat bekend is bij de Bieder of haar adviseurs betrokken bij het Bod vóór 16 november 2009;
 - (iii) elk geval dat deel uitmaakt van de schriftelijke informatie die door of namens de Vennootschap aan de Bieder of haar adviseurs betrokken bij het Bod ter beschikking is gesteld in de Dataroom of anderszins vóór 16 november 2009, voorzover zulks geval redelijkerwijs te begrijpen is op het eerste gezicht van de informatie;
 - (iv) de aankondiging, het uitbrengen of de uitvoering van het Bod;
 - (v) een schending van het Fusieprotocol of toepasselijk recht door de Bieder.

De Voorwaarden zijn ten behoeve van de Bieder (met uitzondering van de Voorwaarden opgesomd onder (b)(i) en (j)), welke ten behoeve van zowel de Bieder als de Vennootschap zijn) en daarvan mag de Bieder, voorzover toegestaan op grond van de wet, te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke verklaring aan Océ. Van Voorwaarde 13.9.1(j) kan geen afstand worden gedaan.

Zonder enige beperking van het recht van de Bieder om te vertrouwen op de Voorwaarde onder 13.9.1(a), is voor het door de Bieder afstand doen van deze Voorwaarde de voorafgaande uitdrukkelijke schriftelijke goedkeuring van de Raden vereist in het geval dat op de Sluitingsdatum het aantal Aangeboden Aandelen tezamen met het aantal Aandelen dat op dat moment direct of indirect door de Bieder worden gehouden minder dan 50% plus één Aandeel vertegenwoordigt.

De Bieder en de Vennootschap hebben zich tegenover elkaar gecommitteerd om hun redelijkerwijs beste inspanningen te verrichten om ervoor te zorgen dat de Voorwaarden zo spoedig als redelijkerwijs mogelijk worden voldaan.

In overeenstemming met haar bepalingen kan het Fusieprotocol worden beëindigd met instemming van beide partijen of in het geval dat aan een van de voorwaarden voor aanvang van het Bod of aan een van de Voorwaarden niet is voldaan, sprake is van een materiële tekortkoming door de andere partij (i.e. de tekortschietende partij kan niet haar eigen tekortkoming inroepen om het Merger Protocol te beëindigen), door Canon geen evenarend bod wordt uitgebracht in het geval van een Superieur Bod of de Raden niet hun aanbeveling bevestigen in het geval van een evenarend bod door Canon.

13.9.2 Aanmeldingstermijn

De Aanmeldingstermijn vangt aan om 9:00 uur, Amsterdamse tijd, op 29 januari 2010 en eindigt op 1 maart 2010 om 17:30 uur, Amsterdamse tijd, tenzij de termijn wordt verlengd met inachtneming van artikel 15 van het Bob en het bepaalde in dit Biedingsbericht. De desbetreffende bank of commissionair kan een eerdere einddatum vaststellen voor ontvangst van aanvaarding van Aandeelhouders om het

voor de bank of de commissionair mogelijk te maken de ontvangen aanvaarding tijdig mede te delen aan het Omwissel- en Betaalkantoor.

Indien uiterlijk op de Sluitingsdatum aan een of meer van de Voorwaarden zoals omschreven in Hoofdstuk 13.9.1 (Voorwaarden) niet is voldaan of daarvan geen afstand is gedaan, zal de Bieder overwegen om éénmaal de Aanmeldingstermijn te verlengen met ten minste twee weken en niet meer dan tien weken totdat aan al zulke Voorwaarden zal zijn voldaan of daarvan afstand zal zijn gedaan, tenzij het duidelijk is dat aan de desbetreffende Voorwaarde(n) niet kan worden voldaan. Zie tevens Hoofdstuk 13.9.4 (Verlenging). Gedurende de verlenging van de Aanmeldingstermijn blijven de Aandelen die reeds aangemeld waren en niet reeds zijn ingetrokken, aangemeld, behoudens het recht van iedere Aandeelhouder om een aanmelding in te trekken met inachtneming van artikel 15 van het Bob.

Indien aan alle Voorwaarden is voldaan, of, indien en voor zover van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en niet eerder zijn ingetrokken in overeenstemming met de procedures zoals uiteengezet in Hoofdstuk 5.3 (Acceptance by Shareholders).

13.9.3 Gestanddoening

Het Bod wordt gedaan onder het voorbehoud van vervulling van de Voorwaarden, inclusief maar niet beperkt tot de Voorwaarde dat het aantal Aangemelde Aandelen tezamen met het aantal Aandelen dat op dat moment direct of indirect door de Bieder worden gehouden op de Sluitingsdatum ten minste 85% van alle Aandelen vertegenwoordigt op een volledig verwaterde basis (met uitzondering van (i) de Opties en de Werknemerobligaties die met ingang van de Gestanddoeningsdatum zullen worden beëindigd en (ii) de conversierechten verbonden aan de Preferente Aandelen).

De Bieder behoudt zich het recht voor om afstand te doen van Voorwaarden. Zie Hoofdstuk 13.9.1 (Voorwaarden).

De Bieder zal niet later dan op de derde Werkdag volgend op de Sluitingsdatum, zijnde de Gestanddoeningsdatum, vaststellen of aan de Voorwaarden is voldaan of dat hiervan afstand wordt gedaan. Bovendien zal de Bieder op de Gestanddoeningsdatum een openbare mededeling doen (i) of het Bod gestand wordt gedaan, (ii) of het Bod zal worden verlengd met inachtneming van artikel 15 van het Bob, of (iii) dat het Bod wordt beëindigd omdat er niet is voldaan aan de Voorwaarden of daarvan geen afstand is gedaan door de Bieder, alles met inachtneming van artikel 16 lid 1 van het Bob.

Binnen drie Werkdagen na de Gestanddoeningsdatum, heeft de Bieder de mogelijkheid een na-aanmeldingstermijn aan te kondigen van het Bod voor een periode van maximaal twee weken. Gedurende de na-aanmeldingstermijn kunnen Aandeelhouders alsnog Aandelen onder het Bod aanmelden die nog niet zijn aangemeld op dezelfde manier en onder dezelfde voorschriften en voorwaarden als uiteengezet in dit Biedingsbericht, alles met inachtneming van artikel 17 van het Bob.

13.9.4 Verlenging

De Bieder mag het Bod, althans de Aanmeldingstermijn, éénmaal naar volledige eigen beoordeling (verlenging voor meer dan één periode is onderworpen aan goedkeuring van de AFM, waarin alleen in uitzonderlijke gevallen zal worden voorzien) verlengen tot na de Sluitingsdatum, alleen in het geval dat aan één of meerdere Voorwaarden niet is voldaan op de Sluitingsdatum. Indien het Bod wordt verlengd, althans de Aanmeldingstermijn, zullen alle verwijzingen in dit Biedingsbericht naar 17:30 uur, Amsterdamse tijd, 1 maart 2010 worden verschoven naar de uiterste datum en het uiterste tijdstip tot waartoe het Bod verlengd is.

Indien het Bod, althans de Aanmeldingstermijn, wordt verlengd met als gevolg dat de verplichting onder artikel 16 van het Bob om aan te kondigen of het Bod al dan niet gestand wordt gedaan in het geval dat een of meer van de Voorwaarden niet is vervuld of indien daarvan geen afstand is gedaan, wordt uitgesteld, zal dit uiterlijk op de derde Werkdag na de Sluitingsdatum worden aangekondigd, met inachtneming van het bepaalde in artikel 15 van het Bob. Gedurende de verlenging van de Aanmeldingstermijn blijven de Aandelen die reeds aangemeld waren en niet zijn ingetrokken, aangemeld, behoudens het recht van iedere Aandeelhouder om een aanmelding in te trekken met inachtneming van artikel 15 lid 3 van het Bob.

13.9.5 Betaling

Indien de Bieder aankondigt dat het Bod gestand wordt gedaan, zullen Aandeelhouders die hun Aandelen hebben aangemeld de Biedprijs ontvangen op de Dag van Betaling voor elk Aandeel dat op de juiste wijze is aangemeld (of op onjuiste wijze indien de bieder de Aanmelding desalniettemin aanvaardt) en geleverd in overeenstemming met de voorschriften, en voorwaarden en restricties van het Bod.

13.9.6 Commissie

Toegelaten Instellingen ontvangen van het Omwissel- en Betaalkantoor ten behoeve van de Bieder een commissie van EUR 0,01 voor elk Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd, met een maximum van EUR 1.000 per effectenrekening. De commissie dient via het Omwissel- en Betaalkantoor van de Bieder te worden gevorderd binnen 30 dagen vanaf de Gestanddoeningsdatum. Er zullen geen kosten door de Bieder of Océ aan Aandeelhouders in rekening worden gebracht voor de levering en betaling van de Aandelen indien een Toegelaten Instelling betrokken is. De Bieder en de Vennootschap kunnen niet uitsluiten dat Toegelaten Instellingen (of banken of commissionairs) kosten in rekening zullen brengen aan de Aandeelhouders. Tevens kunnen kosten in rekening worden gebracht indien een buitenlandse instelling bij de levering en betaling van de Aandelen betrokken is.

13.10 De Bieder

De Bieder is een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland en gevestigd aan de Fred. Roeskestraat 123-I, 1076 EE, Amsterdam, Nederland. Zie Hoofdstuk 8 (Information regarding the Offeror).

Op grond van artikel 1:1 van de Wft kwalificeert zowel Canon als de Bieder als bieder met betrekking tot het Bod. Canon is hoofdelijk aansprakelijk voor de verplichtingen van de Bieder en bevestigt alle verklaringen van de Bieder onder het Bod. Opinies en intenties toegekend aan de Bieder in dit Biedingsbericht dienen tevens te gelden als opinies en intenties van Canon.

13.11 Consequenties van het Bod

13.11.1 Liquiditeit en beëindiging van beursnotering van de Aandelen

Door de aankoop van de Aandelen door de Bieder onder het Bod zal, onder andere, het aantal Aandeelhouders verminderen, evenals het aantal Aandelen dat ter beurse wordt verhandeld; dit zal een negatieve invloed hebben op de liquiditeit en marktwaarde van de Aandelen die niet onder het Bod zijn aangemeld.

Op voorwaarde van gestanddoening van het Bod en de voorwaarde dat 95% van de Aandelen is aangemeld onder het Bod, is de Bieder voornemens om zo spoedig mogelijk de notering van de Aandelen op Euronext Amsterdam te beëindigen. Dit kan een verdere negatieve invloed hebben op de liquiditeit en marktwaarde van de beursgenoteerde Aandelen die niet onder het Bod zijn aangemeld.

In overeenstemming met hun beleid kan de notering van aandelen aan Euronext Amsterdam worden beëindigd op verzoek van een bieder die een openbaar bod heeft uitgebracht indien een dergelijke openbaar bod voor alle aandelen van een bepaalde soort gestand wordt gedaan en ten minste 95% van dergelijke aandelen gehouden worden door een dergelijke bieder.

13.11.2 Post-closing reorganisatie van Océ

Na de afwikkeling van het Bod, kan de Bieder de volgende reorganisatie maatregelen voorstellen (indien van toepassing) en implementeren (of zorgdragen voor dat deze worden geïmplementeerd):

(A) Uitkoop

Bepaalde structurele stappen kunnen nodig zijn voor de Bieder om 100% van de Aandelen te verkrijgen en de Bieder houdt zich alle rechten voor om iedere juridisch toelaatbare mogelijkheid te gebruiken om de 100% eigendom van de Aandelen te verkrijgen. Indien op de Dag van Betaling met betrekking tot de Aandelen de Bieder 95% of meer van de Aandelen heeft verworven, is de Bieder momenteel

voornemens de resterende Aandelen, die niet zijn aangemeld te verkrijgen door middel van de wettelijke uitkoopprocedure overeenkomstig artikel 2:92a of 2:201a van het Burgerlijk Wetboek of door een uitkoopprocedure te starten overeenkomstig artikel 2:359c van het Burgerlijk Wetboek.

Ook indien de Bieder 95% of meer van de Aandelen heeft verworven, kan de Bieder (in plaats van het initiëren van de wettelijke uitkoopprocedure) met gewone meerderheid van stemmen (indien minder dan 50% van het aandelenkapitaal aanwezig of vertegenwoordigd is bij deze vergadering is een meerderheid van 2/3 vereist) in de algemene vergadering van aandeelhouders van Océ voor een besluit dat een juridische fusie tussen de Bieder en Océ tot stand zal worden gebracht in overeenstemming met de artikelen 2:309 en 2:334 van het Burgerlijk Wetboek of dat een of meer van de andere stappen worden ondernomen die zijn uiteengezet onder "Andere mogelijke maatregelen" in Hoofdstuk 13.11.2 (C). De juridische consequenties van een juridische fusie, inclusief de mogelijkheid om daarna een wettelijke uitkoopprocedure te starten, zijn dezelfde als hieronder uiteengezet onder "Juridische fusie" in dit Hoofdstuk 13.11.2 (B).

(B) Juridische fusie

In het geval dat de Bieder het Bod gestand heeft gedaan, en na de Dag van Betaling niet 95% of meer van de Aandelen verkregen heeft, kan de Bieder met gewone meerderheid van stemmen (indien minder dan 50% van het aandelenkapitaal aanwezig of vertegenwoordigd is bij deze vergadering is een meerderheid van 2/3 vereist) in de algemene vergadering van aandeelhouders van Océ besluiten een juridische fusie tot stand te brengen tussen Océ en de Bieder, of een dochtermaatschappij van de Canon Groep, in overeenstemming met de artikelen 2:309 en 2:334 van het Burgerlijk Wetboek (welke artikelen refereren aan een "driehoeksfusie", als gevolg waarvan de aandeelhouders van de verdwijnende vennootschap aandeelhouders worden van een groepsmaatschappij van de overblijvende vennootschap), waarbij Océ de verdwijnende vennootschap zou zijn en de Bieder, of een dochtermaatschappij van de Canon Groep, de verkrijgende vennootschap.

Indien een juridische fusie tot stand is gekomen, zullen Aandeelhouders die hun aandelen niet hebben aangemeld onder het Bod, van rechtswege aandeelhouder worden van de verkrijgende vennootschap naast de bestaande aandeelhouders in de verkrijgende vennootschap of, in geval van een driehoeksfusie, aandeelhouders van de groepsvennootschap. Na de juridische fusie mag de grootaandeelhouder van de verkrijgende vennootschap die 95% of meer van het kapitaal houdt van die verkrijgende vennootschap een uitkoopprocedure starten teneinde de aandelen te verkrijgen in de verkrijgende vennootschap die nog niet door die grootaandeelhouder worden gehouden.

(C) Andere mogelijke maatregelen

De Bieder behoudt zich het recht voor elk ander juridisch geoorloofd middel aan te wenden om 100% van de Aandelen te verkrijgen of op andere wijze volledig eigendom van Océ's onderneming te verkrijgen, inclusief door middel van een liquidatie, splitsing als bedoeld in artikel 2:334a van het Burgerlijk Wetboek of verkoop van alle of nagenoeg alle activa van Océ, al dan niet gevolgd door een uitkering van de daarmee gepaard gaande verkoopopbrengsten aan de Aandeelhouders of door middel van een grensoverschrijdende juridische driehoeksfusie, een en ander overeenkomstig de Nederlandse wet, andere toepasselijke wetgeving en de statuten van Océ op dat moment. Tevens behouden de Bieder en Océ zich het recht voor om een activa-inbreng te doen in Océ tegen de uitgifte van aandelen in het kapitaal van Océ, met dien verstande dat de voorkeursrechten van aandeelhouders kunnen worden uitgesloten, een en ander overeenkomstig de Nederlandse wet en de statuten van Océ op dat moment. Elke dergelijke uitkering zou kunnen plaatsvinden in de vorm van een uitkering uit de reserves, een interim-dividend, een dividend, of, in geval Océ wordt geliquideerd, een liquidatie uitkering.

(D) Wijzigingen van de Statuten en wijziging van de corporate governance

Het voornemen bestaat dat de Statuten van Océ worden gewijzigd indien het Bod gestand wordt gedaan, zodat de Statuten in de volgende wijzigingen zullen voorzien:

- het verwijderen van alle verwijzingen naar beschermingspreferente aandelen;
- het verwijderen van de overdrachtsbeperkingen ten aanzien van de Preferente Aandelen;

- het aanpassen van het aantal leden van de Raad van Bestuur zoals door de algemene vergadering van aandeelhouders van Océ te bepalen;
- het aanwijzen van de voorzitter en vice-voorzitter van de Raad van Bestuur en Raad van Commissarissen door de algemene vergadering van aandeelhouders van Océ;
- het vervallen van de bindende voordracht van de Raad van Commissarissen voor aanstelling van leden van de Raad van Bestuur en de Raad van Commissarissen;
- het vervallen van de bevoegdheid van de Raad van Bestuur en de goedkeuring van de Raad van Commissarissen ten aanzien van de reservering van winst, (interim) distributies en distributies van stock dividenden;
- het vervallen van de goedkeuring van de Raad van Commissarissen ten aanzien van wijzigingen van de Staten en ontbinding van Océ.

De Bieder heeft ermee ingestemd dat vanaf de Dag van Betaling en voor zolang als Aandelen zijn genoteerd op Euronext Amsterdam, zij ertoe zorg zal dragen dat de Vennootschap zich zal blijven houden aan de Nederlandse Corporate Governance Code door middel van het naleven dan wel het toelichten van enige afwijking in overeenstemming met de Nederlandse Corporate Governance Code. De agenda voor de Buitengewone Vergadering van Aandeelhouders zal een discussie met de Aandeelhouders bevatten met betrekking tot het feit dat vanaf de Dag van Betaling tot aan beëindiging van de notering van de Vennootschap op Euronext Amsterdam, de Vennootschap niet zou kunnen voldoen aan Best Practice Bepaling III.2.1 van de Nederlandse Corporate Governance Code.

13.11.3 Dividendbeleid

De Bieder zal mogelijk in de toekomst ervoor kunnen kiezen dat door Océ geen dividend (in contanten) aan Aandeelhouders zal worden uitgekeerd.

13.11.4 Organisatorische en sociale consequenties

Vanaf de Dag van Betaling zal Océ, als divisie binnen Canon, een aparte juridische entiteit blijven met het hoofdkantoor in Venlo, Nederland. De huidige Raad van Bestuur en key managers blijven in functie. In de Océ divisie zal de sterke merknaam Océ behouden blijven en worden toegepast in alle relevante markten.

Océ zal wereldwijd verantwoordelijk zijn voor grootformaat printing, commercial printing en business services. Océ's activiteiten in de kantoormarkt zullen worden samengevoegd in Canon's "Office Imaging Products" divisie. Canon's "Large Format Printing" zal te zijner tijd functioneel worden samengevoegd in de "Océ Production Printing Division". Een stuurgroep bestaand uit leidinggevendenden van zowel Océ als Canon zal het integratieproces aansturen en daarop toezien, welk proces gericht zal zijn op het optimaliseren van een efficiënte coördinatie van de verkoop, service, marketing, research en development en productie en logistiek, hetgeen alle bedrijfssegmenten omvat.

Teneinde optimale schaal te creëren in de juiste segmenten, zal de Océ divisie qua management en financiën rapporteren aan Canon's raad van bestuur en de research en development en productie voor haar activiteiten leiden. Bovendien is het te verwachten dat Océ's hoofdkantoor, waarin research en development, productie en verkoopfuncties worden gecombineerd, een integrale rol zal spelen in Canon's Europese regionale activiteiten, dat één van de kern onderdelen vormt van de "Three Regional Headquarters"-visie van Canon.

De relevante en toepasselijke werknemers consultatie processen zijn doorlopen (inclusief de consultatieprocessen met de Fusiecommissie, Océ's Europese ondernemingsraad en de relevante ondernemingsraden van Océ). De Sociaal- Economische Raad en de betrokken vakverenigingen zijn op de hoogte gesteld van het Bod in overeenstemming met de SER Fusiegedragsregels.

13.11.5 Toekomstige samenstelling Raad van Commissarissen en Raad van Bestuur

Raad van Commissarissen

Vanaf de Dag van Betaling en zolang als de Aandelen zijn genoteerd aan Euronext Amsterdam, zal de Bieder ervoor zorgdragen dat Océ zich zal blijven houden aan de Nederlandse Corporate Governance Code door middel van het naleven dan wel het toelichten van enige afwijking in overeenstemming met het bepaalde in de Nederlandse Corporate Governance Code, met inbegrip van de omstandigheid dat Océ mogelijk niet zou kunnen voldoen aan Best Practice Bepaling III.2.1 van de Nederlandse Corporate Governance Code.

Onder voorbehoud dat het desbetreffend besluit wordt aangenomen op de Buitengewone Vergadering van Aandeelhouders, zullen de huidige leden van de Raad van Commissarissen de heren G.J.A. van de Aast, M. Arentsen, R.W.A. de Becker en D.M. Wendt aftreden op de Dag van Betaling, onder de voorwaarde dat het Bod gestand wordt gedaan. De heren P.A.F.W. Elverding en A. Baan zullen aanblijven. Op de Dag van Betaling, onder de voorwaarde dat het Bod gestand wordt gedaan zullen de nieuwe leden van de Raad van Commissarissen, de heren Toshizo Tanaka, Seymour Liebman, Norman Eley en Maurits van den Wall Bake. De heer Elverding zal aanblijven als voorzitter van de Raad van Commissarissen.

De leden van de Raad van Commissarissen die aftreden, zullen hun normale jaarlijkse vergoeding pro rata voor de periode tussen 1 december 2009 (aanvang van het boekjaar van de Vennootschap) en de Dag van Betaling ontvangen, inclusief onbetaalde vergoedingen (waaronder de bezoldiging voor lidmaatschappen van commissies) zoals weergegeven in de onderstaande tabel. Behoudens hun normale vooraf vastgestelde vergoeding, zal aan de leden van de Raad van Commissarissen die aftreden geen andere vergoeding zoals bedoeld in paragraaf 2.9 Annex A van het Bob worden betaald.

Leden van de Raad van Commissarissen	Compensatie
Dhr. G.J.A. van de Aast	EUR 10,500
Dhr. M. Arentsen	EUR 11,000
Dhr. R.W.A. de Becker	EUR 9,250
Dhr. D.M. Wendt	EUR 9,250

Raad van Bestuur

De huidige leden van de Raad van Bestuur zullen in eerste instantie de Raad van Bestuur blijven vormen na de Dag van Betaling. Vanaf de Dag van Betaling zal de Bieder gerechtigd zijn additionele leden van de Raad van Bestuur aan te stellen.

De bestaande arbeidsovereenkomsten met de leden van de Raad van Bestuur blijven ongewijzigd als gevolg van de gestanddoening van het Bod en de leden van de Raad van Bestuur hebben geen recht op enige vergoeding voor het slagen van het Bod, indien het Bod gestand wordt gedaan.

13.12 Mededelingen

Verdere aankondigingen in verband met de gestanddoening van het Bod en een verlenging van de Aanmeldingstermijn zullen via een persbericht worden uitgebracht. Onder voorwaarde van toepasselijke vereisten van het Bob en andere toepasselijke wet- en regelgeving en zonder de wijze waarop de Bieder een publieke aankondiging kan doen te beperken, heeft de Bieder geen verplichting om enige openbare aankondiging te doen anders dan hierboven beschreven.

13.13 Indicatief tijdschema

Verwachte datum en tijd	Gebeurtenis
28 januari 2010	Aankondiging van de algemeen verkrijgbaarstelling van het Biedingsbericht en de Standpuntbepaling, vanaf 28 januari 2010
09:00 uur, Amsterdamse tijd, 29 januari 2010	Aanvang van de Aanmeldingstermijn, in overeenstemming met artikel 14 lid 2 van het Bob
14:30 uur, Amsterdamse tijd, 12 februari 2010	Buitengewone Vergadering van Aandeelhouders waarin onder andere (zie de Standpuntbepaling Hoofdstuk 7) het Bod zal worden besproken, overeenkomstig het bepaalde in artikel 18 lid 1 van het Bob
17:30 uur, Amsterdamse tijd, 1 maart 2010, behoudens verlenging	<i>Sluitingsdatum</i> Uiterste datum waarop Aandeelhouders hun Aandelen onder het Bod kunnen aanmelden, behoudens verlenging met inachtneming van artikel 15 lid 2 van het Bob en het bepaalde in dit Biedingsbericht
Uiterlijk binnen drie Werkdagen na de Sluitingsdatum	<i>Gestanddoeningsdatum</i> De datum waarop de Bieder aankondigt of het Bod gestand wordt gedaan, overeenkomstig artikel 16 lid 1 van het Bob
Uiterlijk binnen drie Werkdagen na de Gestanddoeningsdatum	<i>Na-aanmeldingstermijn</i> De Bieder heeft de mogelijkheid een na-aanmeldingstermijn aan te kondigen van het Bod voor een periode van maximaal twee weken. Gedurende de na-aanmeldingstermijn kunnen Aandeelhouders alsnog Aandelen onder het Bod aanmelden die nog niet zijn aangemeld op dezelfde manier en onder dezelfde voorschriften en voorwaarden als uiteengezet in dit Biedingsbericht, alles met inachtneming van artikel 17 van het Bob
Uiterlijk vijf Werkdagen na de Gestanddoeningsdatum	<i>Dag van Betaling</i> De datum waarop de Bieder, in overeenstemming met de bepalingen van het Bod, de Biedprijs zal betalen aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding desalniettemin heeft aanvaard) en hebben geleverd onder het Bod

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PART II – FINANCIAL STATEMENTS

Part II of this Offer Memorandum contains, amongst others, information extracted from the Océ financial statements for the financial year 2008, the financial year 2007 and the financial year 2006. Furthermore, the financial statements for the financial year 2008 and special purpose financial information for the year ended 30 November 2009 are provided.

Océ will publish the audited financial statements for the financial year 2009 in February 2010. The Océ financial statements for the financial year 2009 will also be made available on the corporate website of Océ: www.oce.com.

The following financial information is made available:

- 1 Océ consolidated income statement, balance sheet and cash flow statement for the financial years 2008, 2007 and 2006;
- 2 Auditors' report relating to the Océ consolidated income statement, balance sheet and cash flow statement for the financial years 2008, 2007 and 2006;
- 3 Océ financial statements for the financial year 2008;
- 4 Auditors' report relating to the Océ financial statements for the financial year 2008;
- 5 Océ special purpose financial information for the year ended 30 November 2009;
- 6 Review report relating to the Océ special purpose financial information for the year ended 30 November 2009.

1 OCÉ CONSOLIDATED INCOME STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT FOR THE FINANCIAL YEARS 2008, 2007 AND 2006

The consolidated income statement, balance sheet and cash flow statement for the financial years 2008 and 2007 have been derived from the audited financial statements for the financial year 2008 dated 28 January 2009. The consolidated income statement, balance sheet and cash flow statement for the financial year 2006 have been derived from the comparative information in the audited financial statements 2007 dated 25 January 2008.

1.1 Consolidated income statement

x EUR 1,000	30 November 2008	30 November 2007	30 November 2006
<i>Total revenues</i>	2,908,960	3,098,223	3,110,323
<i>Cost of sales *</i>	-1,817,988	-1,881,717	-1,841,170
<i>Gross margin</i>	1,090,972	1,216,506	1,269,153
<i>Selling and marketing expenses *</i>	-638,416	-667,112	-738,915
<i>Research and development expenses</i>	-228,912	-230,058	-224,978
<i>General and administrative expenses</i>	-189,205	-198,151	-203,012
<i>Other income (net)</i>	11,576	0	0
<i>Operating expenses</i>	-1,044,957	-1,095,321	-1,166,905
<i>Operating income</i>	46,015	121,185	102,248
<i>Financial expenses</i>	-59,168	-57,579	-56,630
<i>Financial income</i>	11,264	17,239	10,608
<i>Share in income of associates</i>	617	440	504
<i>Income before income taxes</i>	-1,272	81,285	56,730
<i>Income taxes</i>	5,036	-2,422	393
<i>Net income</i>	3,764	78,863	57,123
<i>Net income attributable to shareholders</i>	1,968	77,097	54,977
<i>Net income attributable to minority interest</i>	1,796	1,766	2,146
	3,764	78,863	57,123
<i>Basic earnings per ordinary share for net income attributable to shareholders (euro)</i>	-0.01	0.88	0.63
<i>Diluted earnings per ordinary share for net income attributable to shareholders (euro)</i>	-0.01	0.87	0.63

* The consolidated income statement for the financial years 2008 and 2007 have been derived from the audited financial statements for the financial year 2008. In the financial statements for the financial year 2008 the transportation costs from distribution center to customer are fully included in "Cost of sales" instead of "Selling and marketing expenses". The comparative figures (2007) of the consolidated income statement included in the audited financial statements 2008 were adjusted accordingly. The adjustment of the comparative figures (2007) resulted in a decrease of the "Gross margin" of EUR 48.3 million compared to the consolidated income statement 2007 included in the audited financial statements for the financial year 2007. The income statement for the financial year 2006 does not reflect this adjustment. The consolidated income statement 2006 is presented as in the audited financial statements for the financial year 2007.

1.2 Consolidated balance sheet

x EUR 1,000	30 November 2008	30 November 2007	30 November 2006
Assets			
<i>Non-current assets</i>			
Intangible assets	593,521	512,351	548,921
Property, plant and equipment	353,912	373,333	428,132
Rental equipment	109,904	107,874	111,909
Associates	2,110	2,231	1,820
Derivative financial instruments	571	4,987	7,115
Trade and other receivables	216,654	184,051	207,863
Deferred income tax assets	106,062	86,939	84,249
Available-for-sale financial assets	8,567	9,300	9,389
<i>Total non-current assets</i>	1,391,301	1,281,066	1,399,398
<i>Current assets</i>			
Inventories	352,814	328,112	340,423
Derivative financial instruments	22,104	12,198	10,367
Trade and other receivables	681,244	684,362	729,066
Current income tax receivables	18,679	7,456	32,527
Cash and cash equivalents	79,361	167,233	84,996
<i>Total current assets</i>	1,154,202	1,199,361	1,197,379
Non-current assets held for sale	3,386	10,742	9,452
<i>Total Assets</i>	2,548,889	2,491,169	2,606,229
Equity and Liabilities			
<i>Equity</i>			
Share capital	53,669	53,669	53,644
Share premium	512,026	512,008	511,569
Other reserves	-91,870	-146,512	-164,179
Retained earnings	169,742	180,873	228,505
Net income attributable to shareholders	1,968	77,097	54,977
Equity attributable to shareholders	645,535	677,135	684,516
Minority interest	34,976	35,464	36,929
<i>Total equity</i>	680,511	712,599	721,445
<i>Non-current liabilities</i>			
Borrowings	574,469	535,626	532,998
Derivative financial instruments	28,240	13,484	4,728
Retirement benefit obligations	388,730	413,596	421,262
Trade and other liabilities	5,073	13,537	15,137
Deferred income tax liabilities	24,580	15,640	50,643
Provisions for other liabilities and charges	42,300	49,294	53,909
<i>Total non-current liabilities</i>	1,063,392	1,041,177	1,078,677
<i>Current liabilities</i>			
Borrowings	36,632	64,243	179,746
Derivative financial instruments	25,016	1,528	3,424
Trade and other liabilities	696,433	632,213	591,444
Current income tax liabilities	25,088	23,698	2,202
Provisions for other liabilities and charges	21,817	15,711	29,291
<i>Total current liabilities</i>	804,986	737,393	806,107
<i>Total Equity and Liabilities</i>	2,548,889	2,491,169	2,606,229

1.3 Consolidated cash flow statement

x EUR 1,000	30 November 2008	30 November 2007	* x EUR 1,000	30 November 2006	**
<i>Operating income</i>	46,015	121,185	<i>Income before income taxes</i>	56,730	
<i>Adjustments for:</i>			<i>Adjustments for:</i>		
Depreciation, amortization and impairment	188,680	209,662	Depreciation, amortization and impairment	203,850	
Share-based compensation	-7,661	3,294	Share-based compensation	2,466	
Result on divestments, disposals	-13,489	-15,779	Share in income of associates	-504	
Unrealized gains/losses on financial instruments	5,830	832	Other	-445	
<i>Changes in:</i>			<i>Changes in provisions, rental equipment and working capital:</i>		
Retirement benefit obligations	-8,500	-4,121	Retirement benefit obligations	-8,987	
Provision for other liabilities and charges	1,474	-18,720	Provision for other liabilities and charges	-22,409	
Rental equipment	-59,555	-71,042	Other provisions (for inventories, finance lease and trade receivables)	28,367	
Inventories	-22,537	1,072	Rental equipment	-66,792	
Trade and other receivables	-15,013	5,940	Inventories	-8,632	
Trade and other liabilities	58,717	68,585	Finance lease receivables	-12,870	
			Trade and other receivables (excluding finance lease receivables)	-8,906	
<i>Operating cash flows:</i>			Trade and other liabilities	32,032	
Interest received	17,249	30,294	Income taxes	44,398	
Interest paid	-56,544	-70,751			
Income taxes	-12,263	7,764			
<i>Cash flow from operating activities</i>	122,403	268,215	<i>Cash flow from operating activities</i>	238,298	
Investment in intangible assets	-64,570	-49,006	Investment in intangible assets	-64,465	
Investment in property, plant and equipment	-76,151	-86,959	Investment in property, plant and equipment	-82,693	
Divestment in intangible assets	85	218	Divestment in intangible assets	119	
Divestment in property, plant and equipment	11,938	48,136	Divestment in property, plant and equipment	7,750	
Payment/receipts regarding other non-current assets	-470	-4,182	Change in other non-current assets	1,265	

x EUR 1,000	30 November 2008	30 November 2007	* x EUR 1,000	30 November 2006	**
Capital increase/decrease in associates	200	-203	Change in investments in associates		303
Dividend from associates	315	224	Sale finance lease portfolio		37,571
Sale of finance lease portfolio	11,177	16,109	Acquisitions (net of cash)		-19,636
Sale of subsidiaries (net of cash)	29,084	-			
Acquisitions (net of cash)	-15,203	-1,711			
<i>Cash flow from investing activities</i>	<i>-103,595</i>	<i>-77,374</i>	<i>Cash flow from investing activities</i>		<i>-119,786</i>
Proceeds from borrowings	30,164	83,874	Proceeds from non-current borrowings		532,342
Repayments of borrowings	-66,353	-144,901	Repayments of non-current borrowings		-14,811
Dividend paid to shareholders	-56,915	-50,729	Proceeds from current borrowings		15,954
Repurchase of/proceeds from treasury shares	814	10,841	Repayments of current borrowings		-668,094
Capital decrease/dividend paid to minority interest	-2,296	-3,213	Dividend		-50,889
			Change in equity related to shares		3,623
<i>Cash flow from financing activities</i>	<i>-94,586</i>	<i>-104,128</i>	Change in minority interest		-2,589
			<i>Cash flow from financing activities</i>		<i>-184,464</i>
Currency translation differences	-12,094	-4,476	Currency translation differences		8,249
<i>Changes in cash and cash equivalents</i>	<i>-87,872</i>	<i>82,237</i>	<i>Changes in cash and cash equivalents</i>		<i>-57,703</i>
<i>Cash and cash equivalents at start of financial year</i>	<i>167,233</i>	<i>84,996</i>	<i>Cash and cash equivalents at start of financial year</i>		<i>142,699</i>
<i>Cash and cash equivalents at end of financial year</i>	<i>79,361</i>	<i>167,233</i>	<i>Cash and cash equivalents at end of financial year</i>		<i>84,996</i>

* In 2008 Océ changed the presentation of the consolidated cash flow statement. The consolidated cash flow statement 2007 was restated for this purpose. The restatement reflected the following 3 major changes:

- the cash flow from operating activities is determined via operating income instead of income before income taxes;
- the cash flows relating to interest payments and receipts are shown separately;
- the cash flows relating to the result on divestment/disposals have been changed from cash flow from operating activities to cash flow from investing activities.

** The consolidated cash flow statement 2006 is presented as in the financial statements for the financial year 2007.

2 AUDITORS' REPORT RELATING TO THE OCÉ CONSOLIDATED INCOME STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT FOR THE FINANCIAL YEARS 2008, 2007 AND 2006

To the Board of Directors of Océ N.V.

Auditors' report relating to the Océ Consolidated income statement, balance sheet and cash flow statement for the financial years 2008, 2007 and 2006

Introduction

We have concluded whether the Consolidated income statement, balance sheet and cash flow statement ('Summary consolidated financial information') for the financial years 2008, 2007 and 2006 of Océ N.V. (as set out on pages 92 to 95 of the Offer Memorandum), have been correctly derived from the audited financial statements for the years 2008 and 2007 of Océ N.V. The information with respect to the financial years 2008 and 2007 has been derived from the financial statements 2008 and the information with respect to the financial year 2006 has been derived from the comparative information in the financial statements 2007. In our auditors' reports dated 28 January 2009, 25 January 2008 and 26 January 2007 we expressed an unqualified opinion on the financial statements 2008, 2007 and 2006 respectively. Those financial statements, and the accompanying Summary consolidated financial information do not reflect the effects of events that occurred subsequent to the date of the auditors' reports on those financial statements.

Management is responsible for the preparation of the Summary consolidated financial information for the financial years 2008, 2007 and 2006 of Océ N.V. Our responsibility is to express an opinion on the Summary consolidated financial information for the financial years 2008, 2007 and 2006 of Océ N.V. based on our audit.

Scope

We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance whether the Summary consolidated financial information for the financial years 2008, 2007 and 2006 of Océ N.V. has been correctly derived from the financial statements for the years 2008 and 2007. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Summary consolidated financial information for the financial years 2008, 2007 and 2006 of Océ N.V. has been correctly derived, in all material respects, from the financial statements for the years 2008 and 2007.

Emphasis of matter

For a better understanding of the company's financial position and results and the scope of our audit, we emphasise that the aforementioned Summary consolidated financial information for the financial years 2008, 2007 and 2006 of Océ N.V. should be read in conjunction with the financial statements 2008 and 2007, from which it has been derived and our unqualified auditors' reports thereon dated 28 January 2009, 25 January 2008 and 26 January 2007. Our opinion is not qualified in respect of this matter.

Other matter – restriction of use

The Océ Summary consolidated financial information for the financial years 2008, 2007 and 2006 of Océ N.V. and our auditors' report thereon are intended solely for the Board of Directors of Océ N.V. for inclusion in the Offer Memorandum, part II and are not suitable for any other purpose.

Amsterdam, 26 January 2010
PricewaterhouseCoopers Accountants N.V.

B. Koolstra RA

3 FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2008

3.1 Consolidated income statement for the year ended 30 November

x EUR 1,000	The figures () refer to the notes	2008	2007
<i>Total revenues</i> (1)		2,908,960	3,098,223
	Cost of sales (2)	- 1,817,988	- 1,881,717
<i>Gross margin</i>		1,090,972	1,216,506
	Selling and marketing expenses	- 638,416	- 667,112
	Research and development expenses (4)	- 228,912	- 230,058
	General and administrative expenses	- 189,205	- 198,151
	Other income (net) (5)	11,576	-
	Operating expenses (2)	- 1,044,957	- 1,095,321
<i>Operating income</i>		46,015	121,185
	Financial expenses (6)	- 59,168	- 57,579
	Financial income (6)	11,264	17,239
	Share in income of associates	617	440
<i>Income before income taxes</i>		- 1,272	81,285
	Income taxes (7)	5,036	- 2,422
<i>Net income</i>		3,764	78,863
<i>Net income attributable to</i>			
	Shareholders	1,968	77,097
	Minority interest	1,796	1,766
		3,764	78,863
<i>Earnings per ordinary share for net income attributable to shareholders</i> (8)			
	Basic	- 0.01	0.88 euro
	Diluted	- 0.01	0.87

* The comparative figures of "Cost of sales" and "Selling and marketing expenses" have been adjusted due to the changed presentation of transportation costs from distribution center to customer. In 2008 these costs are fully included in "Cost of sales" instead of "Selling and marketing expenses", because these are direct costs. The adjustment led to a decrease of the "Gross margin" of EUR 48.3 million in the comparative figures.

3.2 Consolidated balance sheet as at 30 November

x EUR 1,000	Assets	2008	2007
<i>Non-current assets</i>	Intangible assets (9)	593,521	512,351
	Property, plant and equipment (10)	353,912	373,333
	Rental equipment (11)	109,904	107,874
	Associates (12)	2,110	2,231
	Derivative financial instruments (13)	571	4,987
	Trade and other receivables (14)	216,654	184,051
	Deferred income tax assets (15)	106,062	86,939
	Available-for-sale financial assets (16)	8,567	9,300
		1,391,301	1,281,066
<i>Current assets</i>	Inventories (17)	352,814	328,112
	Derivative financial instruments (13)	22,104	12,198
	Trade and other receivables (14)	681,244	684,362
	Current income tax receivables	18,679	7,456
	Cash and cash equivalents (18)	79,361	167,233
		1,154,202	1,199,361
	Non-current assets held for sale (19)	3,386	10,742
<i>Total Assets</i>		2,548,889	2,491,169
Equity and Liabilities			
<i>Equity</i>	Share capital (20)	53,669	53,669
	Share premium	512,026	512,008
	Other reserves (21)	- 91,870	- 146,512
	Retained earnings	169,742	180,873
	Net income attributable to shareholders	1,968	77,097
	Equity attributable to shareholders	645,535	677,135
	Minority interest	34,976	35,464
		680,511	712,599
<i>Non-current liabilities</i>	Borrowings (22)	574,469	535,626
	Derivative financial instruments (13)	28,240	13,484
	Retirement benefit obligations (23)	388,730	413,596
	Trade and other liabilities (24)	5,073	13,537
	Deferred income tax liabilities (15)	24,580	15,640
	Provisions for other liabilities and charges (25)	42,300	49,294
		1,063,392	1,041,177
<i>Current liabilities</i>	Borrowings (22)	36,632	64,243
	Derivative financial instruments (13)	25,016	1,528
	Trade and other liabilities (24)	696,433	632,213
	Current income tax liabilities	25,088	23,698
	Provisions for other liabilities and charges (25)	21,817	15,711
		804,986	737,393
<i>Total Equity and Liabilities</i>		2,548,889	2,491,169

3.3 Consolidated statement of changes in equity for the year ended 30 November

x EUR 1,000	Equity attributable to shareholders						
	share capital (20)	share premium	other reserves (21)	retained earnings	net income attributable to shareholders	minority interest	total equity
<i>Balance at 1 December 2006</i>	53,644	511,569	- 140,385	259,688	-	36,929	721,445
Cash flow hedges	-	-	- 3,496	-	-	-	- 3,496
Currency translation differences	-	-	- 42,558	-	-	- 18	- 42,576
Other changes	-	-	30,061	- 30,185	-	-	- 124
Net income/expense recognized directly in equity	-	-	- 15,993	- 30,185	-	- 18	- 46,196
Net income	-	-	-	-	77,097	1,766	78,863
Total recognized income	-	-	- 15,993	- 30,185	77,097	1,748	32,667
Share-based compensation (26):							
• value of employee services	-	-	-	1,944	-	-	1,944
• proceeds from shares reissued	-	-	9,866	975	-	-	10,841
Conversion of convertible debentures to employees	25	439	-	-	-	-	464
Capital decrease	-	-	-	-	-	- 1,293	- 1,293
Dividend	-	-	-	- 51,549	-	- 1,920	- 53,469
	25	439	9,866	- 48,630	-	- 3,213	- 41,513
<i>Balance at 30 November 2007</i>	53,669	512,008	- 146,512	180,873	77,097	35,464	712,599
Appropriation of net income	-	-	-	77,097	- 77,097	-	-
<i>Balance at 1 December 2007</i>	53,669	512,008	- 146,512	257,970	-	35,464	712,599

Equity attributable to shareholders							
x EUR 1,000	share capital (20)	share premium	other reserves (21)	retained earnings	net income attributable to shareholders	minority interest	total equity
<i>Balance at 1 December 2007</i>	53,669	512,008	- 146,512	257,970	-	35,464	712,599
Cash flow hedges	-	-	- 14,874	-	-	-	- 14,874
Currency translation differences	-	-	36,825	-	-	12	36,837
Other changes	-	-	31,711	- 31,825	-	-	- 114
Net income/ expense recognized directly in equity	-	-	53,662	- 31,825	-	12	21,849
Net income	-	-	-	-	1,968	1,796	3,764
Total recognized income	-	-	53,662	- 31,825	1,968	1,808	25,613
Share-based compensation (26):							
• value of employee services	-	-	-	678	-	-	678
• proceeds from shares reissued	-	-	980	- 166	-	-	814
Conversion of convertible debentures to employees	2	18	-	-	-	-	20
Withdrawal priority shares	- 2	-	-	-	-	-	- 2
Capital decrease	-	-	-	-	-	- 485	- 485
Dividend	-	-	-	- 56,915	-	- 1,811	- 58,726
	-	18	980	- 56,403	-	- 2,296	- 57,701
<i>Balance at 30 November 2008</i>	53,669	512,026	- 91,870	169,742	1,968	34,976	680,511

3.4 Consolidated cash flow statement for the year ended 30 November

x EUR 1,000	2008	2007 *
<i>Operating income</i>	46,015	121,185
<i>Adjustments for:</i>		
Depreciation, amortization and impairment	188,680	209,662
Share-based compensation	- 7,661	3,294
Result on divestments, disposals	- 13,489	- 15,779
Unrealized gains/losses on financial instruments	5,830	832
<i>Changes in:</i>		
Retirement benefit obligations	- 8,500	- 4,121
Provisions for other liabilities and charges	1,474	- 18,720
Rental equipment	- 59,555	- 71,042
Inventories	- 22,537	1,072
Trade and other receivables	- 15,013	5,940
Trade and other liabilities	58,717	68,585
<i>Operating cash flows:</i>		
Interest received	17,249	30,294
Interest paid	- 56,544	- 70,751
Income taxes	- 12,263	7,764
<i>Cash flow from operating activities</i>	122,403	268,215
Investment in intangible assets	- 64,570	- 49,006
Investment in property, plant and equipment	- 76,151	- 86,959
Divestment in intangible assets	85	218
Divestment in property, plant and equipment	11,938	48,136
Payment/receipts regarding other non-current assets	- 470	- 4,182
Capital increase/decrease in associates	200	- 203
Dividend from associates	315	224
Sale of finance lease portfolio	11,177	16,109
Sale of subsidiaries (net of cash)	29,084	-
Acquisitions (net of cash)	- 15,203	- 1,711
<i>Cash flow from investing activities</i>	- 103,595	- 77,374
Proceeds from borrowings	30,164	83,874
Repayments of borrowings	- 66,353	- 144,901
Dividend paid to shareholders	- 56,915	- 50,729
Repurchase of/proceeds from treasury shares	814	10,841
Capital decrease/dividend paid to minority interest	- 2,296	- 3,213
<i>Cash flow from financing activities</i>	- 94,586	- 104,128
Currency translation differences	- 12,094	- 4,476
<i>Change in cash and cash equivalents</i>	- 87,872	82,237
<i>Cash and cash equivalents at start of financial year</i>	167,233	84,996
<i>Cash and cash equivalents at end of financial year</i>	79,361	167,233

* Océ changed the classification of the consolidated cash flow statement. The comparative figures have been adjusted to this changed classification. For disclosure of the changes of the consolidated cash flow statement, reference is made to the summary of significant accounting policies under "Consolidated Cash Flow Statement".

3.5 Notes to the consolidated financial statements

Summary of significant accounting policies

Introduction

The following summary of significant accounting policies is intended as a guide in interpreting the consolidated financial statements. The consolidated financial statements of Océ N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The corporate income statement is presented in abbreviated format in accordance with article 2:402 of Part 9 of the Dutch Civil Code.

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

The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated.

The financial statements of Océ N.V. have been authorized for issue by both the Board of Supervisory Directors and the Board of Executive Directors on 28 January 2009. The financial statements are subject to adoption by the General Meeting of Shareholders on 23 April 2009.

Consolidation

The consolidated financial statements comprise the financial statements of Océ N.V. and its participations.

(A) Subsidiaries

Subsidiaries are all entities over which Océ has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the total shares issued and the related voting rights. As from the date that these criteria are met, the financial data of the relevant company is consolidated for 100%. Intercompany transactions, intercompany balances and unrealized gains on intercompany transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Business combinations are accounted for using the "purchase" method. The cost of a business combination is measured as the fair value of the assets obtained, equity instruments issued and liabilities incurred or assumed at the date of exchange, including any directly attributable costs. Identifiable assets acquired and liabilities and contingent liabilities incurred or assumed in a business combination are recognized initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill. The principal subsidiaries are listed in section 3.10 of this report.

The minority interest in the net assets of subsidiaries is presented as a separate component of equity. Transactions with minority interest are accounted for as transactions with third parties.

(B) Associates

Associates are all entities over which the Group has significant influence but not the power to govern the financial and operating policies. This is mostly linked to a voting right of 20% to 50% of the total shares issued and the related voting rights. Associates are accounted for using the "equity" method. The Group's associates include goodwill identified on acquisition, net of any accumulated impairment loss. Océ's share in its associates' profits or losses after acquisition is recognized in the consolidated income statement. Its share in post-acquisition movements in equity reserves is recognized in equity reserves of the Group. The carrying amounts of associates are adjusted for cumulative post-acquisition movements of the associates. When Océ's share in the losses of an associate equals or exceeds its interest in the associate, including any other unsecured receivables, Océ does not recognize further losses, unless it has incurred obligations that will probably result in an outflow of cash or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are presented in the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and monetary liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges or as intercompany loans that have a permanent nature.

The consolidated financial statements are presented in euros, which is the Group's functional and presentation currency. The results and financial position of all subsidiaries that have a functional currency that is different from the euro are translated into euros as follows: assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet, income and expenses for each income statement presented are translated at average exchange rates and all resulting exchange differences are recognized in equity under "Currency translation differences". When a foreign operation is (partially) disposed of or sold, (the proportional share of) the related currency translation differences that were recorded in equity are recognized in the income statement as part of the gain or loss on disposal or sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recognized as assets and liabilities of the foreign entity and translated at closing rate.

Revenue recognition

Revenues comprise the fair value of the considerations received or receivable from the sale of goods and services to third parties in the ordinary course of the Group's activities excluding the taxes levied on revenues and discounts granted. Océ recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to Océ and specific criteria have been met as described below.

(A) Sales of machines

Revenues are recognized at the moment that both delivery to and installation on the customer's premises have taken place. If a sales contract contains an acceptance clause, revenue is recognized at the moment that the customer has confirmed acceptance. When machines are sold to a distributor the revenues are recognized at the moment of delivery. If Océ has offered the customer a finance lease arrangement, revenue is recognized at commencement of the lease term. The present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned interest. Unearned interest is recognized as "Interest from finance lease" over the term of the lease using the "net investment" method, which reflects a constant periodic rate of return.

(B) Operating leases (defined by Océ as "Rentals")

Leases in which a significant portion of the risks and rewards of ownership are retained by Océ are classified as "Rentals". Revenues from "Rentals" are recognized in the income statement on a "straight-line" basis over the term of the contract.

(C) Service

Service revenues are mostly obtained from maintenance contracts that have been concluded for machines sold or leased out and are recognized pro rata over the period of the contract. If service contracts have been invoiced in advance, the considerations are included in the balance sheet as deferred income under "Trade and other liabilities".

(D) Supplies

Revenues are recognized at the moment of delivery.

Research and development expenses

Research expenses are charged directly to the income statement. Development expenses are capitalized if they comply with the relevant criteria as described under "Intangible assets".

Development credits

Development credits granted by the government are recognized as a reduction of research and development expenses at the moment that the related expenses occur. These credits are subject to a contingent repayment obligation, which is disclosed in the notes as a contingent liability. When the repayment obligation has become unconditional, a current liability is recognized which is charged to the research and development expenses.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made by Océ under operating leases (net of any incentives received from the lessor) are charged to the income statement on a "straight-line" basis over the period of the lease.

Intangible assets

(A) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Groups' share in the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of entities that qualify as subsidiaries is presented under "Intangible assets". Goodwill on acquisitions of entities that qualify as associates is included in "Associates". Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience. Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

(B) Software

Acquired software is capitalized on the basis of costs incurred to acquire and to bring the specific software to use. Amortization is calculated using the "straight-line" method to allocate the cost of acquired software over the estimated useful life (3-7 years). Development costs of software for internal use, that will generate probable future economic benefits to the company and that can be measured reliably, are capitalized. Development costs consist of direct personnel costs on the basis of an hourly rate including a mark-up for directly attributable overhead costs and interest cost incurred for qualifying assets during the development period. Amortization is calculated using the "straight-line" method to allocate the cost of software for internal use over the estimated useful life (3-7 years).

(C) Technology

Technology comprises the costs (or purchase costs) of product development, licenses and license agreements.

Costs of product development are capitalized if they meet the criteria of a separately identifiable project that will generate probable future economic benefits to the company and if the costs can be reliably measured. Costs of product development consist of direct personnel costs on the basis of an hourly rate including a mark-up for directly attributable overhead costs and interest cost incurred for qualifying assets during the development period. Product development costs are amortized over the estimated useful life (5-10 years).

Acquired licenses and license agreements are carried at cost less accumulated amortization and any impairment. Amortization is calculated using the "straight-line" method to allocate the cost of licenses and license agreements over the estimated useful life (5-20 years).

(D) Customer base

Customer base is carried at cost less accumulated amortization and any impairment. Amortization is calculated using the "straight-line" method to allocate the cost of customer base over the estimated useful life (5-10 years).

(E) Trade marks and other

Trade marks and other intangible assets are carried at cost less accumulated amortization and any impairment. Amortization is calculated using the "straight-line" method to allocate the cost of trade marks over the estimated useful lives (2-10 years). The estimated useful life of other intangible assets is 5 years.

Property, plant and equipment

Property, plant and equipment are carried at cost less cumulative depreciation and any impairment. Costs of assets manufactured by Océ include direct manufacturing cost, production overhead and interest cost incurred for qualifying assets during the construction period. Costs of assets acquired by Océ include expenditures that are directly attributable to the acquisition of the assets. Asset retirement obligations are capitalized as part of the cost of property, plant and equipment and expensed as either depreciation over the asset's useful life or as impairment charges. Subsequent costs are capitalized as a separate asset if it is probable that future economic benefits associated with the asset will flow to Océ and if the costs can be reliably measured. The carrying amount of any replaced part is derecognized. All other costs of repair and maintenance are charged to the income statement during the financial period in which they are incurred. Land is not depreciated. Depreciation on other assets is calculated using the "straight-line" method based on the estimated useful lives, taking into account any residual values. Depreciation of specific pieces of equipment used for the manufacture of machines takes place pro rata to the expected number of units to be manufactured. Océ leases certain property, plant and equipment from third party lessors. Leases of property, plant and equipment where Océ has substantially all the risks and rewards of ownership are classified as a finance lease and included in "Property, plant and equipment". Finance leases are capitalized at commencement of the lease at the lower of fair value of the leased assets and the net present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in "Borrowings". The assets leased via finance lease agreements are depreciated over the lower of the lease period and the assets' useful life.

The estimated useful lives of the various classes of property, plant and equipment are as follows:

- property and plant: 20 to 50 years;
- production equipment: 3 to 10 years;
- other equipment: 3 to 5 years;
- other non-current assets: 3 to 7 years.

Rental equipment

Rental equipment is valued at the all-in manufacturing cost, plus the cost of ensuring that the equipment can operate effectively at the customers' premises less cumulative depreciation on a "straight-line" basis. The estimated useful life of the various types of machines ranges from 3 to 5 years.

Deferred income tax

Deferred income tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements ("liability"-method). Deferred income tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred incomes tax assets can be offset.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Also no deferred income tax is recognized regarding the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial instruments under IAS 39. Available-for-sale financial assets are accounted for using trade date accounting and carried at fair value. Gains and losses on available-for-sale financial assets are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement. Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the available-for-sale financial assets within 12 months after the balance sheet date.

Derivative financial instruments and hedging activities

Derivative financial instruments are carried at fair value. Derivative financial instruments are accounted for using trade date accounting. The method of recognition of the resulting gains or losses depends on whether the derivatives are designated as a hedging instrument, and if so, the nature of the item being hedged. Océ designates certain derivative financial instruments as either: (a) hedges of exposure to changes in fair value of recognized assets and liabilities (fair value hedge); or (b) hedges of exposure to variability in cash flows attributable to a particular risk associated with recognized assets or liabilities or highly probable forecast transactions (cash flow hedge).

At the inception of the hedge Océ documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking the hedge. Océ also documents its assessment (prospective and retrospective), both at hedge inception and on an ongoing quarterly basis, whether the hedges are highly effective in offsetting changes in fair values or variability cash flows attributable to the hedged risks. Derivatives are classified as non-current if the remaining term of the derivatives is 12 months or more and as current if the remaining term of the derivatives is less than 12 months.

(A) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Océ applies only fair value hedge accounting for hedging fixed rate borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within "Financial expenses". The gain or loss relating to the ineffective portion is recognized in the income statement as "Other income (net)". Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognized in the income statement as "Financial expenses". If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to the income statement over the period to maturity.

(B) Cash flow hedge

Océ applies cash flow hedge accounting for the hedging of foreign exchange risks of forecasted transactions using FX-contracts and for hedging cash flow interest rate risk on floating rate loans using interest rate swaps. The gains or losses relating to the effective portion of derivatives that are designated and qualify as cash flow hedges are recognized in equity as "Other reserves - Hedging reserve", the ineffective portion is recognized immediately in the income statement as "Other income (net)". Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects the income statement depending on the nature of the hedged item. In case of foreign exchange risks this is "Gross margin", in case of interest rate risks this is "Financial expenses". When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognized in equity at that time remains in equity and is recognized in the income statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognized in equity is immediately recycled to the income statement.

(C) Derivatives that are not designated or do not qualify for hedge accounting

Derivatives that are not designated or do not qualify for hedge accounting are measured at fair value through the income statement.

Trade and other receivables

(A) Trade receivables

Trade receivables are recognized initially at fair value and subsequently remeasured at amortized cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is recognized when there is objective evidence that Océ will not be able to collect amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement within "Selling and marketing expenses".

Trade receivables also include finance lease receivables. Finance lease receivables comprise of the present value of the lease payments receivable by Océ and the unguaranteed residual values, less provision for impairment. The difference between the nominal value and the present value of the lease payments and the unguaranteed residual values is recognized as unearned interest.

(B) Other receivables

Other receivables and prepayments are initially recognized at fair value and subsequently remeasured at amortized cost. Duties and taxes are recognized and measured at amortized cost. If the time to maturity is less than 12 months they are presented as "Current assets". Otherwise they are presented as "Non-current assets", measured at their present value.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined by using the "First-in-First-out" method (FIFO). The costs of inventory comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of semi-finished products, spare parts and finished products are measured at manufacturing cost including a markup for indirect costs relating to manufacturing and excluding borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and cost to sell.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits that are repayable on call, balances in bank accounts, cheques and bills of exchange received.

Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sales transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of the carrying amount and fair value less cost to sell.

Equity

The ordinary shares and financing preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognized in equity as a deduction, net of tax, from the proceeds. Treasury shares are deducted from equity for the considerations paid, including any directly attributable cost (net of income tax), until the shares are cancelled or reissued. When treasury shares are reissued, any consideration received, net of any attributable incremental cost and related income tax, is included in equity.

Share-based compensation

Océ operates 4 types of share-based compensation plans: (a) share option plans, (b) share plans with cash-alternatives as well as equity-settlement, (c) cash-settled share plans and (d) conversion-options on convertible debentures to employees. The fair value of the employee service received in exchange for the grant of the share-based compensation is recognized as an expense in the income statement over the vesting period. The total amount to be expensed is determined by reference to the fair value of the share-based compensation granted, excluding the impact of any non-market based vesting condition regarding the equity part of the share-based compensation plan. Non-market based vesting conditions are included in assumptions about the number of grants that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of grants that are expected to vest. It

recognizes the impact of the revision, if any, in the income statement, with a corresponding adjustment to equity or liability depending on the settlement type of the share-based compensation plan. For cash-settled share-based compensation plans and share-based compensation plans with cash alternatives the liability is re-measured at each balance sheet date during the vesting period and for share option plans also during the exercise period.

(A) Share option plans

The share option plans are share-based compensation plans with cash-alternatives in which the fair value of the settlement alternatives are the same. Therefore only a liability is recognized for the fair value of the share options during the vesting period to the extent the employees have rendered service. The liability is remeasured at each balance sheet date and derecognized at the moment of exercise or expiry. The fair value is determined using a binomial option-pricing model.

(B) Share plans with cash-alternatives as well as equity-settlement

The share plans are share-based compensation plans with cash-alternatives as well as equity-settlement. The share plans give the holder the right to receive part of the plan in cash, to fulfill their tax obligation, without forfeiting the right on equity instruments for the remaining part of the plan. Because of their hybrid settlement nature, these plans are divided in an equity-settled share-based compensation plan (equity) and a share-based compensation plan with cash-alternatives (liability) based on the estimated average tax obligation.

(C) Cash-settled share plans

Cash-settled share plans are share-based compensation plans measured at fair value and recognized as a liability.

(D) Conversion-options on convertible debentures to employees

Conversion-options on convertible debentures to employees are cash-settled share-based compensation plans (reference is made to "Borrowings"). The fair value of the conversion options of convertible debentures to employees is measured using a binomial option-pricing model and is recognized as a liability. The conversion options of the convertible debentures to employees vests immediately.

Borrowings

Borrowings are recognized initially at fair value, plus directly attributable transaction costs. Borrowings are subsequently remeasured at amortized cost using the "effective interest" method. Borrowings are accounted for using settlement date accounting. The carrying amount of borrowings is adjusted for changes in fair value of the risk being hedged if the borrowings are designated as a hedged item in a fair value hedge. Borrowings are classified as current liabilities unless the remaining term of the borrowings or the remaining term of the facility under which the borrowings are drawn is 12 months or more.

Océ issues convertible debentures to employees. Convertible debentures are compound financial instruments consisting of a plain debenture and a conversion option (reference is made to the caption "Share-based compensation"). The fair value at inception of the plain debenture is determined using a market interest rate for an equivalent non-convertible debenture. Subsequently the convertible debenture is remeasured at amortized cost using the "effective interest" method until extinguished on conversion or maturity of the debenture.

Retirement benefit obligations

Subsidiaries operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. Océ has both defined benefit and defined contribution plans. For defined contribution plans, Océ pays fixed contributions to a separate entity. Océ has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses in the income statement when they are due.

A defined benefit plan is a pension plan that is not a defined contribution plan.

Under defined benefit plans the pension entitlements are calculated according to the "projected unit credit" method. Actuarial gains and losses in excess of a threshold of the higher of 10% of the pension liabilities and 10% of the fair value of the plan assets are charged or credited to the income statement over the employees' expected average remaining working lives. Changes in pension plans are charged directly to the income statement if they are unconditional in nature or if they are the result of a significant change. Calculations are made each year by qualified actuaries. The pension liability as recognized in the balance sheet is the present value of the defined benefit obligation at the balance sheet date, less the fair value of the plan assets and after adding or subtracting unrecognized actuarial gains or losses and past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. The expected return on plan assets is determined by multiplying the sum of the fair value of plan assets plus the average employer and employee contributions minus the average expected benefits and average expected risk benefits with the expected return on plan assets percentage.

Past-service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past-service costs are amortized on a "straight-line" basis over the vesting period.

Provisions for other liabilities and charges

(A) Other long term employee benefits

Other long term employee benefits include long-service leave awards, jubilee and other long-service benefits. The expected costs of these benefits are accrued over the period of employment using an accounting method similar to that for defined benefit plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the income statement immediately.

(B) Employee termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Océ recognizes termination benefits when Océ is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when Océ is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted at present value.

(C) Restructuring and other

Provisions for restructuring and other liabilities are recognized when Océ has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. The provisions are measured at the present value of the expenditures that are expected to be required to settle the obligation. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the obligation.

Trade and other liabilities

Trade and other liabilities are recognized initially at fair value and subsequently remeasured at amortized cost using the effective interest method, except for share-based compensation (reference is made to caption "Share-based compensation").

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment. Assets with a finite useful life are subject to depreciation or amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an

asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment is recognized as an expense in the income statement. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment has to be reversed. Impairment losses on goodwill are not reversed.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of a financial asset classified as available-for-sale, a significant or prolonged decline in the fair value of the available-for-sale financial asset below its acquisition cost is considered as an indicator that the available-for-sale financial asset is impaired. If any such evidence exists for an available-for-sale financial asset, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income statement - is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

Consolidated Cash Flow Statement

The consolidated cash flow statement has been prepared using the "indirect" method. Cash flows in foreign currencies have been translated at average exchange rates. Exchange differences are shown separately in the consolidated cash flow statement. Cash flow from investing activities consists of investments and divestments in property, plant and equipment, and intangible assets, the sale of the finance lease portfolio and acquisitions insofar as these are paid for in cash, is included in the cash flow from investing activities. Acquisitions of subsidiaries are presented net of cash balances acquired.

To improve the quality of the consolidated cash flow statement Océ changed the presentation of the consolidated cash flow statement, in 2008. The 3 major changes (in the comparative figures) are as follows:

- the cash flow from operating activities is determined via the operating income instead of the income before income taxes;
- the cash flows relating to interest payments and receipts are shown separately;
- the cash flows relating to the result on divestments/disposals have been changed from cash flow from operating activities to cash flow from investing activities.

Segment reporting

A business segment is a distinguishable group of assets and operations engaged in providing products or services that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable group of assets and operations engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. Business segmentation is Océ's primary segmentation basis. The business segmentation is based on the dominant source and nature of Océ's risks and returns and reflects the system of internal financial reporting to key management personnel or the senior operating decision maker.

Earnings per share attributable to shareholders

Earnings per ordinary share are calculated by dividing the net income attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding. The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible debentures to employees and the settlement of share-base compensation plans (share plans and share option plans). Anti-dilutive effects are not included in the calculation. With regard to convertible debentures to employees it is assumed that these are converted in full. An adjustment is made to net income to eliminate interest charges, whilst allowing for effect of taxation. Regarding share plans it is assumed that all outstanding equity-settled share plans and share plans with settlement alternatives will vest and will be settled in shares. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding, i.e. the number of options times the exercise price, divided by the average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

New accounting standards

On a regular basis, the IASB issues new accounting standards, amendments to existing standards and interpretations. These new accounting standards, amendments to existing standards and interpretations are subject to endorsement by the European Union. In 2008 the following new accounting standards, amendments and revisions to existing standards and interpretations were issued by the IASB, or became applicable for Océ:

Standards, amendments and interpretations effective to Océ in 2008:

IAS 39 and IFRS 7 (Amendments) "Reclassification of Financial Assets"

The amendments to IAS 39 and IFRS 7 "Reclassification of Financial Assets" are applicable for reporting periods starting on or after 1 July 2008. The amendments permit an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit and loss by the entity upon initial recognition) out of the fair value through profit and loss category. The amendments also permit an entity to transfer from the available-for-sale category to loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The application of this interpretation did not have an impact on the consolidated financial statements.

IFRS 7 "Financial Instruments: Disclosures"

IFRS 7 is applicable for reporting periods beginning on or after 1 January 2007. IFRS 7 introduces new disclosures relating to financial instruments and supersedes IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions" and the disclosure requirements of IAS 32 "Financial Instruments: Disclosure and Presentation". This standard does not have any impact on the presentation and measurement of the Group's financial instruments in the consolidated financial statements. IFRS 7 did have a significant impact on the disclosures in the consolidated financial statements.

IFRIC 11 "IFRS 2 - Group and Treasury Share Transactions"

IFRIC 11 is applicable for reporting periods beginning on or after 1 March 2007. IFRIC 11 requires a share-based payment arrangement, in which an entity receives goods or services as consideration for its own equity instruments, to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. IFRIC 11 also provides guidance on whether share-based payment arrangements, in which suppliers of goods or services of an entity are provided with equity instruments of the entity's parent, should be accounted for as cash-settled or equity-settled in the entity's financial statements. Océ has chosen to adopt IFRIC 11 early as from 1 December 2006. The application of IFRIC 11 did not have any impact on Océ's consolidated financial statements. The application of this interpretation caused a reclassification in the corporate financial statements.

Interpretations not relevant to Océ:

IFRIC 12 "Service Concession Arrangements"

IFRIC 12 is applicable for reporting periods starting on or after 1 January 2008. IFRIC 12 is subject to endorsement by the European Union. IFRIC 12 addresses how service concession operators should apply existing IFRS to account for the obligations they undertake and rights they receive in service concession arrangements. Océ is not a service concession operator. IFRIC 12 is therefore not relevant to Océ.

IFRIC 13 "Customer Loyalty Programmes"

IFRIC 13 is applicable for reporting periods starting on or after 1 July 2008. Customer Loyalty Programmes are used by entities to provide customers with incentives to buy products or services by providing "bonus points". IFRIC 13 requires that entities recognize these "bonus points" as a separately identifiable component of the sales transaction. Océ does not use "Customer Loyalty Programmes". IFRIC 13 is therefore not relevant to Océ.

IFRIC 15 "Agreements for the Construction of Real Estate"

IFRIC 15 is applicable for reporting periods starting on or after 1 January 2009. IFRIC 15 is subject to endorsement by the European Union. This interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. IFRIC 15 addresses two issues: (a) is the agreement within the scope of IAS 11 or IAS 18 and (b) when should revenue from the construction of real estate be recognized. Océ is not a real estate constructor. IFRIC 15 is therefore not relevant to Océ.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

IFRIC 16 is applicable for reporting periods starting on or after 1 October 2008. IFRIC 16 is subject to endorsement by the European Union. IFRIC 16 provides guidance on identifying the foreign currency risks that qualify as a hedged risk in the hedge of a net investment in a foreign operation. The interpretation also provides guidance on where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting. IAS 21 and IAS 39 require cumulative amounts recognized in equity relating to both the foreign exchange differences arising on translation of the results and financial position of the foreign operation and the gain or loss on the hedging instrument that is determined to be an effective hedge of the net investment to be reclassified from equity to profit or loss as a reclassification adjustment when the parent disposes of the foreign operation. IFRIC 16 provides guidance on how an entity should determine the amounts to be reclassified from equity to the income statement for both the hedging instrument and the hedged item. Océ does not apply net investment hedging. IFRIC 16 is therefore not relevant to Océ.

IFRIC 17 "Distribution of Non-cash Assets to Owners"

IFRIC 17 is applicable for reporting periods starting on or after 1 July 2009. IFRIC 17 is subject to endorsement by the European Union. IFRIC 17 provides guidance on how an entity should measure distributions of assets other than cash when it pays dividends to its shareholders. Océ does not distribute assets other than cash when it pays dividends to its shareholders. IFRIC 17 is therefore not relevant to Océ.

Standards, amendments, revisions and interpretations not yet effective to Océ:

IAS 1 (Amendment) "Presentation of Financial Statements"

The amendment to IAS 1 "Presentation of Financial Statements" is applicable for reporting periods starting on or after 1 January 2009. The amendment intends to improve users' capability of analyzing and comparing the information in financial statements. Océ is currently investigating the impact of the application of this amendment on the consolidated financial statements.

IAS 27 (Revision) "Consolidated and Separate Financial Statements"

IAS 27 (Revised) "Consolidated and Separate Financial Statements" is applicable for reporting periods starting on or after 1 July 2009. IAS 27 (Revised) is subject to endorsement by the European Union. IAS 27 revised supersedes IAS 27 (issued in 2003) and aligns the requirements with the requirements of US standard SFAS No.160 "Noncontrolling Interests in Consolidated Financial Statements". Océ is currently investigating the impact of this amendment on the consolidated financial statements.

IAS 32 and IAS 1 (Amendments) "Puttable Financial Instruments and Obligations Arising on Liquidation"

The amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation" is applicable for reporting periods starting on or after 1 January 2009. The amendment requires financial instruments "puttable at fair value" and financial instruments that give right to payments on liquidation under certain circumstances to be classified as equity. Océ is currently investigating the impact of this amendment on the consolidated financial statements.

IAS 39 (Amendment) "Eligible Hedged Items"

The amendment to IAS 39 "Eligible Hedged Items" is applicable for reporting periods starting on or after 1 July 2009. The amendment to IAS 39 is subject to endorsement by the European Union. The amendment clarifies how the principles that determine whether a risk or portion of cash flows is eligible for designation should be applied in particular situations. Océ is currently investigating the impact of this amendment on the consolidated financial statements.

IFRS 1 and IAS 27 (Amendments) "Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate"

The amendments of IFRS 1 and IAS 27 "Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate" are applicable for reporting periods starting on or after 1 January 2009. The amendments do no longer require the application of the "cost" method for accounting an investment in a subsidiary, jointly-controlled entity or associate. Océ is currently investigating the impact of these amendments on the consolidated financial statements.

IAS 23 (Amendment) "Borrowing Costs"

The amendment to IAS 23 "Borrowing Costs" is applicable for reporting periods starting on or after

1 January 2009. The amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The amendment is not expected to have a significant impact on the consolidated financial statements.

IFRS 2 (Amendment) "Vesting Conditions and Cancellations"

The amendment to IFRS 2 "Vesting Conditions and Cancellations" is applicable for reporting periods starting on or after 1 January 2009. The amendment provides clarification of the definition of vesting conditions and the treatment of all-non vesting conditions. Océ is currently investigating the impact of this amendment on the consolidated financial statements.

IFRS 3 (Revision) "Business Combinations"

IFRS 3 (Revised) "Business Combinations" is applicable for reporting periods starting on or after 1 July 2009. The revised IFRS 3 is subject to endorsement by the European Union. IFRS 3 revised supersedes IFRS 3 (as issued in 2004) and aligns accounting for business combinations with the requirements of US standard SFAS No.141 "Business Combinations". Océ is currently investigating the impact of this revision on the consolidated financial statements.

IFRS 8 "Operating Segments"

IFRS 8 is applicable for reporting periods starting on or after 1 January 2009. IFRS 8 supersedes IAS 14 "Segment Reporting" and aligns segment reporting with the requirements of US standard SFAS No.131 "Disclosures about Segments of an Enterprise and Related Information". Océ is currently investigating the impact of application of IFRS 8 on the consolidated financial statements.

IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

IFRIC 14 is applicable for reporting periods starting on or after 1 January 2008. IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. IFRIC 14 also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. Océ is currently investigating the impact of IFRIC 14 on the consolidated financial statements.

Financial risk management

Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Board of Executive Directors provides both written policies for the total risk management and policies for specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity. The Board of Executive Directors delegates authorities and responsibilities with regard to the execution of the policies for Foreign Exchange and Interest Rate Risk to committees chaired by the CFO. The Board however retains the power to reverse decisions taken by these committees. Risk management is executed centrally in close cooperation with the subsidiaries. The Group identifies, evaluates and hedges certain financial risks, using derivative financial instruments.

Market risk

Foreign exchange risk

Océ charges its customers for products and services in the customers' local currency. The sales organizations incur a large part of their costs in local currency. However, as a substantial part of total costs associated with manufacturing and development of products is made in the Euro-zone, an exposure to foreign exchange risk (transaction risk) arises in respect of the payments of the flows of goods from the Euro-zone to countries outside the Euro-zone. The relocation of part of the manufacturing activities to Asia has reduced the net level of foreign exchange risk since these goods are paid for in US dollars. At Océ, net cash flows in currencies other than euro are managed actively by the Foreign Exchange Committee in line with the Foreign Exchange policy (FX policy).

In general, Océ applies a policy of managing the 12-months position of mainly the US dollar, the Japanese yen, the Australian dollar and the Pound sterling on a roll over basis, with hedging being applied up to a

maximum of 80% of the net cash flows. Periodically all currencies in which Océ operates are reviewed in terms of volumes and perceived market volatility as to decide whether the list of managed currencies shall be amended.

The Foreign Exchange Committee meets bi-weekly to review recent FX market developments and FX positions in order to decide whether hedges are still effective and in line with the FX policy and market expectations. If necessary, additional hedging actions are taken.

Intercompany loans are provided in local currency. As a result, the Group is exposed to foreign exchange risk. The currency risk arising from intercompany loans is hedged for 100%.

If at 30 November 2008 the euro had weakened 16% (2007: 7% weakened) against the currencies of importance to Océ with all other variables held constant, the profit before income tax would not have changed, similar as 2007. The impact on equity would have been a loss of EUR 28 million (2007: EUR 10 million loss) in the hedging reserve. The percentage used for this sensitivity analysis is a weighted average of the 6-months historical volatilities of the currencies against the euro.

Currency translation risks are not hedged. This risk is regarded as an inherent part of doing business as a multinational company.

Interest rate risk

Interest rate risks that are within the scope of the interest rate risk policy are: "asset-liability mismatch exposure" and "financial ratio exposure".

The "asset-liability mismatch exposure" is assessed by determining the duration gap between assets and interest-bearing liabilities. Central objective of the interest rate risk policy is to bring the duration of interest-bearing liabilities within the range of 40% to 80% of the duration of assets. The upper limit of 80% is set to be able to absorb variability in the cash flows generated by the business activities and to leave room for interest rate views.

The Interest Rate Risk Committee (IRC) meets quarterly to review the positions and outstanding hedges for euro and US dollar as these currencies make up more than 80% of the total Océ assets. Euro assets (and a large part of US dollar assets) are financed with floating rate debt. Océ uses derivatives to manage interest rate risk exposures.

The cash flow interest rate risks arising from the exposure to variability in future cash flows of the floating financing instruments is managed by Océ by using interest rate swaps to swap floating rate borrowings to fixed interest rates.

Fair value interest rate risks arising from fixed rate borrowings is managed by Océ by using interest rate swaps to swap fixed rate borrowings to floating interest rates.

If at 30 November 2008 euro and US dollar interest rates for all maturities had been 1.55% higher (2007: 0.9% higher) with all other variables held constant, the profit before income tax would have been EUR 2.6 million higher (2007: EUR 2.6 million higher). The impact on equity would have been a gain of EUR 12.6 million (2007: EUR 9.5 million gain) in the hedging reserve. The percentage used for this sensitivity analysis is a weighted average of the 30-days historical volatilities of the euro and US dollar 2-years interest rates.

Océ is exposed to "financial ratio exposure" because Océ agreed to adhere to a minimum Net interest expenses/EBITDA ratio. "Financial ratio exposure" is measured at the consolidated level of the Océ Group. At the end of each quarter the level of the interest rate coverage is measured and an analysis is made of the risks involved with respect to the level and the variability of the ratio.

Price risk

Océ has no significant exposure to security price risk because of the small amounts of investments held by Océ, which are classified as "Available-for-sale financial assets". Océ has no commodity price risk regarding any financial instruments.

Credit risk

Océ has no significant concentrations of credit risks. It has policies in place to ensure that products are sold to customers with an appropriate credit history.

Deposits, derivatives and cash transactions are only entered into with financial institutions having an S&P rating of at least A- or higher (or its equivalent issued by Moody's or Fitch). The Group has policies in place that limit credit exposure to financial institutions with good credit rating.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Océ aims to maintain flexibility in funding by securing sufficient committed credit lines.

Océ has EUR 735.3 million of credit facilities containing a committed multi-currency revolving credit facility consisting of a EUR 500 million credit facility to Océ N.V. and a EUR 150 million credit facility to Océ-Interservices N.V./S.A as concluded with several international banks in 2006 and maturing in 2011. Of the total amount EUR 373.9 million is used (see note (22) for details on drawings under these credit facilities).

Non-current borrowing contracts contain financial covenants being a Net debt/EBITDA test and an interest coverage test at levels that are market customary for a company with a credit profile similar to Océ. During 2008, the Group's strategy, which was unchanged from 2007, was to maintain a Net debt/EBITDA of less than 3, which is within the limits of the covenants. According to the covenants, the Net Debt is adjusted for embedded derivatives, non-eligible cash and financial guarantee contracts. EBITDA has been defined as income before taxes of the Group adjusted by adding back net interest expenses (excluding foreign exchange effects on interest expenses), depreciation and amortization.

The Net debt/EBITDA ratio at 30 November 2008 was 2.53 (2007: 1.36) and stays within the agreed loan covenants. In the loan documentation a clause is included about material adverse changes, as well as the interest coverage ratio EBITDA/Interest (net). This one is per 30 November 2008 higher than 4, which is in line with the contractual agreement.

The table on the next page provides an overview of the contractual maturities of financial instruments per period including interest.

Contractual payments due by period	12 months	1-3 years	3-5 years	more than	total
At 30 November 2008	or less			5 years	
x EUR 1,000					
<i>Cash outflows from financing activities:</i>					
Interest rate swaps	15,039	22,020	216,111	-	253,170
Foreign exchange contracts	528,716	3,479	3,489	31,288	566,972
Borrowings	54,322	515,428	59,727	31,711	661,188
<i>Cash inflows from financing activities:</i>					
Interest rate swaps	10,425	13,063	207,368	-	230,856
Foreign exchange contracts	525,215	2,776	2,783	27,306	558,080
<i>Cash outflows from operating activities:</i>					
Trade and other liabilities*	557,531	5,073	-	-	562,604
Total	619,968	530,161	69,176	35,693	1,254,998

Contractual payments due by period	12 months	1-3 years	3-5 years	more than	total
At 30 November 2007	or less			5 years	
x EUR 1,000					
<i>Cash outflows from financing activities:</i>					
Interest rate swaps	60,222	74,725	127,676	180,758	443,381
Foreign exchange contracts	286,593	3,051	3,056	29,015	321,715
Borrowings	69,045	27,295	529,797	36,068	662,205
<i>Cash inflows from financing activities:</i>					
Interest rate swaps	60,949	74,090	124,988	178,790	438,817
Foreign exchange contracts	297,812	3,257	3,261	33,723	338,053
<i>Cash outflows from operating activities:</i>					
Trade and other liabilities*	504,360	13,537	-	-	517,897
Total	561,459	41,261	532,280	33,328	1,168,328

* The contractual payments regarding "Trade and other liabilities" are excluding "Deferred income" and "Accrued expenses", because these are not financial instruments. Reference is made to note (24).

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the financial covenants imposed on Océ, the Group monitors capital on the basis of Net Debt/EBITDA ratio.

Critical accounting estimates and assumptions

When drawing up the financial statements management is required to make estimates and assumptions regarding the future. In doing so, management takes past experiences as its basis for making the best possible estimate of future developments. The actual results will, by definition, rarely equal the estimates and assumptions made by management. The estimates and assumptions that bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed below.

Impairment of goodwill

Océ tests at least annually whether goodwill has suffered any impairment (see note (9)) by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In determining the recoverable amount, Océ makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital (WACC) and future inflation rates.

Other intangible assets

Intangible assets with estimated useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the "straight-line" method based on the estimated useful lives. Management makes estimations regarding the useful lives and residual values and assumes that amortization takes place on a "straight-line" basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Océ tests annually whether other intangible assets have suffered any impairment by comparing the recoverable amounts of the other intangible assets with their carrying amounts. In determining the recoverable amounts of other intangible assets, Océ makes estimates and assumptions about the net present value of future cash flows based on the value in use. In doing so Océ also makes assumptions and estimates regarding the discount rate used for calculating the net present value.

Property, plant and equipment and rentals

Property, plant and equipment and rentals are carried at cost less cumulative depreciation and any impairment. Depreciation is calculated using the "straight-line" method based on the estimated useful lives, taking into account any residual values. Management makes estimations regarding the useful lives and residual values and assumes that depreciation takes place on a "straight-line" basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate or on a yield curve based on market conditions existing at the balance sheet date. The fair value of interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The nominal value less impairment provision of trade receivables and trade payables are assumed to approximate their fair values. The fair value of non-current financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Share-based compensation

For equity-settled share-based compensations, estimates are made regarding the expected number of equity instruments (or its value) necessary for settlement. The fair value of share options granted is determined using binomial option-pricing models. In doing so, Océ uses market prices and makes estimates and assumptions about the risk-free rate, expected dividends, and expected volatility. The fair value of shares granted is determined by reference to their market price and eventual market based performance conditions.

Inventories

In determining the realizable value of inventories, Océ makes estimates and assumptions based on historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of related machines, the remaining service period of these machines and the impact of new environmental legislations).

Provision for impairment of trade and finance lease receivables

In determining provision for impairment of trade and finance lease receivables Océ bases its estimates and assumptions based on ageing and specific developments regarding the customers (e.g. creditworthiness and market developments). The provision for impairment of trade and finance lease receivables is reviewed periodically to assess the adequacy of the provision.

Capitalization of development costs

In determining the development costs to be capitalized, Océ makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development costs. Other important estimates and assumptions in this assessment process are the required internal rate of return, the distinction between research and development and the estimated useful life.

Provision for restructuring

Océ recognizes a provision for restructuring regarding cost-saving restructuring measures and the integration of acquired businesses. Provisions for restructuring include, amongst other, estimates and assumptions about severance payments and termination fees.

Income taxes

Océ is subject to income taxes in numerous jurisdictions. Estimates are required in determining the worldwide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Océ recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which Océ operates and the period over which deferred tax assets are recoverable. In the event that actual results differ from these estimates, and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and net income.

Defined benefit plans

Defined benefit plans represent obligations that will be settled in the future. To project these obligations over a longer period of time, Océ is required to make assumptions regarding the development of these obligations. Post-employment benefit accounting is intended to reflect the recognition of future costs of defined benefit plans over the employee's expected service period, based on the term of the plans and the investment and funding decisions made. Post-employment benefit accounting requires Océ to make assumptions about variables such as discount rate, rate of compensation increase, return on plan assets and future mortality rates. Océ periodically consults outside actuaries regarding these assumptions. Changes in these assumptions can have significant impact on the defined benefit obligations. Reference is made to note (23).

Classes of financial instruments	derivative financial instruments at fair value through the income statement	derivative financial instruments designated in a fair value hedge	derivative financial instruments designated in a cash flow hedge	loans and receivables/ liabilities at amortized cost	available-for-sale financial assets
x EUR 1,000					
Carrying amounts as at 30 November 2008					
<i>Assets:</i>					
Available-for-sale financial assets (16)	-	-	-	-	8,567
Derivative financial instruments* (13)	8,069	571	14,035	-	-
Trade and other receivables (14)	-	-	-	877,519	-
Cash and cash equivalents (18)	-	-	-	79,361	-
Financial instruments classified as non-current assets held for sale (19)	-	-	-	3,386	-
	8,069	571	14,035	960,266	8,567
<i>Liabilities:</i>					
Borrowings** (22)	-	4,538	-	606,563	-
Derivative financial instruments* (13)	13,098	-	40,158	-	-
Trade and other liabilities (24)	-	-	-	562,604	-
	13,098	4,538	40,158	1,169,167	-

Carrying amounts as at 30 November 2007

<i>Assets:</i>					
Available-for-sale financial assets (16)	-	-	-	-	9,300
Derivative financial instruments* (13)	6,116	361	10,708	-	-
Trade and other receivables (14)	-	-	-	851,090	-
Cash and cash equivalents (18)	-	-	-	167,233	-
Financial instruments classified as non-current assets held for sale (19)	-	-	-	10,742	-
	6,116	361	10,708	1,029,065	9,300
<i>Liabilities:</i>					
Borrowings** (22)	-	4,538	-	595,331	-
Derivative financial instruments* (13)	1,185	-	13,827	-	-
Trade and other liabilities (24)	-	-	-	517,897	-
	1,185	4,538	13,827	1,113,228	-

* Derivative financial instruments are classified as financial instruments at fair value through the income statement. When applying cash flow hedge accounting the gains/losses are temporary recognized in the hedging reserve. In note (21) disclosure is provided regarding the transfers from and to the hedging reserve.

** Borrowings are carried at amortized cost unless they are designated as a hedged item in a fair value hedge. In this case the part of borrowings attributable to the risk being hedged is remeasured at fair value through the income statement, reference is made to note (22).

Segment reporting

<i>Business segmentation</i>	Digital Document Systems	Wide Format Printing Systems	Océ Business Services	unallocated	total					
x EUR million	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total revenues	1,632	1,776	850	898	427	424	-	-	2,909	3,098
Inter-segment revenues	42	39	12	9	-	-	-	-	54	48
Operating income	- 6	5	41	96	11	20	-	-	46	121
Financial income and expenses (net)									- 48	- 40
Share in income of associates	-	-	1	-	-	-	-	-	1	-
Income taxes									5	-2
Net income									4	79
Associates	1	2	1	-	-	-	-	-	2	2
Other assets	1,615	1,604	657	665	142	120	133	100	2,547	2,489
Total assets	1,616	1,606	658	665	142	120	133	100	2,549	2,491
Liabilities	788	772	319	284	65	68	696	654	1,868	1,778
Equity	828	834	339	381	77	52	- 563	- 554	681	713
Capital expenditure*	128	126	39	34	23	14			190	174
Depreciation	- 106	- 115	- 26	- 34	- 11	- 11			- 143	- 160
Amortization	- 31	- 30	- 10	- 8	- 2	- 2			- 43	- 40
Impairment	- 2	- 10	- 1	-	-	-			- 3	- 10

In 2008, Océ changed its managerial structure and internal reporting. As a result, Océ identifies 3 business segments as of 2008. Océ Business Services is separated from business segment Digital Document Systems.

Segment reporting	total revenues		assets		capital expenditure*	
<i>Geographical segmentation</i> x EUR million	2008	2007	2008	2007	2008	2007
United States**	1,066	1,221	943	868	38	59
Germany	312	320	314	313	33	31
The Netherlands	310	305	640	665	87	58
France	201	190	121	101	10	- 4
United Kingdom***	192	227	106	98	5	5
Rest of Europe	579	596	305	324	12	19
Countries outside Europe and the United States	249	239	120	122	5	6
Total	2,909	3,098	2,549	2,491	190	174

* Net capital expenditure in intangible assets, property, plant and equipment and rental equipment.

** Average exchange rate US dollar: 2008: EUR 1 = USD 1.47; 2007: EUR 1 = USD 1.36.

*** Average exchange rate Pound sterling: 2008: EUR 1 = GBP 0.78; 2007: EUR 1 = GBP 0.68.

<i>Exchange rates of currencies of importance to Océ</i>	average exchange rate of 1 euro		exchange rate at the balance sheet date of 1 euro	
	2008	2007	2008	2007
Pound sterling	0.78	0.68	0.84	0.71
US dollar	1.47	1.36	1.30	1.48
Australian dollar	1.71	1.63	1.98	1.66
Swiss franc	1.60	1.64	1.55	1.65
Japanese yen	153.54	160.78	123.62	162.55

<i>(1) Development of total revenues, cost of sales and gross margin</i>	x EUR million	total revenues		cost of sales		gross margin	
		2008	2007	2008	2007	2008	2007
Sales of goods		1,650	1,744	- 1,025	- 1,019	625	725
Revenues from rental and services		1,232	1,327	- 793	- 862	439	465
Interest from finance lease		27	27	-	-	27	27
Total		2,909	3,098	- 1,818	- 1,881	1,091	1,217

In "Sales of goods" the result of EUR 1.0 million (2007: EUR 0.6 million) on the sale of the lease portfolio is included in "total revenues" and "gross margin". The realized gain resulting from hedges of future cash flows of EUR 13.2 million (2007: EUR 9.0 million gain) is included in "cost of sales" (Sales of goods).

<i>(2) Expenses by nature</i>	x EUR 1,000	2008	2007
Material costs		- 881,908	- 897,708
Employee benefit expenses (3)		- 1,265,809	- 1,332,302
Depreciation, amortization and impairment charges		- 188,680	- 209,662
Operating lease expenses		- 57,236	- 56,575
Other expenses		- 469,312	- 480,791
Total		- 2,862,945	- 2,977,038

<i>(3) Employee benefit expenses</i>	x EUR 1,000	2008	2007
Wages and salaries		- 1,047,530	- 1,080,866
Social security		- 184,158	- 190,962
Pension costs for (23):			
• defined contribution plans		- 13,280	- 16,202
• defined benefit plans		- 27,288	- 37,625
Share-based compensation (26):			
• change in fair value outstanding share-based compensation		7,720	- 2,885
• settlement of share-based compensation		- 1,273	- 3,762
Total		- 1,265,809	- 1,332,302

<i>(4) Research and development expenses</i>	x EUR 1,000	2008	2007
Research and development expenses		- 230,164	- 227,529
Development credit repayable and net subsidies received		1,252	- 2,529
Total		- 228,912	- 230,058

In the header "Research and development expenses" an amount of EUR 11.9 million is recognized regarding amortization of capitalized development expenses (2007: EUR 6.7 million).

(5) Other income (net)	x EUR 1,000	2008	2007
	Sale of Océ Document Technologies (ODT)	22,956	-
	Sale of Arkwright	- 11,380	-
	Total	11,576	-

On 8 January 2008, Océ Document Technologies G.m.b.H. located in Konstanz (Germany) was sold to the American company Captaris Inc. On 3 July 2008, Arkwright, Inc. located in Fiskeville (United States) and on 21 November 2008, Arkwright Europe B.V. located in Venlo (The Netherlands) were partly sold to the Italian Diatec-group. The transaction involved the sale of the coating related activities. As a result of the partial sale, Océ released a loss of EUR 6.5 million of currency translation differences to the income statement. Reference is made to note (21).

(6) Financial income and expenses (net)	x EUR 1,000	2008	2007
	Interest expenses	- 51,672	- 54,123
	Commitment fees	- 1,192	- 1,229
	Unwinding of discount of provisions (25)	- 436	- 367
	Foreign exchange results on financing activities (net)	- 5,633	- 1,537
	Fair value results on financial instruments:		
	• interest rate swaps: fair value hedges	- 210	3,088
	• fair value adjustments on borrowings	210	- 3,088
	Other financial expenses	- 235	- 323
	Financial expenses	- 59,168	- 57,579
	Financial income (interest income)	11,264	17,239
	Total	- 47,904	- 40,340

(7) Income taxes	x EUR 1,000	2008	2007
	Current tax	- 6,793	- 5,566
	Deferred tax	11,829	3,144
	Total income tax in income statement	5,036	- 2,422
	Tax calculated at domestic tax rates applicable to income in the respective countries	238	- 24,426
	Income not subject to tax	22,137	16,778
	Expenses not deductible for tax purposes	- 5,350	- 1,518
	Tax credits	778	785
	Adjustments previous years	- 1,679	-
	Valuation of deferred tax assets	- 9,844	5,959
	Minimum tax requirements	- 1,244	-
	Total tax charge in income statement	5,036	- 2,422

The effective tax rate in 2008 is - 395.9% as a result of a very low income before income taxes (2007: 3.0%). The weighted average tax rate in 2008 was 27.5% (2007: 30.1%). The reduction of the effective tax rate was mainly caused by financing of the Group by means of a Belgian financing company. Regarding the internal financing structure of the Group, agreements have been made with the Dutch and Belgian fiscal authorities. A further reduction of the effective tax rate was realized by means of a release of fiscal provisions which relate to the expiration of fiscal risks and a one-off tax credit from the sale of Océ Document Technologies G.m.b.H.

In 2007, Océ has signed a so called "Handhavingsconvenant" with the Dutch fiscal authorities. All Dutch tax issues are discussed with the Dutch fiscal authorities under the covenant, based on transparency.

(8) Earnings per ordinary share for net income attributable to shareholders	x EUR 1,000	2008	2007
Net income attributable to shareholders		1,968	77,097
Dividend attributable to holders of financing preference shares		- 2,553	- 2,553
Net income attributable to holders of ordinary shares		- 585	74,544
Weighted average number of ordinary shares outstanding (x 1,000)		84,786	84,315
Basic earnings per ordinary share		- 0.01	0.88 euro
Net income attributable to holders of ordinary shares		- 585	74,544
Interest costs of convertible debentures to employees (net)		anti-dilutive	208
Net income attributable to holders of ordinary shares based on full conversion		- 585	74,752
Weighted average number of ordinary shares outstanding (x 1,000)		84,786	84,315
Adjustment for assumed conversion (x 1,000)		anti-dilutive	622
Adjustment for assumed equity-settlement of share-based compensation (x 1,000)		753	1,173
Weighted average number of ordinary shares outstanding on the basis of full conversion (x 1,000)		85,539	86,110
Diluted earnings per ordinary share		- 0.01	0.87 euro

(9) Intangible assets x EUR 1,000	goodwill	acquired separately and acquired through business combinations				internally generated		total
		software	technology	customer base	trade marks and other	software	technology	
Cost	346,849	47,174	22,844	89,062	40,886	48,032	32,226	627,073
Accumulated amortization and impairments	-623	-21,138	-6,351	-10,031	-9,873	-24,238	-5,898	-78,152
Carrying amount at 1 December 2006	346,226	26,036	16,493	79,031	31,013	23,794	26,328	548,921
<i>Movements in carrying amounts in 2007:</i>								
Expenditure	-	5,266	-	-	-	12,239	31,501	49,006
Divestments	-	-131	-16	-36	-	-35	-	-218
Net expenditure	-	5,135	-16	-36	-	12,204	31,501	48,788
<i>Acquisition subsidiaries</i>								
Amortization	-	-	-	1,711	-	-	-	1,711
Impairment	-	-8,644	-986	-9,836	-7,078	-6,477	-6,688	-39,709
Exchange differences	-	-17	-	-	-	-	-	-17
At 30 November 2007	-35,113	-1,615	-25	-7,387	-2,701	-502	-	-47,343
Cost	311,113	20,895	15,466	63,483	21,234	29,019	51,141	512,351
Accumulated amortization and impairments	-631	44,190	22,226	81,241	36,593	56,432	63,727	616,153
Carrying amount at 30 November 2007	311,113	20,895	15,466	63,483	21,234	29,019	51,141	512,351
<i>Movements in carrying amounts in 2008:</i>								
Expenditure	-	9,538	-	-	3,397	15,818	35,817	64,570
Divestments	-	-79	-6	-	-	-	-	-85
Net expenditure	-	9,459	-6	-	3,397	15,818	35,817	64,485

(9) Intangible assets x EUR 1,000	goodwill	acquired separately and acquired through business combinations				internally generated		total
		software	technology	customer base	trade marks and other	software	technology	
Reclassifications	-	339	-	-	-339	-	-	-
Acquisition subsidiaries	-	40	-	12,334	-	-	-	12,374
Sale subsidiaries	-	-25	-158	-	-	-	-	-183
Amortization	-	-9,897	-671	-10,834	-3,827	-5,803	-11,907	-42,939
Impairment	-	-	-	-	-	-2,964	-	-2,964
Exchange differences	39,212	1,310	-7	7,058	2,413	411	-	50,397
At 30 November 2008	350,325	22,121	14,624	72,041	22,878	36,481	75,051	593,521
Cost	350,968	53,893	22,566	103,876	44,654	71,490	99,544	746,991
Accumulated amortization and impairments	-643	-31,772	-7,942	-31,835	-21,776	-35,009	-24,493	-153,470
Carrying amount at 30 November 2008	350,325	22,121	14,624	72,041	22,878	36,481	75,051	593,521

Recognition of amortization costs in the income statement:	2008	2007
x EUR 1,000		
Cost of sales	- 6,401	- 6,618
Selling and marketing expenses	- 10,247	- 13,493
Research and development expenses	- 13,950	- 8,780
General and administrative expenses	- 12,341	- 10,818
Total	- 42,939	- 39,709

The remaining amortization period of intangible assets acquired or arisen from the acquisition of Imagistics International Inc. are 4 years for software, 7 years for customer base and 5 years for trademarks and other.

Océ has designated 5 cash-generating units (CGU) for the purpose of impairment testing and has allocated the goodwill on acquisition to those cash-generating units.

The 5 cash-generating units are:

- Technical Document Systems;
- Display Graphics Systems;
- Digital Document Systems;
- Océ Business Services;
- Imaging Supplies.

Goodwill allocation to cash-generating units:

x EUR 1,000	Technical document Systems		Display Graphics Systems		Digital Document Systems		Océ Business Services		total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
United States	30,638	26,908	-	-	280,250	246,137	24,531	21,544	335,419	294,589
Canada	-	-	-	-	7,197	7,852	-	-	7,197	7,852
France	-	-	938	938	-	-	-	-	938	938
United Kingdom	-	-	-	-	5,912	6,949	-	-	5,912	6,949
Slovakia	438	400	-	-	421	385	-	-	859	785
Total	31,076	27,308	938	938	293,780	261,323	24,531	21,544	350,325	311,113

The goodwill mainly relates to the acquisition of Imagistics International Inc. in 2005. The recoverable amount of a cash-generating unit is measured as the higher of its fair value less cost to sell and its value in use. The measurement based on the value in use, uses cash flow projections covering a 4-year period which have been derived from Océ's strategic plan, that was approved by the Board of Supervisory Directors on 16 December 2008. Cash flows beyond this period are extrapolated for another 6 years because of the relative long lifecycle of the Océ products, using the estimated growth rates per CGU stated on the next page, which are subsequently held constant at 2% for the perpetual period, equal to the expected inflation rate. The growth rates used in the 6-year period are tested with external sources and do not exceed the weighted average growth rates for the business in which the CGU operates. Management believes that the extrapolation for the 6-year period can be determined reliably and gives a better reflection of Océ's cash-generating potential.

In the assumptions for the calculation of the value in use per cash-generating unit is taken into account a further successful improvement of the cross-selling with Konica Minolta, the successful continuation of the Océ VarioPrint 6250 machine sales and the related recurring revenues, the timely and commercial successful introduction of the new machines in development, the realization of the already started cost savings and balance sheet reductions related to the corporate excellence program, the development of the sales and the gross margin and the development of the exchange rates, mainly the US dollar. The executed calculations show that there are no impairment losses for the cash-generating units.

Sensitivity analysis were worked out which also did not lead to an impairment loss for the company in total. The results of the sensitivity analysis are as follows:

- a decrease of the revenue growth with 1% reduces the surplus of the value in use above the carrying amount with 11%;
- a decrease of the relative gross margin with 1% reduces the surplus of the value in use above the carrying amount with 29%;
- a realization of 50% of the targets from the corporate excellence program reduces the surplus of the value in use above the carrying amount with 18%.

The above mentioned results differ per cash-generating unit, but do not lead to impairment losses for one of the cash-generating units.

The key assumptions used for value-in-use measurements per CGU to which goodwill has been allocated:

as %	Technical Document Systems		Display Graphics Systems		Digital Document Systems		Océ Business Services	
	2008	2007	2008	2007	2008	2007	2008	2007
Weighted average revenue growth	2.5	2.0	9.8	5.0	3.0	5.0	7.5	7.5
Weighted average inflation rate	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Pre-tax discount rate	9.8	9.5	9.8	9.5	9.8	9.5	9.8	9.5

The assumptions mentioned above have been used for the analysis of each CGU within the business segment. Management forecasts profits based on past performance and its expectations for market development.

The weighted average growth rates used are consistent with forecasts included in industry reports. The pre-tax discount rate reflects the risk of Océ as a whole.

<i>(10) Property, plant and equipment</i> x EUR 1,000	property and plant	production equipment	other equipment	other non- current assets	under construction and pre- payments	not in production process	total
Cost	365,631	467,311	111,126	345,352	23,982	13,400	1,326,802
Accumulated depreciation and impairments	- 180,550	- 370,822	- 66,286	- 272,106	-	- 8,906	- 898,670
Carrying amount at 1 December 2006	185,081	96,489	44,840	73,246	23,982	4,494	428,132
<i>Movements in carrying amounts in 2007:</i>							
Expenditure	2,303	10,512	28,406	21,109	24,629	-	86,959
Divestments	- 20,848	- 5,392	- 2,385	- 2,207	-	- 1,525	- 32,357
Net expenditure	- 18,545	5,120	26,021	18,902	24,629	- 1,525	54,602
Reclassifications	736	15,027	888	2,942	- 18,780	- 813	-
Depreciation	- 10,118	- 31,871	- 24,418	- 24,883	-	- 115	- 91,405
Impairment	-	- 9,483	-	- 706	-	-	- 10,189
Exchange differences	- 1,905	- 1,468	- 2,595	- 1,646	- 110	- 83	- 7,807
At 30 November 2007	155,249	73,814	44,736	67,855	29,721	1,958	373,333
Cost	325,890	463,373	118,682	331,828	29,721	2,167	1,271,661
Accumulated depreciation and impairments	- 170,641	- 389,559	- 73,946	- 263,973	-	- 209	- 898,328
Carrying amount at 30 November 2007	155,249	73,814	44,736	67,855	29,721	1,958	373,333
<i>Movements in carrying amounts in 2008:</i>							
Expenditure	7,893	13,776	24,796	18,107	11,579	-	76,151
Divestments	- 69	- 898	- 6,191	- 2,866	-	-	- 10,024
Net expenditure	7,824	12,878	18,605	15,241	11,579	-	66,127
Reclassifications	729	20,527	399	5,175	- 26,787	- 43	-
Acquisition subsidiaries	-	14	-	48	1	-	63
Sale subsidiaries	- 4,188	- 4,715	-	- 916	- 352	-	- 10,171
Depreciation	- 9,065	- 26,049	- 21,587	- 23,290	-	- 28	- 80,019
Impairment	-	-	-	-	-	-	-
Exchange differences	1,112	406	1,781	1,168	48	64	4,579
At 30 November 2008	151,661	76,875	43,934	65,281	14,210	1,951	353,912
Cost	325,576	412,937	114,706	334,996	14,210	2,173	1,204,598
Accumulated depreciation and impairments	- 173,915	- 336,062	- 70,772	- 269,715	-	- 222	- 850,686
Carrying amount at 30 November 2008	151,661	76,875	43,934	65,281	14,210	1,951	353,912

Recognition of depreciation costs in the income statement:	2008	2007
x EUR 1,000		
Cost of sales	- 45,017	- 52,591
Selling and marketing expenses	- 19,330	- 22,683
Research and development expenses	- 11,631	- 11,765
General and administrative expenses	- 4,041	- 4,366
Total	- 80,019	- 91,405

The figures 2007 of "Property and plant" and "Production equipment" contain divestments of EUR 24 million in respect of sale and lease-back transactions of office buildings in the Netherlands and France in 2007. The revenues of these transactions amounted to EUR 39 million. The profit of EUR 15.0 million was recognized for EUR 4.3 million in the gross margin and for EUR 10.7 million as operating expenses, based on historical depreciation. Lease payments amounting to EUR 57.2 million (2007: EUR 56.6 million) relating to operating lease of buildings and production equipment are included in the income statement.

"Other equipment" consists of Océ Business Services machines and internally used machines. The book value of "Other equipment" contains an amount of EUR 6.6 million of assets financed through finance leases (2007: EUR 6.3 million).

In 2007 an impairment loss of EUR 10.2 million regarding "Production equipment" and "Other non-current assets" was recognized in SBU Digital Document Systems. This loss was included in the "Cost of sales" in the income statement.

(11) Rental equipment	x EUR 1,000	2008	2007
Cost		334,449	353,771
Accumulated depreciation and impairments		- 226,575	- 241,862
Carrying amount at 1 December 2007/2006		107,874	111,909
<i>Movements in carrying amount:</i>			
Installed in rental		99,639	112,143
Divestments		- 40,084	- 41,101
Depreciation		- 62,758	- 68,342
Exchange differences		5,233	- 6,735
At 30 November		109,904	107,874
Cost		343,412	334,449
Accumulated depreciation and impairments		- 233,508	- 226,575
Carrying amount at 30 November		109,904	107,874

In the income statement depreciation is included in full under "Cost of sales".

(12) Associates	x EUR 1,000	2008	2007
At 1 December 2007/2006		2,231	1,820
<i>Movements in carrying amount:</i>			
Share in income		617	440
Investment/divestment		- 201	203
Dividend		- 315	- 224
Exchange differences		- 222	- 8
At 30 November		2,110	2,231

No goodwill is included in "Associates" at 30 November 2008 (2007: nil).

(13) Derivative financial instruments x EUR 1,000	2008		2007	
	assets	liabilities	assets	liabilities
Interest rate swaps	571	22,132	588	13,484
Foreign exchange contracts	-	6,108	2,399	-
Cap on financing preference shares	-	-	2,000	-
Non-current	571	28,240	4,987	13,484
Interest rate swaps	-	142	204	284
Foreign exchange contracts	21,361	24,217	11,097	1,244
Embedded derivatives	743	657	897	-
Current	22,104	25,016	12,198	1,528
Total	22,675	53,256	17,185	15,012

Interest rate swaps

The principal amounts of the outstanding interest rate swaps amounts to EUR 201.3 million (2007: EUR 360.9 million). At 30 November 2008 the interest rates vary from 2.5% to 4.4% (2007: 4.6% to 5.6%). The main floating rates are related to EURIBOR and USD-LIBOR.

Foreign exchange contracts

The principal amounts of foreign exchange contracts at the balance sheet date are as follows:

- in respect of future cash flows: EUR 234.0 million (2007: EUR 191.4 million);
- in respect of intercompany loans: EUR 45.9 million (2007: EUR 27.8 million);
- in respect of external loans: EUR 50.8 million (2007: EUR 51.7 million).

Cap on convertible financing preference shares

Océ agreed revised conditions in 2006 on the financing preference shares which were approved on the Annual General Meeting of Shareholders of 20 April 2006. Based on the revised conditions the holders of the financing preference shares can convert these shares into ordinary shares at a price of EUR 18.01 per share on 30 November 2012. The conversion option however is capped at 130% of the conversion price; the difference between the actual share price and the capped price is recognized as a derivative financial asset (cap). The cap is measured using a binomial option-pricing model.

Embedded derivatives

Océ enters into purchase and sales contracts denominated in various currencies. In some cases this currency is not the functional currency of any party to the contract. In these cases the embedded foreign exchange contract is bifurcated from its host contract (purchase or sales contract).

Call option on convertible debenture to employees

Océ changed the presentation of the call option on convertible debenture to employees from derivative financial instruments to share-based compensation. This change had no significant impact on the consolidated financial statements.

Hedge accounting

Océ has designated certain qualifying derivative financial instruments as hedge instruments for fair value hedge accounting or cash flow hedge accounting to manage its volatility in earnings. The principal amount and fair value of interest rate swaps designated in a fair value hedge are as follows: EUR 4.5 million (2007: EUR 4.5 million) and EUR 0.6 million (2007: EUR 0.4 million). The fair value of the hedge items amount to EUR 5.1 million (2007: EUR 4.9 million).

The principal amount and fair value of derivative financial instruments designated in a cash flow hedge are as follows:

- foreign exchange contracts EUR 164.3 million and - EUR 4.0 million (2007: EUR 130.8 million and EUR 9.7 million);
- interest rate swaps EUR 192.9 million and - EUR 22.1 million (2007: EUR 249.4 million and - EUR 12.8 million).

Regarding cash flow hedges of foreign exchange risks of forecasted transactions, the underlying cash flow is expected to occur within a range between 1 and 15 months after the balance sheet date. For

cash flow hedges of intercompany loans, the underlying cash flow is expected to occur at the moment of repayment of the loan (generally within 3 months). For cash flow hedges of interest rate risk, the underlying cash flow is expected to occur on the moment of the interest due date of the 3-months floating rate loans. See note (22). For movements in the hedge reserve, reference is made to note (21).

(14) Trade and other receivables	x EUR 1,000	2008	2007
Finance lease receivables (net)		202,804	172,236
Other receivables		13,850	11,815
Non-current		216,654	184,051
Trade receivables (gross)		526,916	545,636
Provision for impairment of trade receivables		- 45,685	- 46,952
Trade receivables (net)		481,231	498,684
Finance lease receivables (net)		94,840	93,213
Prepayments		20,379	17,323
Duties and taxes		13,145	15,001
Other receivables		71,649	60,141
Current		681,244	684,362
Total		897,898	868,413
Provision for impairment of trade receivables:			
At 1 December 2007/2006		- 46,952	- 53,240
<i>Movements in carrying amount:</i>			
Addition to provision		- 16,490	- 16,005
Receivables written off as uncollectable		16,709	16,083
Unused amounts reversed		2,361	4,273
Exchange differences		- 1,313	1,937
At 30 November		- 45,685	- 46,952

The aging of trade receivables as of 30 November 2008 is as follows:	gross	provision	net
x EUR 1,000			
Not yet due	328,754	- 2,910	325,844
Less than 3 months past due	129,845	- 4,335	125,510
3-6 months past due	21,545	- 3,867	17,678
More than 6 months past due	46,772	- 34,573	12,199
Total	526,916	- 45,685	481,231

The aging of trade receivables as of 30 November 2007 is as follows:	gross	provision	net
x EUR 1,000			
Not yet due	357,006	- 2,415	354,591
Less than 3 months past due	120,920	- 5,881	115,039
3-6 months past due	20,773	- 4,233	16,540
More than 6 months past due	46,937	- 34,423	12,514
Total	545,636	- 46,952	498,684

There is no concentration of credit risk with respect to trade receivables, as Océ has a large number of customers internationally dispersed. The estimated credit risk amounts to EUR 52.8 million (2007: EUR 51.7 million). In respect of the total carrying amounts of financial assets, reference is made to the disclosure "Classes of financial instruments". The carrying amount of the trade and other receivables approximates the fair value.

"Other receivables" includes loans provided to the Board of Executive Directors of EUR 62,590 (2007: EUR 62,590). The specification of this amount is as follows: R.L. van Iperen EUR 34,140 and J.F. Dix

EUR 28,450. These loans are interest-free and were provided prior to 30 November 2002. Repayment takes place upon exercise or cancellation of the annual tranche of options in respect of which the loan was provided.

"Other receivables" also includes an amount of EUR 372,000 (2007: EUR 483,000) which was provided to personnel in the form of loans.

Finance lease receivables comprise of the following components:	2008	2007
x EUR 1,000		
Finance lease receivables (gross)	347,920	309,549
Unearned interest	- 51,847	- 45,936
Residual value	8,641	6,576
	304,714	270,189
Provision for impairment	- 7,070	- 4,740
Finance lease receivables (net)	297,644	265,449

The gross finance lease receivables can be subdivided into the following duration categories:

12 months or less	110,517	110,199
1-5 years	221,099	185,659
More than 5 years	16,304	13,691
Total	347,920	309,549

The net finance lease receivables can be subdivided into the following duration categories:

12 months or less	94,840	93,213
1-5 years	188,067	159,720
More than 5 years	14,737	12,516
Total	297,644	265,449

Provision for impairment of finance lease receivables:

At 1 December 2007/2006	- 4,740	- 7,426
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Movements in carrying amount:

Additions to provision	- 6,910	- 5,489
Receivables written off as uncollectable	1,817	2,739
Unused amounts reversed	3,166	5,037
Exchange differences	- 403	399
At 30 November	- 7,070	- 4,740

Océ provides for 3 types of lease arrangements. Operating lease, in which the risks and returns of ownership of the equipment are retained by Océ (defined by Océ as "Rentals"). Finance lease arrangements in which Océ acts as the lessor and finance lease arrangements in which thirds act as the lessor. With the last 2 types, the risks and returns of ownership of the equipment are transferred to the lessee.

(15) Deferred income tax

The changes in deferred income tax assets and liabilities are as follows:		2008	2007
x EUR 1,000			
At 1 December 2007/2006		71,299	33,606
Exchange differences		- 1,646	- 1,473
Income statement		11,829	3,144
Transferred from the current tax position		-	36,022
At 30 November		81,482	71,299
The composition of deferred income tax (net) is as follows:			
Carry forward losses		76,661	49,163
Temporary differences (net)		48,328	50,563
Unrecognized deferred income tax assets		- 32,910	- 14,879
Provision for tax risks		- 10,597	- 13,548
Total		81,482	71,299

The composition of temporary differences is as follows:		2008		2007	
x EUR 1,000		assets	liabilities	assets	liabilities
Intangible assets		1,581	54,104	11,965	45,553
Tangible assets		29,913	9,006	19,648	-
Leasing		70	30,167	-	27,563
Current assets		37,874	5,906	24,466	-
Non-current liabilities		80,313	201	81,973	208
Current liabilities		-	2,039	-	14,165
Total		149,751	101,423	138,052	87,489

The claim for carry forward losses falls due as follows as at:	2010	2011	2012	after 2012	unlimited	total
x EUR million						
30 November 2007	4.0	2.3	3.6	6.5	32.8	49.2
30 November 2008	1.6	0.3	3.4	7.5	63.9	76.7

(16) Available-for-sale financial assets	x EUR 1,000	2008	2007
At 1 December 2007/2006		9,300	9,389
<i>Movements in carrying amount:</i>			
Additions		1,469	852
Disposals		- 2,088	- 817
Gains/losses transferred to equity		- 189	- 97
Exchange differences transferred to equity		75	- 27
At 30 November		8,567	9,300
Listed securities (Japan)		275	389
Unlisted securities (Euro-zone countries)		8,292	8,911
Total		8,567	9,300

There were no impairments on "Available-for-sale financial assets" in 2008 (2007: nil). Measurement of unlisted securities is based on actuarial calculations.

(17) Inventories	x EUR 1,000	2008	2007
	Raw and other materials	48,197	58,287
	Semi-finished products and spare parts	118,784	121,224
	Finished products and trade inventories	185,833	148,601
	Total	352,814	328,112

In 2007, an impairment loss on inventories of EUR 3.8 million occurred within the SBU Digital Document Systems. This loss was recognized in the income statement under "Cost of sales".

(18) Cash and cash equivalents	x EUR 1,000	2008	2007
	Cash and bank balances	79,361	55,052
	Time deposits	-	112,181
	Total	79,361	167,233

From the total amount of cash and cash equivalents, EUR 0.6 million was blocked in 2007 regarding securities to be issued. As at 30 November 2008, the total amount was freely available.

The effective interest rate on time deposits was 3.93% on 30 November 2007; these deposits had an average maturity of 3.3 days.

(19) Non-current assets held for sale

As part of the ongoing outsourcing of the lease portfolio certain finance lease receivables, including underlying assets, are to be sold to external finance companies. These finance lease receivables have been presented as non-current assets held for sale. This transaction has been completed in December 2008.

(20) Share capital	x EUR 1,000	ordinary shares	priority shares	financing preference shares	total
	At 1 December 2006	43,642	2	10,000	53,644
	Conversion of convertible debentures to employees	25	-	-	25
	At 30 November 2007	43,667	2	10,000	53,669
	Conversion of convertible debentures to employees	2	-	-	2
	Withdrawal priority shares	-	- 2	-	- 2
	At 30 November 2008	43,669	-	10,000	53,669

Authorized capital

The authorized capital amounts to EUR 175,000,000 and is subdivided into:

- 145,000,000 ordinary shares of EUR 0.50 each;
- 30,000,000 convertible cumulative financing preference shares of EUR 0.50 each; and
- 175,000 cumulative protective preference shares of EUR 500 each.

All issued shares are fully paid-in.

Overview of movements in number of shares outstanding:	at 1 December 2007	conversion	repurchase	exercise of share-based compensations	at 30 November 2008
Ordinary shares	87,334,452	2,656	-	-	87,337,108
Treasury shares	- 2,601,131	-	-	77,323	- 2,523,808
Ordinary shares	84,733,321	2,656	-	77,323	84,813,300
Priority shares	30	-	- 30	-	-
Financing preference shares	20,000,000	-	-	-	20,000,000

Ordinary shares

During the financial year the total number of ordinary shares outstanding increased by 79,979 to 84,813,300 as at 30 November 2008. The main reason for this was the exercise of share options in connection with the share option plan.

Priority shares

Within the framework of the change in the governance structure the General Meeting of Shareholders decided on 23 April 2008 that the priority shares be abolished via a buy-back followed by cancellation of the priority shares by Océ. In 2008 this decision was effected.

Convertible cumulative financing preference shares

In 1996 5,000,000 financing preference shares were placed with the Foundation "Stichting Administratiekantoor Preferente Aandelen Océ" in return for the issue to a number of institutional investors of registered depository receipts with limited cancellability. As a result of the share split the number of financing preference shares currently placed amounts to 20,000,000. With effect from 3 May 2006 conversion into ordinary shares is possible with due regard to article 41 of the Articles of Association of Océ N.V. The directors of the Administration office are: P.H. Vogtländer (chairman), S. Bergsma, J.M. Boll, J. Klaassen and J. Zuidam.

Cumulative protective preference shares

Since 1979 the Company has been under the irrevocable obligation to issue protective preference shares to the Lodewijk Foundation, Venlo, on the latter's first request. As to the nominal value of such issue, the Company's obligation has since February 1997 related to at most an amount equal to the total nominal value of the ordinary and financing preference shares of the Company issued at the time of the request. The directors of the Lodewijk Foundation are: N.J. Westdijk (chairman), S.D. de Bree, M.W. den Boogert and F.J.G.M. Cremers. The Lodewijk Foundation is a legal entity independent from Océ N.V. as defined in article 5:71 para. 1 sub c Wft.

(21) Other
reserves

Legal reserves

x EUR 1,000	hedging reserve	available- for-sale	currency translation	other legal reserves	treasury shares	total
At 1 December 2006	2,312	- 189	- 148,089	51,403	- 45,822	- 140,385
Cash flow hedges:						
• transferred to hedging reserve	- 7,102	-	-	-	-	- 7,102
• recycled to the income statement	3,606	-	-	-	-	3,606
Currency translation differences:						
• subsidiaries	-	-	- 42,629	-	-	- 42,629
• associates	-	-	71	-	-	71
Other changes	-	- 124	-	30,185	-	30,061
Total recognized income and expenses	- 3,496	- 124	- 42,558	30,185	-	- 15,993
Share-based compensation (26):						
• proceeds from shares reissued	-	-	-	-	9,866	9,866
At 30 November 2007	- 1,184	- 313	- 190,647	81,588	- 35,956	- 146,512
Cash flow hedges:						
• transferred to hedging reserve	- 8,441	-	-	-	-	- 8,441
• recycled to the income statement	- 6,433	-	-	-	-	- 6,433
Currency translation differences:						
• subsidiaries	-	-	30,324	-	-	30,324
• associates	-	-	5	-	-	5
• sale of subsidiary (recycled to the income statement)	-	-	6,496	-	-	6,496
Other changes	-	- 114	-	31,825	-	31,711
Total recognized income and expenses	- 14,874	- 114	36,825	31,825	-	53,662
Share-based compensation (26):						
• proceeds from shares reissued	-	-	-	-	980	980
At 30 November 2008	- 16,058	- 427	- 153,822	113,413	- 34,976	- 91,870

Océ N.V. is a company incorporated under Dutch law. In accordance with the Dutch Civil Code, legal reserves have to be established in certain circumstances. The hedging reserve, the available-for-sale reserve, the currency translation reserve and other legal reserves are legal reserves. The other legal reserves consist of a reserve for non-distributed income of associates and for capitalized development costs.

(22) Borrowings	x EUR 1,000	2008	2007
Convertible debentures to employees		5,334	5,859
6.18% semi-annual USPP Notes due in 2011		118,846	104,378
6.31% semi-annual USPP Notes due in 2013		44,760	39,312
6.38% semi-annual USPP Notes due in 2016		2,315	2,033
5.82% semi-annual USPP Notes due in 2016		23,845	28,016
Drawn under EUR 500 million facility (3.563% - 3.718%)		247,931	249,446
Drawn under EUR 150 million facility (1.783% - 13.150%)		122,964	99,016
Other loans		4,830	4,055
Finance lease obligations		3,644	3,511
Non-current		574,469	535,626
Convertible debentures to employees		1,213	1,586
Bank overdrafts		10,107	7,917
Other loans		21,137	50,164
Finance lease obligations		4,175	4,576
Current		36,632	64,243
Total		611,101	599,869

For an overview of the contractual redemption payments and interest payments, reference is made to the disclosure "Contractual payments due by period" in section "Financial Risk Management".

The carrying amounts of the borrowings are denominated in the following currencies:	2008	2007
x EUR 1,000		
Euro	75,143	112,692
US dollar	420,275	361,176
Pound sterling	30,879	37,026
Other	84,804	88,975
Total	611,101	599,869

The fair value of borrowings is EUR 22.5 million higher than the carrying amount (2007: EUR 16.6 million higher). The carrying amount of borrowings is EUR 0.4 million lower (2007: EUR 1.0 million lower) than the face value, as a result of the application of fair value hedge accounting.

The average effective interest rates are as follows:	2008	2007
as %		
Convertible debentures to employees	3.88	4.00
Debentures and other loans	4.49	5.67
Finance lease obligations	11.00	9.50

Employees may opt for convertible personnel debentures under the annual profit-sharing scheme. The duration is 6½ years. The average conversion price is EUR 11.48 (2007: EUR 12.05).

Finance lease obligations

Redemption of the finance lease obligations will take place from 2007 up to and including 2011.

Covenants and credit facilities

For covenant and credit facilities reference is made to the disclosure in section "Financial Risk Management" with respect to "Liquidity risk".

**(23) Retirement
benefit obligations**

x EUR 1,000	2008	2007
Balance sheet:		
Defined benefit plans	388,730	413,596
Pension costs for:		
• defined contribution plans	13,280	16,202
• defined benefit plans	27,288	37,625
Total	40,568	53,827
Recognition of pension costs in the income statement:		
Cost of sales	19,227	21,214
Selling and marketing expenses	15,333	17,834
Research and development expenses	10,017	9,823
General and administrative expenses *	- 4,009	4,956
Total	40,568	53,827

* The general and administrative expenses 2008 include EUR 4.5 million proceeds from curtailments.

Defined contribution plans: The contributions are recognized as "Defined contribution plans" under "Trade and other liabilities" on the moment that the liability is incurred.

Defined benefit plans:

The weighted average actuarial assumptions are:	2008	2007
as %		
Discount rate	6.68	5.48
Expected return on plan assets	6.65	6.30
Expected increase in salaries	2.69	2.74
Expected increase in benefits	1.64	1.77
The pension costs for defined benefit plans charged to the income statement are as follows:	2008	2007
x EUR 1,000		
Current service costs	29,210	39,392
Interest costs	73,986	71,198
Expected return on plan assets	- 70,851	- 72,406
Amortization of actuarial gain/losses	- 516	- 410
Curtailments/settlements	- 4,541	- 149
Total	27,288	37,625
The amounts included in the balance sheet are determined as follows:	2008	2007
x EUR 1,000		
Present value of funded obligations	- 987,779	- 1,154,201
Fair value of plan assets	880,993	1,139,040
Surplus/deficit	- 106,786	- 15,161
Present value of unfunded obligations	- 210,474	- 237,402
Funded status	- 317,260	- 252,563
Unrecognized actuarial gains/losses	- 71,453	- 160,301
Unrecognized past service costs	- 17	- 732
Retirement benefit obligation in the balance sheet at 30 November	- 388,730	- 413,596

Movements in defined benefit obligations:	2008	2007
x EUR 1,000		
Defined benefit obligations at 1 December 2007/2006	- 1,391,603	- 1,549,172
Current service costs	- 29,210	- 39,392
Interest costs	- 73,986	- 71,198
Employee contributions	- 13,547	- 12,084
Actuarial gains/losses	233,675	206,370
Amendments in pension plans	- 5,562	879
Acquisition/sale of subsidiaries	11,325	-
Settlements	7,406	-
Benefits paid	53,214	45,159
Exchange differences	10,035	27,835
Defined benefit obligations at 30 November	- 1,198,253	- 1,391,603

Movements in the fair value of the plan assets:	2008	2007
x EUR 1,000		
Fair value of assets at 1 December 2007/2006	1,139,040	1,149,417
Actual return on plan assets	- 245,208	8,001
Employer contributions	43,222	41,826
Employee contributions	13,547	12,084
Amendments	- 7,406	-
Benefits paid	- 53,214	- 45,159
Exchange differences	- 8,988	- 27,129
Fair value of plan assets at 30 November	880,993	1,139,040

Composition of plan assets:	2008	2007
x EUR 1,000		
Equity instruments	437,348	610,631
Fixed income	364,103	405,841
Property	22,328	17,096
Other	57,214	105,472
Fair value of plan assets at 30 November	880,993	1,139,040

The employer contribution in The Netherlands in 2009 is expected to increase with approximately EUR 3 million compared to 2008. Océ has no information available to make a reliable estimate about the increase in 2009 in employer contributions in other countries.

Financed and non-financed defined benefit obligations:	2008	2007	2006	2005
x EUR 1,000				
Present value of funded obligations	- 987,779	- 1,154,201	- 1,289,549	- 1,288,620
Fair value of plan assets	880,993	1,139,040	1,149,417	1,077,013
Surplus/deficit	- 106,786	- 15,161	- 140,132	- 211,607
Experience adjustments arising on defined benefit obligation	- 9,494	40,043	-	-

IAS 19 requires a 5-year history to be disclosed. Océ does not have all information available.

(24) Trade and other liabilities

x EUR 1,000	2008	2007
Trade accounts payable	263,841	241,383
Notes payable	12,595	13,029
Other taxes and social securities payable	72,890	68,969
Dividend financing preference shares	2,553	2,553
Defined contribution plans	3,893	3,887
Salary expenses and payroll taxes	151,217	150,659
Share-based compensation (26)	238	8,636
Deferred income	60,544	58,876
Other liabilities	55,377	28,781
Accrued expenses	78,358	68,977
Total	701,506	645,750
Less non-current	5,073	13,537
Current	696,433	632,213

The carrying amount of the trade and other liabilities approximates the fair value.

(25) Provisions for other liabilities and charges

x EUR 1,000	other long term employee benefits	employee termination benefits	restructuring	other	total
At 1 December 2007	33,959	9,928	8,138	12,980	65,005
Addition charged to income statement	1,714	12,973	33,784	8,543	57,014
Unused amounts reversed to income statement	- 1,722	- 1,066	- 276	- 2,058	- 5,122
Acquisition/sale of subsidiaries	- 755	-	- 543	- 36	- 1,334
Used	- 4,623	- 10,514	- 29,091	- 6,626	- 50,854
Unwinding of discount	425	-	-	11	436
Exchange differences	- 237	11	- 10	- 792	- 1,028
At 30 November 2008	28,761	11,332	12,002	12,022	64,117
Non-current	27,755	5,218	2,419	6,908	42,300
Current	1,006	6,114	9,583	5,114	21,817
Total	28,761	11,332	12,002	12,022	64,117

Other long-term employee benefits include long-service leave awards, jubilee and other long-service benefits.

Employee termination benefits relate mainly to an early retirement program in Germany ("Altersteilzeit"). This program is used to create an incentive for employees, within a certain age group, to transit from (full or part-time) employment into retirement before their legal retirement age.

Restructuring costs relates mainly to the restructuring measures that were initiated in 2008 to achieve further reduction in costs. The total amount of restructuring cost in 2008 of EUR 45.0 million has been recognized for EUR 33.8 million under restructuring and for EUR 11.2 million under employee termination benefits.

Other relates among other things to legal proceedings, guarantee commitments and onerous contracts in respect of buildings.

(26) Share-based compensation

As an incentive for the achievement of Océ's objectives over the long-term and compensation to stimulate a long-term involvement with the company, Océ operates several share-based compensation plans, which are granted to certain senior company executives.

x EUR 1,000	settlement type	fair value at 30 November 2007	settlement in equity	total expenses recognized in the income statement	fair value at 30 November 2008
Share option plans	cash-alternatives	5,072	-	- 5,050	22
Share plans	cash-alternatives	2,173	-	- 1,972	201
Call options on convertible debentures to employees	cash	1,391	-	- 1,376	15
		8,636	-	- 8,398	238
Share plans	equity	3,822	- 3,244	678	1,256
Total		12,458	- 3,244	- 7,720	1,494

At 30 November 2008, the liability arising from share-based compensation amounted to EUR 0.2 million (2007: EUR 8.6 million). The intrinsic value of vested share option plans at 30 November 2008 was nil (2007: EUR 2.0 million).

Call options on convertible debentures

Convertible debentures to employees contain the right to convert the debentures into the value of ordinary shares. Because cash conversion is applicable, the call option on the convertible debentures is recognized as a liability, measured using a binomial option-pricing model. Océ changed the presentation of the call option on convertible debenture to employees from derivative financial instruments to share-based compensation. This change had no significant impact on the consolidated financial statements.

Share option plans

Up to and including the 2005 financial year, Océ issued share option plans to a group of eligible employees in which option rights and/or Share Appreciation Rights (SARs) in respect of ordinary shares in Océ were granted. In addition, conditional options were also granted to a limited number of participants.

Share option plans have an average vesting period of 2½ years and an exercise period of 6 years. During the exercise period, the employees have an American call option on ordinary shares Océ. The fair value of the option plan is measured using a binomial option-pricing model. The share price used was EUR 3.46 (2007: EUR 12.39) and the average remaining term of the options was 3½ years. The expected volatility of 38.6% was determined using the historical volatility of the equivalent period in the past from the moment of measurement. The expected dividend of EUR 0.64 per share is based on the past dividends. The risk free rate used is based on the "Marginal Lending Facility" of the European Central Bank (3.75%). Based on historical data, it is expected that employees on average will exercise their option early if the stock price is 39% above the exercise price.

The table below gives an overview of the rights that were granted under this share option plan.

share option plan of year	number of options granted	exercise price in euro	outstanding at 30 November 2007	forfeited/ expired	exercised	outstanding at 30 November 2008	expiration date	
Exercisable	2002	716,000	9.77-13.19	165,500	- 2,000	-	163,500	28 November 2009/2010
	2003	793,000	10.75-14.51	307,500	- 4,000	-	303,500	27 November 2010/2011
	2004	1,138,500	12.21-12.30	543,800	- 20,000	-	523,800	26 November 2011/2012
	2005	1,015,000	11.25-15.19	849,334	- 35,000	- 5,000	809,334	30 November 2012/2013
Total		3,662,500		1,866,134	- 61,000	- 5,000	1,800,134	
Average exercise price in euro per share				11.35	11.30	11.25	11.35	

Regulation Participation in the Océ share option plans is subject to regulations so as to prevent the misuse of inside information. Participants are prohibited from trading in Océ options on the Euronext Options Exchange in Amsterdam and are not allowed to dispose of or pledge the options that they have been granted. Participants have to transfer the exercise of their options to an independent Trustee designated by the company; this Trustee will then exercise the options according to the instructions given by the participants. Participants can only give such instructions if they are not in possession of inside information during the designated exercise periods. A designated period is a period of at most 9 stock exchange trading days after publication of the quarterly results.

Total number of options/SARs As at 30 November 2008 a total of 1,800,134 unconditional option rights or SARs (2007: 1,866,134) in respect of ordinary shares were outstanding at an average exercise price of EUR 11.35 (2007: EUR 11.35). The 3-year vesting period of all share option plans has passed and all share options have become unconditional and exercisable. The average remaining duration of these options is 3½ years.

Share plans

At the end of 2004 the share option plan for the members of the Board of Executive Directors and at the end of 2005 the share option plan for other senior managers were replaced by share plans. For former senior executives of Imagistics International Inc. a separate plan is in place. As a result of the appointment of Mr. A.H. Schaaf to the Board of Executive Directors, a fourth plan is in place since 2006. All share plans are subjected to a service condition. At the end of the vesting period, holders can choose between full settlement in shares or partial settlement in cash, to fulfill their tax obligation, and the remaining part in shares (plan 2006) or in cash (plan 2007 and subsequent years).

Share plan Board of Executive Directors At the beginning of 2005 a conditional right to shares was granted to the members of the Board of Executive Directors for the first time. The share plan comprises the conditional granting of shares in Océ N.V. Each year a plan with a 3-year vesting period starts in which the company's performance is measured at the end of the vesting period against that of a peer group of companies. The number of conditional shares corresponds to a percentage (at most 60%) of the fixed reference salary divided by the price of the share on the stock market on the first day of the vesting period. The relative ranking that Océ achieves in the peer group determines the definitive number of shares that are granted. At the end of the vesting period, the Board of Executive Directors may choose to settle part of the plan in cash to pay the tax amount due. The remaining shares vested must be retained by the members of the Board of Executive Directors for a specific period (lock-up period).

Share plan senior managers At the beginning of 2006 a conditional right to shares was granted to senior managers for the first time. The share plan senior managers comprises the conditional granting of shares in Océ N.V. The vesting period is 3 years and the non-market based performance condition is a target operating income. Depending on growth in target operating income, the vesting of the number of shares can vary between 0% and 120% of the conditional number of shares granted. With effect from 2007, the grant has been changed from right to shares Océ N.V. to phantom shares Océ N.V.

Share plan Imagistics The share plan Imagistics comprises the conditional granting of shares in Océ N.V. The graded vesting period comprises 3 years; on 1 December of each year 33.3% of the grant vests.

Share plan July 2006 This share plan comprises the granting of conditional shares in Océ N.V. to Mr. A.H. Schaaf. The graded vesting period has a term of 2½ years. The shares vest 33.4% directly and 22.2% on the last working day of January of each calendar year during the vesting period.

share plan	year	number of conditionally shares granted	stock price at grant day in euro	conditionally outstanding shares at 30 November 2007	granted	vested	forfeited/ expired	conditionally outstanding shares at 30 November 2008	end of vesting period	lock-up period in years
Board of Executive Directors	2005	71,713	12.55	71,713	-	23,903	47,810	-	28-2-2008	3
Board of Executive Directors	2006	66,083	14.30	66,083	-	-	-	66,083	27-2-2009	2
Board of Executive Directors	2007	98,666	12.70	98,666	-	-	-	98,666	26-2-2010	2
Board of Executive Directors	2008	87,400	11.58	-	87,400	-	-	87,400	4-3-2011	2
Senior managers	2006	386,750	14.25	363,403	-	-	363,403	-	30-11-2008	-
Senior managers	2007	419,284	12.34	408,187	-	-	18,278	389,909	30-11-2009	-
Senior managers	2008	521,250	12.39	-	521,250	-	14,098	507,152	30-11-2010	-
Imagistics	2005	162,552	12.11	97,265	-	51,331	3,306	42,628	1-12-2008	-
Imagistics	2006	80,131	12.59	80,131	-	30,533	-	49,598	1-12-2009	-
Imagistics	2007	40,000	12.39	-	40,000	-	-	40,000	1-12-2010	-
July 2006	2006	34,630	12.28	15,376	-	7,688	-	7,688	30-1-2009	-
Total		1,968,459		1,200,824	648,650	113,455	446,895	1,289,124		

<i>(27) Directors' remuneration</i>	The individual remuneration of the members of the Board of Executive Directors over 2008 is: in euro	periodic pay	performance related pay	share-based compensation	total	pension contributions
	R.L. van Iperen	683,816	-	103,320	787,136	233,931
	J. van den Belt	472,578	-	77,493	550,071	155,351
	J.F. Dix	515,802	-	77,493	593,295	207,757
	H.A. Kerkhoven*	86,450	-	-	86,450	16,891
	A.H. Schaaf	515,802	-	101,866	617,668	143,636

Mr. Van den Belt was granted an additional ex gratia payment of EUR 124,545 in connection with his willingness to extend his membership of the Board of Executive Directors from May until November 2008. This payment took place on 15 October 2008. Upon reaching the retirement age, Mr. Van den Belt stepped down as CFO and member of the Board of Executive Directors per 22 October 2008. Per the same date Mr. Kerkhoven was appointed as his successor.

* Mr. Kerkhoven was granted a one-off payment of EUR 300,000 as a reimbursement for the loss of the option-plan at ArcelorMittal. Furthermore, at the beginning of 2009, a payment of EUR 150,000 will be made to Mr. Kerkhoven for the loss of the 2008 bonus at ArcelorMittal.

in euro	age on 30 November 2008	indicative retirment age	increase in accrued pension entitlements in 2008	accrued pension rights as at 30 November 2008	capital build-up in defined contribution plan as at 30 November 2008	
R.L. van Iperen		55	60	10,423	259,679	493,204
J. van den Belt		62	62	5,194	54,655	481,718
J.F. Dix		62	62	9,828	232,877	211,669
H.A. Kerkhoven		46	65	377	377	-
A.H. Schaaf		54	65	2,369	5,601	215.841

Pension entitlements

The above table shows the accrued pension entitlements of the members of the Board of Executive Directors and the annual pension amounts that would be paid to them on the basis of their years of service as at 30 November 2008. The pension scheme for members of the Board of Executive Directors is a hybrid scheme (defined benefit plus defined contribution plan).

Share-based compensation	share option plan of year	status of grant	number of options granted	exercise price in euro	outstanding at 30 November 2008	expiration date
R.L. van Iperen	2002	unconditional	21,000	9.77	21,000	28 November 2010
	2003	unconditional	21,000	10.75	21,000	27 November 2011
	2004	unconditional	35,000	12.21	35,000	26 November 2012
J. van den Belt	2003	unconditional	17,500	10.75	17,500	27 November 2011
	2004	unconditional	29,100	12.21	29,100	26 November 2012
J.F. Dix	2002	unconditional	17,500	9.77	17,500	28 November 2010
	2003	unconditional	17,500	10.75	17,500	27 November 2011
	2004	unconditional	29,100	12.21	29,100	26 November 2012

At November 2008, the members of the Board of Executive Directors held 119,593 ordinary shares Océ (2007: 15,256) and nil rights to options listed on the Euronext Options Exchange (2007: nil).

Share-based compensation	share plan of year	number of conditional shares granted	share price at first day of performance period in euro	conditionally outstanding shares at 30 November 2008	expiration date
R.L. van Iperen	2006	26,433	14.30	26,433	27 February 2009
	2007	30,359	12.70	30,359	26 February 2010
	2008	34,960	11.58	34,960	4 March 2011
J. van den Belt	2006	19,825	14.30	19,825	27 February 2009
	2007	22,769	12.70	22,769	26 February 2010
J.F. Dix	2006	19,825	14.30	19,825	27 February 2009
	2007	22,769	12.70	22,769	26 February 2010
	2008	26,220	11.58	26,220	4 March 2011
A.H. Schaaf	2006	34,630	12.28	7,688	30 January 2009
	2007	22,769	12.70	22,769	26 February 2010
	2008	26,220	11.58	26,220	4 March 2011

The remuneration for the 2008 financial year of the present and former members of the Board of Supervisory Directors amounted to EUR 282,721 (2007: EUR 255,335). The remuneration for the Board of Supervisory Directors is fixed at EUR 50,000 for the chairman and at EUR 37,000 for the members.

At 30 November 2008, the members of the Board of Supervisory Directors held 2,969 ordinary shares in Océ (2007: 2,969) and nil rights to options listed on the Euronext Options Exchange (2007: nil).

Operating lease receivables

Operating lease receivables are receivables arising from contracts for the equipment rented out to third parties. The future minimum rental revenues amount to:

x EUR million	2008	2007
12 month or less	103	113
1-5 years	115	118
Total	218	231

Commitments, contingencies and legal proceedings

Commitments

Repurchase commitments amounting to EUR 2.3 million at 30 November 2008 (2007: EUR 4.3 million) exist under the terms of lease contracts with third parties. In respect of these commitments, the amount expected to be paid within 12 months is EUR 1.2 million (2007: EUR 2.0 million) and the amount expected to be paid within 1 and 5 years is EUR 1.1 million (2007: EUR 2.3 million). As a result of these commitments the machines can be sold again upon their return. The estimated market value upon return is higher than the repurchase commitment.

Total contracted operating lease commitments amount to EUR 298 million at 30 November 2008 (2007: EUR 268 million). These commitments fall due over the next years. The maturity dates are as follows:

x EUR million	
2009	74
2010	56
2011	43
2012	27
2013	21
after 2013	77
Total	298

Other commitments, such as purchase contracts etc., have been entered into as part of normal business operations solely.

Contingent liabilities:

x EUR million	2008	2007
Guarantee commitments	13.9	10.8
Government development credits	44.4	44.7

Government development credits are received for product development. These credits are subject to a contingent repayment.

Legal proceedings

Océ is involved in a number of legal proceedings, most of which relate to matters resulting from the normal conduct of business. Océ does not expect these court cases to result in obligations that may have a material effect on the company's financial position. To cover those cases in which it is likely that the outcome of the legal proceedings will be unfavorable for Océ and in which the resultant obligation can be reliably estimated, a provision has been made in the consolidated financial statements. Reference is made to note (25).

Business combinations

On 9 November 2006 Océ acquired CaseData Inc. The initial accounting will be completed on 30 November 2009 as a result of a 3-year earn-out agreement. The earn-out agreements consists of 3 clauses, of which 2 are based on the EBITDA measured respectively 6 months and 12 months after the acquisition date. The third earn-out clause is based on the cumulative sales of machines and related software and services provided to a specific customer measured over the period between the date of acquisition and 30 November 2009.

The interim accounting of CaseData Inc. had the following effect on assets and liabilities in 2007:	provisional fair values	fair values
x EUR 1,000		
Goodwill	12,148	10,840
Software	1,206	675
Technology	36	36
Customer base	1,527	1,527
Trade marks and other	247	247
Property, plant and equipment	922	922
Trade and other receivables	4,834	4,834
Borrowings	- 2,616	- 2,616
Trade and other liabilities	- 483	- 483
Total purchase consideration	17,821	15,982

In 2008 Océ acquired the business activities of two small entities, Epcot a/s (Sweden and Denmark, EUR 2.1 million) and Sun Microsystems of Canada Inc. (Canada, EUR 3.1 million). With these acquisitions Océ acquired customer base for a total amount of EUR 5.2 million. Reference is made to note (9).

On 20 June 2008 Océ acquired Intersoft S.A.R.L. The provisional carrying amounts of acquired assets and liabilities are presented In the specification below.

Acquired assets and liabilities from Intersoft S.A.R.L.:	provisional carrying amounts of acquired assets and liabilities
x EUR 1,000	
Customer base	7,107
Software	40
Property, plant and equipment	62
Inventories	2,404
Trade and other receivables	5,207
Current income tax receivables	443
Borrowings	- 264
Provisions	- 68
Trade and other liabilities	- 5,165
Total purchase consideration	9,766

Related-party transactions

Océ provided loans to the Board of Executive Directors of EUR 62,590 (2007: EUR 62,590). For a specification of this amount reference is made to note (14).

Océ is not a party to any transactions or loans with any other party that controls Océ, is controlled by Océ or is under common control with Océ, or any associates, individuals or enterprises with significant control over Océ or its Board of Executive Directors.

Events after the balance sheet date

There were no events after the balance sheet date which are relevant to the financial statements.

External auditors fees

The table below presents the aggregate fees for audit services and other services rendered by PricewaterhouseCoopers.

	2008	2007
x EUR 1,000		
Audit services	- 1,729	- 2,371
Audit-related services	- 58	- 245
Tax services	- 546	- 661
Total	- 2,333	- 3,277

3.6 Corporate income statement for the year ended 30 November

	x EUR 1,000	2008	2007
	Income of subsidiaries after taxes	6,500	61,374
	Other income after taxes	- 4,532	15,723
	Net income attributable to shareholders	1,968	77,097

3.7 Corporate balance sheet as at 30 November

before net income appropriation	Assets x EUR 1,000	2008	2007
<i>Non-current assets (28)</i>	Subsidiaries	719,183	614,629
	Receivables from subsidiaries	455,533	558,241
	Associates	2,110	2,036
	Derivative financial instruments (29)	571	4,987
	Other receivables	278	787
	Deferred income tax assets	8,019	521
	Available-for-sale financial assets	286	400
		1,185,980	1,181,601
<i>Current assets</i>	Receivables from subsidiaries	512,930	270,583
	Derivative financial instruments (29)	21,361	11,301
	Other receivables	63	1,593
	Current income tax receivables	9,020	7,430
	Cash and cash equivalents (30)	21,246	114,103
		564,620	405,010
<i>Total Assets</i>		1,750,600	1,586,611
Equity and liabilities			
<i>Equity attributable to shareholders</i>	Ordinary shares	43,669	43,667
	Priority shares	-	2
	Financing preference shares	10,000	10,000
	Share premium	512,026	512,008
	Treasury shares	- 34,976	- 35,956
	Legal reserves	- 56,894	- 110,556
	Retained earnings	169,742	180,873
	Net income attributable to shareholders	1,968	77,097
		645,535	677,135
<i>Non-current liabilities</i>	Borrowings (31)	447,637	433,027
	Payables to subsidiaries	-	34
	Derivative financial instruments (29)	28,240	13,484
	Deferred income tax liabilities	365	594
		476,242	447,139
<i>Current liabilities</i>	Borrowings (31)	8,656	19,570
	Payables to subsidiaries	583,483	434,041
	Derivative financial instruments (29)	24,359	1,528
	Other liabilities (32)	12,325	7,198
		628,823	462,337
<i>Total Equity and Liabilities</i>		1,750,600	1,586,611

3.8 Notes to the corporate financial statements

Summary of significant accounting policies

The corporate financial statements of Océ N.V. have been prepared in accordance with provisions of Part 9, Book 2 of the Dutch Civil Code. Océ has applied the option in article 2:362 para. 8 of Part 9, of the Dutch Civil Code to use the same accounting principles for the recognition and measurement of assets and liabilities and determination of results for the corporate financial statements as the consolidated financial statements. Investments in subsidiaries are carried at net asset value. The net asset value is established by valuing assets, provisions and liabilities and calculating the result, where possible, in accordance with the accounting policies applied in the consolidated financial statements. The principal subsidiaries are listed in section 3.10 of this report. Investments in Group companies are included at the pro rata value of Océ's share in their net assets value. For principles of recognition and measurement of assets and liabilities and determination of results reference is made to the notes to the consolidated financial statements.

(28) Non-current assets	subsidiaries	receivables from subsidiaries	associates	derivative financial instruments	other receivables	deferred income tax assets	available-for-sale financial assets	total
x EUR 1,000								
At 1 December 2006	646,273	568,080	1,820	7,115	790	-	524	1,224,602
<i>Movements in carrying amount in 2007:</i>								
Reclassifications	- 1,391	-	-	-	-	-	-	- 1,391
Divestments	- 2,326	-	-	-	-	-	-	- 2,326
Share in income	61,374	-	441	-	-	-	3	61,818
Elimination result on intercompany transactions	- 12,795	-	-	-	-	-	-	- 12,795
Dividend	- 34,190	-	- 225	-	-	-	-	- 34,415
Additions	-	45,429	-	-	-	-	-	45,429
Repayments	-	- 2,050	-	-	-	521	-	- 1,529
Gains/losses	-	-	-	- 2,128	- 3	-	- 100	- 2,231
Exchange differences	- 42,316	- 53,218	-	-	-	-	- 27	- 95,561
At 30 November 2007	614,629	558,241	2,036	4,987	787	521	400	1,181,601
<i>Movements in carrying amount in 2008:</i>								
Investments	89,779	-	-	-	-	-	-	89,779
Share in income	6,500	-	617	-	-	-	3	7,120
Elimination result on intercompany transactions	1,374	-	-	-	-	-	-	1,374
Dividend	- 23,421	-	- 315	-	-	-	-	- 23,736
Additions	-	356,180	-	-	-	-	-	356,180
Repayments	-	- 520,397	-	-	-	7,498	-	- 512,899
Gains/losses	-	-	-	- 4,416	- 509	-	- 192	- 5,117
Exchange differences	30,322	61,509	- 228	-	-	-	75	91,678
At 30 November 2008	719,183	455,533	2,110	571	278	8,019	286	1,185,980

**(29) Derivative
financial
instruments**

x EUR 1,000	2008		2007	
	assets	liabilities	assets	liabilities
Interest rate swaps	571	22,132	588	13,484
Foreign exchange contracts	-	6,108	2,399	-
Cap on financing preference shares	-	-	2,000	-
Non-current	571	28,240	4,987	13,484
Interest rate swaps	-	142	204	284
Foreign exchange contracts	21,361	24,217	11,097	1,244
Current	21,361	24,359	11,301	1,528
Total	21,932	52,599	16,288	15,012

**(30) Cash and
cash equivalents**

x EUR 1,000	2008	2007
Cash and bank balances	21,246	3,303
Time deposits	-	110,800
Total	21,246	114,103

Equity attributable to shareholders

For a specification of the equity attributable to shareholders reference is made to the "Consolidated Statement of Changes in Equity for the year ended 30 November" and also to notes (20) and (21).

(31) Borrowings

x EUR 1,000	2008	2007
Convertible debentures to employees	5,334	5,859
6.18% semi-annual USPP Notes due in 2011	118,846	104,378
6.31% semi-annual USPP Notes due in 2013	44,760	39,312
6.38% semi-annual USPP Notes due in 2016	2,315	2,033
5.82% semi-annual USPP Notes due in 2016	23,845	28,016
Drawn under EUR 500 million facility (3.563% - 3.718%)	247,931	249,446
Other borrowings	4,606	3,983
Non-current	447,637	433,027
Convertible debentures to employees	1,213	1,586
Bank overdrafts	7,864	3,405
Other borrowings	- 421	14,579
Current	8,656	19,570
Total	456,293	452,597
Redemption of borrowing is as follows:	2008	2007
x EUR 1,000		
12 months or less	8,656	19,570
1-2 years	571	843
2-3 years	367,584	600
3-4 years	985	354,684
4-5 years	50,659	1,040
More than 5 years	27,838	75,860
Total	456,293	452,597

The fair value of borrowings is EUR 22.2 million higher than the carrying amount (2007: EUR 16.3 million higher). The carrying amount of borrowings is EUR 0.4 million lower (2007: EUR 1.0 million lower) than the face value, as a result of the application of hedge accounting.

The average effective interest rates are as follows:	2008	2007
as %		
Convertible debentures to employees	3.88	4.00
Debentures and other loans	4.76	5.86

Employees may opt for convertible debentures under the annual profit-sharing scheme. The duration is 6½ years. The average conversion price is EUR 11.48 (2007: EUR 12.05).

(32) Other liabilities	x EUR 1,000	2008	2007
	Preference dividend	2,553	2,553
	Other	9,772	4,645
	Current	12,325	7,198

(33) Employees

Océ N.V. does not have any employees.

Commitments and contingent liabilities:	2008	2007
x EUR million		
Bank guarantees for subsidiaries	38.2	31.5
Collateral securities provided for subsidiaries	51.1	52.5

Fiscal unity in the Netherlands

Océ N.V. forms a fiscal unity with several Dutch entities for corporation tax purposes. The full list of Dutch entities which are part of the fiscal unity is included in the list containing the information referred to in article 2:379 and article 2:414 of the Dutch Civil Code, which is filed at the office of the Chamber of Commerce Limburg. In accordance with the standard conditions, a company and its subsidiaries that form the fiscal unity are jointly and severally liable for taxation payable by the fiscal unity.

Directors' remuneration

Reference is made to note **(27)** of the consolidated financial statements.

3.9 Other information

Proposed appropriation of net income	2008	2007
x EUR 1,000		
Preference dividend	2,553	2,553
Cash dividend interim	12,743	12,732
Cash dividend final	-	41,606
<i>Added to retained earnings:</i>		
Retained earnings	- 13,328	20,206
Total net income attributable to shareholders	1,968	77,097

Upon adoption of this proposed net income appropriation, the dividend for the 2008 financial year will be: EUR 0.13 (rounded) per financing preference share of EUR 0.50 and EUR 0.15 per ordinary share of EUR 0.50. The final dividend per ordinary share for the 2008 financial year will amount to EUR 0.00, as a distribution of EUR 0.15 per ordinary share was made on 22 October 2008 on account of the expected dividend. This proposed net income appropriation is in conformity with article 36 of the Company's Articles of Association.

Extract from the Articles of Association relating to net income appropriation

The rules for net income appropriation as laid down in the Articles of Association can - where of relevance at the present time - be summarized as follows (for literal text see article 36 of the Articles of Association). Where possible, the following dividends shall be distributed in turn from the net income: first, on the protective preference shares a percentage of the paid-up amount equal to the average three-month EURIBOR percentage, weighted according to the number of days during which it was applicable, increased or reduced where necessary by at most two percentage points. Subsequently, of the net income then remaining, as much shall be reserved as may be deemed necessary by the Board of Executive Directors, subject to approval of the Supervisory Board. Then, on the financing preference shares, 4.5% of the paid-up amount including share premium, which percentage is fixed for the period until 1 December 2012 and will subsequently be adapted each time eight years thereafter. Insofar as the net income has not been set aside in the form of reserves, it shall be at the disposal of the holders of ordinary shares.

Signatures to the financial statements and other information:

28 January 2009

Board of Supervisory Directors

P.A.F.W. Elverding
F.J. de Wit
G.J.A. van de Aast
M. Arentsen
A. Baan
D.M. Wendt

Board of executive directors

R.L. van Iperen
J.F. Dix
H.A. Kerkhoven
A.H. Schaaf

3.10 Principal subsidiaries*

January 2009

Europe				
<i>Austria</i>	Océ-Österreich Ges.m.b.H.	J. van Boerdonk	Vienna	+43.1.86.336
<i>Belgium</i>	Océ-Belgium N.V./S.A.	M.A.M.E. van Mierlo	Brussels	+32.2.729.4861
	Océ Software Laboratories Namur S.A.	B. Hucq	Gembloux	+32.81.876.710
<i>Czech Republic</i>	Océ-Czeska republika, s.r.o.	J. Pachman	Prague	+420.2.4401.0111
<i>Denmark</i>	Océ-Nordic Holding ApS	J. Bjørkmann	Copenhagen	+45.43.29.7000
	Océ-Danmark a/s	H. Risør	Copenhagen	+45.43.29.7000
<i>Finland</i>	Océ-Finland Oy	J.P. Koskenmies	Helsinki	+358.207.438.710
<i>France</i>	Océ-France S.A.	G. Giusti	Noisy-le-Grand	+33.1.4592.5000
	Océ Print Logic Technologies S.A.	R. Balmès	Créteil	+33.1.4898.8000
	Océ Business Services S.A.	G. Giusti	Neuilly-sur-Seine	+33.1.4592.5000
<i>Germany</i>	Océ-Deutschland G.m.b.H.	J. van Boerdonk and L. Pouwels	Mülheim/Ruhr	+49.208.48.45.0
	Océ Printing Systems G.m.b.H.	A. Mittelsteiner and M. Maier	Poing	+49.8121.72.4031
	Océ-Deutschland Business Services G.m.b.H.	J. van Boerdonk	Mülheim/Ruhr	+49.208.48.45.0
<i>Hungary</i>	Océ-Hungária Kft.	G. Németh	Budapest	+36.1236.1040
<i>Ireland</i>	Océ-Ireland Ltd.	B. Curley	Dublin	+353.1403.9100
<i>Italy</i>	Océ-Italia S.p.A.	G.J.M. Rongen	Milan	+39.02.92726.1
<i>Netherlands</i>	Océ-Technologies B.V.	L.C. Versluys	Venlo	+31.77.359.2222
	Océ-Nederland B.V.	J.W.C. Verschaeren	's-Hertogenbosch	+31.73.6.815.815
<i>Norway</i>	Océ-Norge A.S.	J. Bjørkmann	Oslo	+47.2202.7000
<i>Poland</i>	Océ-Poland Limited Sp. Z o.o.	B.A.F.C. Raab	Warsaw	+48.22.500.2100
<i>Portugal</i>	Océ-Portugal Equipamentos Gráficos S.A.	C. Alonso	Lisbon	+351.21.412.5700
<i>Romania</i>	Océ-Software S.R.L.	A. Mainoli	Timisoara	+40.256.200.786
<i>Slovakia</i>	Océ-Slovenská republika s.r.o.	J. Pachman	Bratislava	+420.2.4401.0228
<i>Spain</i>	Océ-España S.A.	C. Alonso	Barcelona	+34.934.844.800
<i>Sweden</i>	Océ Svenska AB	J. Bjørkmann	Stockholm	+46.8.703.4000
<i>Switzerland</i>	Océ (Schweiz) A.G.	Ph. Convents	Glattbrugg	+41.44829.1111
<i>United Kingdom</i>	Océ (UK) Limited	B. Curley	Brentwood	+44.870.600.5544
North America				
<i>United States</i>	Océ North America, Inc.	J.D. Skrzypczak	Trumbull, CT	+1.800.945.9708
	• Commercial Printing Division	M. Baboyan	Boca Raton, FL	+1.561.997.3100
	• Corporate Printing Division	C. Dewart	Trumbull, CT	+1.203.365.7000
	• Wide Format Printing Division	P. Chapuis	Chicago, IL	+1.800.877.6232
	Océ Business Services, Inc.	J.R. Marciano	New York, NY	+1.800.937.2724
	Océ Reprographic Technologies, Corp.	R. Newsom	Phoenix, AZ	+1.602.744.1300
	Onyx Graphics, Inc.	J.S. Hurley	Salt Lake City, UT	+1.801.568.9900
<i>Canada</i>	Océ-Canada Inc.	S. Goodall	Toronto	+1.416.224.5600
	Océ Display Graphics Systems	G.H. van Praag	Vancouver	+1.604.273.7730
<i>Mexico</i>	Océ Mexico S.A. de C.V.	J. Escudero	Mexico City	+52.55.5089.8710
Asia/Pacific				
<i>Australia</i>	Océ-Australia Ltd.	S.J.J. Notermans	Scoresby	+61.3.97303333

<i>China</i>	Océ Office Equipment (Shanghai) Co., Ltd.	M. Sak	Shanghai	+86.21.3865.7600
<i>Hong Kong</i>	Océ (Hong Kong China) Ltd.	M. Sak	Hong Kong	+852.2166.0333
<i>Japan</i>	Océ-Japan Corporation	Y. Yamamoto	Tokyo	+81.3.5402.6112
<i>Malaysia</i>	Océ Malaysia Sdn. Bhd.	A.A.C. Hoebe	Petaling Jaya	+60.3.7966.8000
<i>Singapore</i>	Océ (Singapore) Pte. Ltd.	A.A.C. Hoebe	Singapore	+65.64701.500
<i>Thailand</i>	Océ (Thailand) Ltd.	A. Lübbers	Bangkok	+66.2.260.7133
Other countries				
<i>Brazil</i>	Océ-Brasil Comércio e Indústria Ltda.	R. Uildriks	São Paulo	+55.11.3053.5300
Direct Export/Emerging Markets				
<i>Netherlands</i>	Océ Direct Export/Emerging Markets	H. Würges	Venlo	+31.77.3592222
Financing companies				
<i>Australia</i>	Océ-Australia Finance Pty. Ltd.	S.J.J. Notermans	Scoresby	+61.3.9730.3333
<i>Belgium</i>	Océ-Interservices N.V./S.A.	M.G.M. Berben	Brussels	+32.2.729.4861
<i>France</i>	Océ-France Financement S.A.	S. Kovacs	Saint-Cloud	+33.1.4592.5000
<i>Germany</i>	Océ-Deutschland Financial Services G.m.b.H.	L. Pouwels	Mülheim/Ruhr	+49.208.48.45.0
<i>Spain</i>	Océ-Renting S.A.	L. Wijnhoven	Barcelona	+34.934.844.800
<i>United Kingdom</i>	Océ (UK) Finance Ltd.	B. Curley	Brentwood	+44.870.600.5544
<i>United States</i>	Océ-Financial Services, Inc.	M. Gingold	Boca Raton, FL	+1.561.997.3100
Minority holdings				
<i>Cyprus</i>	Heliozid Océ-Reprographic (Cyprus) Ltd.	25%		
<i>Singapore</i>	Datapost Pte. Ltd.	30%		

* Where holdings are less than 95% of total equity, the percentage of capital held is stated. A list of affiliated companies is available for public inspection at the Commercial Registry Limburg in conformity with the provisions of Article 2:379 of the Dutch Civil Code.

4 AUDITORS' REPORT RELATING TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2008

To the General Meeting of Shareholders of Océ N.V.

Auditors' report

Report on the financial statements

We have audited the accompanying financial statements for the year ended November 30, 2008 of Océ N.V., Venlo as set out on pages 93 to 165. The financial statements consist of the consolidated financial statements and the corporate financial statements. The consolidated financial statements comprise the consolidated balance sheet as at November 30, 2008, the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year ended November 30, 2008, and a summary of significant accounting policies and other explanatory notes. The corporate financial statements comprise the corporate balance sheet as at November 30, 2008, the corporate income statement for the year ended November 30, 2008 and the notes.

Management's responsibility

The management of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements 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.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Océ N.V. as at November 30, 2008, and of its result and its cash flows for the year ended November 30, 2008 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the corporate financial statements

In our opinion, the corporate financial statements give a true and fair view of the financial position of Océ N.V. as at November 30, 2008, and of its result for the year ended November 30, 2008 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, January 28, 2009
PricewaterhouseCoopers Accountants N.V.

P.R. Baart RA

The auditors' report stated above is the original auditors' report as issued 28 January 2009 in connection with the 2008 annual report of Océ N.V. in which, next to the financial statements, also a report by the executive board was included. For the purpose of this Offer Memorandum the report by the executive board is not included. The page numbers included in the auditors' report stated above refer to the page numbers in the original 2008 financial statements of Océ N.V.

5 SPECIAL PURPOSE FINANCIAL INFORMATION FOR THE YEAR ENDED 30 NOVEMBER 2009

5.1 Consolidated income statement for the year ended 30 November

x EUR 1,000		2009	2008
<i>Total revenues</i>		2,647,562	2,908,960
	Cost of sales	- 1,681,746	- 1,817,988
<i>Gross margin</i>		965,816	1,090,972
	Selling and marketing expenses	- 591,784	- 638,416
	Research and development expenses	- 173,477	- 228,912
	General and administrative expenses	- 216,256	- 189,205
	Other income (net)	231	11,576
	Operating expenses	- 981,286	- 1,044,957
<i>Operating income</i>		- 15,470	46,015
	Finance expenses	- 50,896	- 59,168
	Finance income	13,731	11,264
	Share in income of associates	2,187	617
<i>Income before income taxes</i>		- 50,448	- 1,272
	Income taxes	3,314	5,036
<i>Net income</i>		- 47,134	3,764
<i>Net income attributable to</i>			
	Shareholders	- 48,929	1,968
	Minority interest	1,795	1,796
		- 47,134	3,764
<i>Earnings per ordinary share for net income attributable to shareholders</i>			
	Basic	- 0.61	- 0.01
	Diluted	- 0.61	- 0.01

5.2 Consolidated balance sheet as at 30 November

x EUR 1,000	Assets	2009	2008
<i>Non-current assets</i>	Intangible assets	563,369	593,521
	Property, plant and equipment	316,039	353,912
	Rental equipment	81,844	109,904
	Associates	4,171	2,110
	Derivative financial instruments	5,032	571
	Trade and other receivables	184,489	216,654
	Deferred income tax assets	92,736	106,062
	Available-for-sale financial assets	8,161	8,567
		1,255,841	1,391,301
<i>Current assets</i>	Inventories	266,673	352,814
	Derivative financial instruments	16,234	22,104
	Trade and other receivables	552,495	681,244
	Current income tax receivables	12,145	18,679
	Cash and cash equivalents	101,765	79,361
		949,312	1,154,202
	Non-current assets held for sale	2,027	3,386
<i>Total Assets</i>		2,207,180	2,548,889
Equity and Liabilities			
<i>Equity</i>	Share capital	53,669	53,669
	Share premium	512,026	512,026
	Other reserves	- 91,948	- 91,870
	Retained earnings	119,426	169,742
	Net income attributable to shareholders	- 48,929	1,968
	Equity attributable to shareholders	544,244	645,535
	Minority interest	34,976	34,976
		579,220	680,511
<i>Non-current liabilities</i>	Borrowings	464,136	574,469
	Derivative financial instruments	27,162	28,240
	Retirement benefit obligations	378,602	388,730
	Trade and other liabilities	5,518	5,073
	Deferred income tax liabilities	10,411	24,580
	Provisions for other liabilities and charges	38,523	42,300
		924,352	1,063,392
<i>Current liabilities</i>	Borrowings	35,462	36,632
	Derivative financial instruments	9,069	25,016
	Trade and other liabilities	611,338	696,433
	Current income tax liabilities	8,938	25,088
	Provisions for other liabilities and charges	38,801	21,817
		703,608	804,986
<i>Total Equity and Liabilities</i>		2,207,180	2,548,889

5.3 Consolidated statement of changes in equity for the year ended 30 November

x EUR 1,000	Equity attributable to shareholders						
	share capital	share premium	other reserves	retained earnings	net income attributable to shareholders	minority interest	total equity
<i>Balance at 1 December 2007</i>	53,669	512,008	- 146,512	180,873	77,097	35,464	712,599
Cash flow hedges	-	-	- 14,874	-	-	-	- 14,874
Currency translation differences	-	-	36,825	-	-	12	36,837
Other changes	-	-	- 114	-	-	-	- 114
Net income/expense recognized directly in equity	-	-	21,837	-	-	12	21,849
Net income	-	-	-	-	1,968	1,796	3,764
Total recognized income	-	-	21,837	-	1,968	1,808	25,613
Share-based compensation:							
• value of employee services	-	-	-	678	-	-	678
• proceeds from shares reissued	-	-	980	- 166	-	-	814
Conversion of convertible debentures to employees	2	18	-	-	-	-	20
Withdrawal priority shares	- 2	-	-	-	-	-	- 2
Capital decrease	-	-	-	-	-	- 485	- 485
Movement in other legal reserves	-	-	31,825	- 31,825	-	-	-
Appropriation of net income	-	-	-	77,097	- 77,097	-	-
Dividend	-	-	-	- 56,915	-	- 1,811	- 58,726
	-	18	32,805	- 11,131	- 77,097	- 2,296	- 57,701
<i>Balance at 30 November 2008</i>	53,669	512,026	- 91,870	169,742	1,968	34,976	680,511

Equity attributable to shareholders							
x EUR 1,000	share capital	share premium	other reserves	retained earnings	net income attributable to shareholders	minority interest	total equity
<i>Balance at 1 December 2008</i>	53,669	512,026	- 91,870	169,742	1,968	34,976	680,511
Cash flow hedges	-	-	10,172	-	-	-	10,172
Currency translation differences	-	-	- 60,702	-	-	-	- 60,702
Other changes	-	-	38	-	-	-	38
Net income/expense recognized directly in equity	-	-	- 50,492	-	-	-	- 50,492
Net income	-	-	-	-	- 48,929	1,795	- 47,134
Total recognized income	-	-	- 50,492	-	- 48,929	1,795	- 97,626
Share-based compensation:							
• value of employee services	-	-	-	118	-	-	118
• proceeds from shares reissued	-	-	728	- 172	-	-	556
Movement in other legal reserves	-	-	49,686	- 49,686	-	-	-
Appropriation of net income	-	-	-	1,968	- 1,968	-	-
Dividend	-	-	-	- 2,544	-	- 1,795	- 4,339
	-	-	50,414	- 50,316	- 1,968	- 1,795	- 3,665
<i>Balance at 30 November 2009</i>	53,669	512,026	- 91,948	119,426	- 48,929	34,976	579,220

5.4 Consolidated cash flow statement for the year ended 30 November

x EUR 1,000	2009	2008
<i>Operating income</i>	- 15,470	46,015
<i>Adjustments for:</i>		
Depreciation, amortization and impairment	186,399	188,680
Share-based compensation	4,474	- 7,661
Result on divestments, disposals	- 1,050	- 13,489
Unrealized gains/losses on financial instruments / other	- 14,761	5,830
<i>Changes in:</i>		
Retirement benefit obligations	- 7,995	- 8,500
Provisions for other liabilities and charges	12,746	1,474
Rental equipment	- 37,524	- 59,555
Inventories	72,179	- 22,537
Trade and other receivables	97,040	- 15,013
Trade and other liabilities	- 51,191	58,717
<i>Operating cash flows:</i>		
Interest received	6,906	17,249
Interest paid	- 62,258	- 56,544
Income taxes	- 14,111	- 12,263
<i>Cash flow from operating activities</i>	175,384	122,403
Investment in intangible assets	- 83,606	- 64,570
Investment in property, plant and equipment	- 51,838	- 76,151
Divestment in intangible assets	383	85
Divestment in property, plant and equipment	11,735	11,938
Payment/receipts regarding other non-current assets	601	- 470
Capital increase/decrease in associates	- 3	200
Dividend from associates	211	315
Sale of finance lease portfolio	26,624	11,177
Sale of subsidiaries (net of cash)	2,306	29,084
Acquisitions (net of cash)	-	- 15,203
<i>Cash flow from investing activities</i>	- 93,587	- 103,595
Proceeds from borrowings	41,073	30,164
Repayments of borrowings	- 93,721	- 66,353
Dividend paid to shareholders	- 1,960	- 56,915
Repurchase of/proceeds from treasury shares	556	814
Capital decrease/dividend paid to minority interest	- 1,795	- 2,296
<i>Cash flow from financing activities</i>	- 55,847	- 94,586
Currency translation differences	- 3,546	- 12,094
<i>Change in cash and cash equivalents</i>	22,404	- 87,872
<i>Cash and cash equivalents at start of financial year</i>	79,361	167,233
<i>Cash and cash equivalents at end of financial year</i>	101,765	79,361

5.5 Notes to the special purpose financial information

Basis of preparation

Introduction

This special purpose financial information of Océ N.V. (hereafter: 'financial information'), as part of the Offer Memorandum dated 28 January 2010, has been prepared using the accounting policies as described below. The accounting policies applied are consistent with those used in the financial statements for the year ended 30 November 2008. The special purpose financial information does not include all the information required for full annual financial statements, therefore the special purpose financial information is not prepared according to IFRS. For example the explanatory notes are not included in the special purpose financial information.

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

The consolidated financial information have been prepared under the historical cost convention unless otherwise stated.

The consolidated financial statements of Océ N.V. in which the above financial information is expected to be incorporated are planned to be authorized for issue by both the Board of Supervisory Directors and the Board of Executive Directors on 27 January 2010. The financial statements are subject to adoption by the General Meeting of Shareholders on 22 April 2010.

Consolidation

The consolidated financial information comprise the financial information of Océ N.V. and its participations.

(A) Subsidiaries

Subsidiaries are all entities over which Océ has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the total shares issued and the related voting rights. As from the date that these criteria are met, the financial data of the relevant company is consolidated for 100%. Intercompany transactions, intercompany balances and unrealized gains on intercompany transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Business combinations are accounted for using the "purchase" method. The cost of a business combination is measured as the fair value of the assets obtained, equity instruments issued and liabilities incurred or assumed at the date of exchange, including any directly attributable costs. Identifiable assets acquired and liabilities and contingent liabilities incurred or assumed in a business combination are recognized initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill.

The minority interest in the net assets of subsidiaries is presented as a separate component of equity. Transactions with minority interest are accounted for as transactions with a third party.

(B) Associates

Associates are all entities over which the Group has significant influence but not the power to govern the financial and operating policies. This is mostly linked to a voting right of 20% to 50% of the total shares issued and the related voting rights. Associates are accounted for using the "equity" method.

The Group's associates include goodwill identified on acquisition, net of any accumulated impairment loss. Océ's share in its associates' profits or losses after acquisition is recognized in the consolidated income statement. Its share in post-acquisition movements in equity reserves is recognized in equity reserves of the Group. The carrying amounts of associates are adjusted for cumulative post-acquisition movements of the associates. When Océ's share in the losses of an associate equals or exceeds its interest in the associate, including any other unsecured receivables, Océ does not recognize further losses, unless it has incurred obligations that will probably result in an outflow of cash or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Foreign currency translation

Items included in the financial information of each of the Group's entities are presented in the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates at the balance sheet date of monetary assets and monetary liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges or as intercompany loans that have a permanent nature.

The consolidated financial information is presented in euros, which is the entity's functional and presentation currency. The results and financial position of all subsidiaries that have a functional currency that is different from the euro are translated into euros as follows: assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date, income and expenses for each income statement presented are translated at average exchange rates and all resulting exchange differences are recognized in equity under "Currency translation differences".

When a foreign operation is (partially) disposed of or sold, (the proportional share of) the related currency translation differences that were recorded in equity are recognized in the income statement as part of the gain or loss on disposal or sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recognized as assets and liabilities of the foreign entity and translated at closing rate at the balance sheet date.

Revenue recognition

Revenues comprise the fair value of the considerations received or receivable from the sale of goods and services to third parties in the ordinary course of the Group's activities excluding the taxes levied on revenues and taking into account any discounts granted. Océ recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to Océ and specific criteria have been met as described below.

(A) Sales of machines

Revenues are recognized at the moment that both delivery to and installation on the customer's premises have taken place. If a sales contract contains an acceptance clause, revenue is recognized at the moment that the customer has confirmed acceptance. When machines are sold to a distributor the revenues are recognized at the moment of delivery. If Océ has offered the customer a finance lease arrangement, revenue is recognized at commencement of the lease term. The present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned interest. Unearned interest is recognized in the income statement as "Interest from finance lease" over the term of the lease using the "net investment" method, which reflects a constant periodic rate of return.

(B) Operating leases (defined by Océ as "Rentals")

Leases in which a significant portion of the risks and rewards of ownership are retained by Océ are classified as "Rentals". Revenues from "Rentals" are recognized in the income statement on a "straight-line" basis over the term of the contract.

(C) Service

Service revenues are mostly obtained from maintenance contracts that have been concluded for machines sold or leased out and from business services activities. Revenues are recognized pro rata over the period of the contract. If service contracts have been invoiced in advance, the considerations are included in the balance sheet as deferred income under "Trade and other liabilities".

(D) Supplies

Revenues are recognized at the moment of delivery.

Research and development expenses

Research expenses are charged directly to the income statement. Development expenses are capitalized if they comply with the relevant criteria as described under "Intangible assets".

Government grants

Océ receives development credits related to the research and development activities performed by the Group and grants for the purpose of giving financial support. Government grants are not recognized until there is reasonable assurance that Océ will comply with the conditions attached to them, and that the government grants will be received. Development credits are recognized as a reduction of research and development expenses at the moment that the related expenses occur. These credits are subject to a contingent repayment obligation, which is disclosed in the notes as a contingent liability. When the repayment obligation has become unconditional, a current liability is recognized which is charged to the research and development expenses. Grants for the purpose of giving financial support with future related costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made by Océ under operating leases (net of any incentives received from the lessor) are charged to the income statement on a "straight-line" basis over the period of the lease.

Intangible assets

(A) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Groups' share in the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of entities that qualify as subsidiaries is presented under "Intangible assets". Goodwill on acquisitions of entities that qualify as associates is included in "Associates". Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience. Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

(B) Software

Acquired software is capitalized on the basis of costs incurred to acquire and to bring the specific software to use. Amortization is calculated using the "straight-line" method to allocate the cost of acquired software over the estimated useful life (3-7 years).

Development costs of software for internal use, that will generate probable future economic benefits to the company and that can be measured reliably, are capitalized. Development costs consist of direct personnel costs on the basis of an hourly rate including a mark-up for directly attributable overhead costs and borrowing costs incurred for qualifying assets during the development period. Amortization is calculated using the "straight-line" method to allocate the cost of software for internal use over the estimated useful life (3-7 years).

(C) Technology

Technology comprises the costs (or purchase costs) of product development, licenses and license agreements.

Costs of product development are capitalized if they meet the criteria of a separately identifiable project

that will generate probable future economic benefits to the company and if the costs can be reliably measured. Costs of product development consist of direct personnel costs on the basis of an hourly rate including a mark-up for directly attributable overhead costs and borrowing costs incurred for qualifying assets during the development period. Product development costs are amortized over the estimated useful life (5-10 years).

Acquired licenses and license agreements are carried at cost less accumulated amortization and any impairment. Amortization is calculated using the "straight-line" method to allocate the cost of licenses and license agreements over the estimated useful life (5-20 years).

(D) Customer base

Customer base is carried at cost less accumulated amortization and any impairment. Amortization is calculated using the "straight-line" method to allocate the cost of customer base over the estimated useful life (5-10 years).

(E) Trade marks and other

Trade marks and other intangible assets are carried at cost less accumulated amortization and any impairment. Amortization is calculated using the "straight-line" method to allocate the cost of trade marks over the estimated useful lives (2-10 years). The estimated useful life of other intangible assets is 5 years.

Property, plant and equipment

Property, plant and equipment are carried at cost less cumulative depreciation and any impairment. Costs of assets manufactured by Océ include direct manufacturing cost, production overhead and interest cost incurred for qualifying assets during the construction period. Costs of assets acquired by Océ include expenditures that are directly attributable to the acquisition of the assets.

Asset retirement obligations are capitalized as part of the cost of property, plant and equipment and expensed as either depreciation over the asset's useful life or as impairment charges.

Subsequent costs are capitalized as a separate asset if it is probable that future economic benefits associated with the asset will flow to Océ and if the costs can be reliably measured.

The carrying amount of any replaced part is derecognized. All other costs of repair and maintenance are charged to the income statement during the financial period in which they are incurred. Land is not depreciated. Depreciation on other assets is calculated using the "straight-line" method based on the estimated useful lives, taking into account any residual values. Depreciation of specific pieces of equipment used for the manufacture of machines takes place pro rata to the expected number of units to be manufactured. Océ leases certain property, plant and equipment from third party lessors. Leases of property, plant and equipment where Océ has substantially all the risks and rewards of ownership are classified as a finance lease and included in "Property, plant and equipment". Finance lease assets are capitalized at commencement of the lease at the lower of fair value of the leased assets and the net present value of the minimum lease payments.

The corresponding finance lease obligations, net of finance charges, are included in "Borrowings". The assets leased via finance lease agreements are depreciated over the lower of the lease period and the assets' useful life.

The estimated useful lives of the various classes of property, plant and equipment are as follows:

- property and plant: 20 to 50 years;
- production equipment: 3 to 10 years;
- other equipment: 3 to 5 years;
- other non-current assets: 3 to 7 years.

Rental equipment

Rental equipment is valued at the all-in manufacturing cost, plus the cost of ensuring that the equipment can operate effectively at the customers' premises less cumulative depreciation on a "straight-line" basis. The estimated useful life of the various types of machines ranges from 3 to 5 years.

Deferred income tax

Deferred income tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information ("liability"-method). Deferred income tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred incomes tax assets can be offset.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Also no deferred income tax is recognized regarding the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

Available-for-sale financial assets

Available-for-sale financial assets are accounted for using trade date accounting and carried at fair value. Gains and losses on available-for-sale financial assets are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement. Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the available-for-sale financial assets within 12 months after the balance sheet date.

Derivative financial instruments and hedging activities

Derivative financial instruments are carried at fair value. Derivative financial instruments are accounted for using trade date accounting. The method of recognition of the resulting gains or losses depends on whether the derivatives are designated as a hedging instrument, and if so, the nature of the item being hedged. Océ designates certain derivative financial instruments as either: (a) hedges of exposure to changes in fair value of recognized assets and liabilities (fair value hedge); or (b) hedges of exposure to variability in cash flows attributable to a particular risk associated with recognized assets or liabilities or highly probable forecast transactions (cash flow hedge).

At the inception of the hedge Océ documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking the hedge. Océ also documents its assessment (prospective and retrospective), both at hedge inception and on an ongoing quarterly basis, whether the hedges are highly effective in offsetting changes in fair values or variability cash flows attributable to the hedged risks. Derivatives are classified as non-current if the remaining term of the derivatives is 12 months or more and as current if the remaining term of the derivatives is less than 12 months.

(A) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Océ applies only fair value hedge accounting for hedging fixed rate borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within "Finance expenses". The gain or loss relating to the ineffective portion is recognized in the income statement as "Other income (net)". Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognized in the income statement as "Finance expenses". If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to the income statement over the period to maturity.

(B) Cash flow hedge

Océ applies cash flow hedge accounting for the hedging of foreign exchange risks of forecasted transactions using FX-contracts and for hedging cash flow interest rate risk on floating rate loans using interest rate swaps. The gains or losses relating to the effective portion of derivatives that are designated and qualify as cash flow hedges are recognized in equity as "Other reserves - Hedging reserve", the ineffective portion is recognized immediately in the income statement as "Other income (net)". Amounts

accumulated in equity are reclassified to the income statement in the periods when the hedged item affects the income statement depending on the nature of the hedged item. In case of foreign exchange risks this is "Gross margin", in case of interest rate risks this is "Finance expenses".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognized in equity at that time remains in equity and is recognized in the income statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognized in equity is immediately reclassified to the income statement.

(C) Derivatives that are not designated or do not qualify for hedge accounting

Derivatives that are not designated or do not qualify for hedge accounting are measured at fair value through the income statement.

Trade and other receivables

(A) Trade receivables

Trade receivables are recognized initially at fair value and subsequently remeasured at amortized cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is recognized when there is objective evidence that Océ will not be able to collect amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement within "Selling and marketing expenses".

Trade receivables also include finance lease receivables. Finance lease receivables comprise of the present value of the lease payments receivable by Océ and the unguaranteed residual values, less provision for impairment. The difference between the nominal value and the present value of the lease payments and the unguaranteed residual values is recognized as unearned interest.

(B) Other receivables

Other receivables and prepayments are initially recognized at fair value and subsequently remeasured at amortized cost. Duties and taxes are recognized and measured at amortized cost.

If the time to maturity is less than 12 months trade and other receivables are presented as "Current assets". Otherwise they are presented as "Non-current assets", measured at their present value.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined by using the "First-in-First-out" method (FIFO). The costs of inventory comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of semi-finished products, spare parts and finished products are measured at manufacturing cost including a mark-up for indirect costs relating to manufacturing and excluding borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to sell.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits that are repayable on call, balances in bank accounts, checks and bills of exchange received.

Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sales transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of the carrying amount and fair value less cost to sell.

Equity

The ordinary shares and financing preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognized in equity as a deduction, net of tax, from the

proceeds. Treasury shares are deducted from equity for the considerations paid, including any directly attributable cost (net of income tax), until the shares are cancelled or reissued. When treasury shares are reissued, any consideration received, net of any attributable incremental cost and related income tax, is included in equity.

Share-based compensation

Océ operates 4 types of share-based compensation plans: (a) share option plans, (b) share plans with cash-alternatives as well as equity-settlement, (c) cash-settled share plans and (d) conversion-options on convertible debentures to employees. The fair value of the employee service received in exchange for the grant of the share-based compensation is recognized as an expense in the income statement over the vesting period. The total amount to be expensed is determined by reference to the fair value of the share-based compensation granted, excluding the impact of any non-market based vesting condition regarding the equity part of the share-based compensation plan. Non-market based vesting conditions are included in assumptions about the number of grants that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of grants that are expected to vest. It recognizes the impact of the revision, if any, in the income statement, with a corresponding adjustment to equity or liability depending on the settlement type of the share-based compensation plan. For cash-settled share based compensation plans and share based compensation plans with cash alternatives the liability is remeasured at each balance sheet date during the vesting period and for share option plans also during the exercise period.

(A) Share option plans

The share option plans are share-based compensation plans with cash-alternatives in which the fair values of the settlement alternatives are the same. Therefore only a liability is recognized for the fair value of the share options during the vesting period to the extent the employees have rendered service. The liability is remeasured at each balance sheet date and derecognized at the moment of exercise or expiry. The fair value is determined using a binomial option-pricing model.

(B) Share plans with cash-alternatives as well as equity-settlement

The share plans are share-based compensation plans with cash-alternatives as well as equity-settlement. The share plans give the holder the right to receive part of the plan in cash, to fulfill their tax obligation, without forfeiting the right on equity instruments for the remaining part of the plan. Because of their hybrid settlement nature, these plans are divided in an equity-settled share-based compensation plan (equity) and a share-based compensation plan with cash-alternatives (liability) based on the estimated average tax obligation.

(C) Cash-settled share plans

Cash-settled share plans are share-based compensation plans measured at fair value and recognized as a liability.

(D) Conversion-options on convertible debentures to employees

Conversion-options on convertible debentures to employees are cash-settled share-based compensation plans (reference is made to "Borrowings"). The fair value of the conversion options of convertible debentures to employees is measured using a binomial option-pricing model and is recognized as a liability. The conversion options of the convertible debentures to employees vests immediately.

Borrowings

Borrowings are recognized initially at fair value, plus directly attributable transaction costs. Borrowings are subsequently remeasured at amortized cost using the "effective interest" method. Borrowings are accounted for using settlement date accounting. The carrying amount of borrowings is adjusted for changes in fair value of the risk being hedged if the borrowings are designated as a hedged item in a fair value hedge. Borrowings are classified as current liabilities unless the remaining term of the borrowings or the remaining term of the facility under which the borrowings are drawn is 12 months or more.

Océ issues convertible debentures to employees. Convertible debentures are compound financial instruments consisting of a plain debenture and a conversion option. The fair value at inception of the plain debenture is determined using a market interest rate for an equivalent non-convertible debenture.

Subsequently the convertible debenture is remeasured at amortized cost using the "effective interest" method until extinguished on conversion or maturity of the debenture.

Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, an asset that necessarily take a substantial period of time to get ready for its intended user or sale, are capitalized as part of the cost of that asset. The borrowing costs eligible for capitalization are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

Retirement benefit obligations

Subsidiaries operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. Océ has both defined benefit and defined contribution plans. For defined contribution plans, Océ pays fixed contributions to a separate entity. Océ has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses in the income statement when they are due.

A defined benefit plan is a pension plan that is not a defined contribution plan.

Under defined benefit plans the pension entitlements are calculated according to the 'projected unit credit' method. Actuarial gains and losses in excess of a threshold of the higher of 10% of the pension liabilities and 10% of the fair value of the plan assets are charged or credited to the income statement over the employees' expected average remaining working lives. Changes in pension plans are charged directly to the income statement if they are unconditional in nature or if they are the result of a significant change. Calculations are made each year by qualified actuaries. The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the balance sheet date, less the fair value of the plan assets and after adding or subtracting unrecognized actuarial gains or losses and past-service costs. The present value of the defined benefit obligations are determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related defined benefit obligations.

The expected return on plan assets is determined by multiplying the sum of the fair value of plan assets plus the average employer and employee contributions minus the average expected benefits and average expected risk benefits with the expected return on plan assets percentage.

Past-service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past-service costs are amortized on a "straight-line" basis over the vesting period.

Provisions for other liabilities and charges

(A) Other long term employee benefits

Other long term employee benefits include long-service leave awards, jubilee and other long-service benefits. The expected costs of these benefits are accrued over the period of employment using an accounting method similar to that for defined benefit plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the income statement immediately.

(B) Employee termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Océ recognizes termination benefits when Océ is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when Océ is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted at present value.

(C) Restructuring and other

Provisions for restructuring and other liabilities are recognized when Océ has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. The provisions are measured at the present value of the expenditures that are expected to be required to settle the obligation. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the obligation.

Trade and other liabilities

Trade and other liabilities are recognized initially at fair value and subsequently remeasured at amortized cost using the effective interest method, except for share-based compensation (reference is made to caption "Share-based compensation").

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment. Assets with a finite useful life are subject to depreciation or amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment is recognized as an expense in the income statement. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment has to be reversed. Impairment losses on goodwill are not reversed.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment loss is recognized for the amount by which the carrying amount of a financial asset exceeds its recoverable amount. Impaired financial assets are tested periodically to determine whether the recoverable amount has increased and the impairment has to be reversed. In the case of a financial asset classified as available-for-sale, a significant or prolonged decline in the fair value of the available-for-sale financial asset below its acquisition cost is considered as an indicator that the available-for-sale financial asset is impaired. If any such evidence exists for an available-for-sale financial asset, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income statement – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the 'indirect' method. Cash flows in foreign currencies have been translated at average exchange rates. Currency translation differences are shown separately in the consolidated cash flow statement. Cash flow from investing activities consists mostly of investments and divestments in property, plant and equipment, and intangible assets, the sale of the finance lease portfolio and acquisitions insofar as these are paid for in cash. Acquisitions of subsidiaries are presented net of cash balances acquired.

Earnings per share attributable to shareholders

Earnings per ordinary share are calculated by dividing the net income attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding. The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible debentures to employees and the settlement of share-based compensation plans (share plans and share option plans). Anti-dilutive effects are not included in the calculation. With regard to convertible debentures to employees it is assumed that these are converted in full. An adjustment is made to net income to eliminate interest charges, whilst allowing for effect of taxation. Regarding share plans it is assumed that all outstanding equity-settled share plans and share plans with settlement alternatives will vest and will be settled in shares. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding, i.e. the number of options times the exercise price, divided by the

average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

Critical accounting estimates and assumptions

When drawing up the financial information management is required to make estimates and assumptions regarding the future. In doing so, management takes past experiences as its basis for making the best possible estimate of future developments. The actual results will, by definition, rarely equal the estimates and assumptions made by management. The estimates and assumptions that bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed below.

Impairment of goodwill

Océ tests at least annually whether goodwill has suffered any impairment by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In determining the recoverable amount, Océ makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital (WACC) and future inflation rates.

Other intangible assets

Intangible assets with estimated useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the 'straight-line' method based on the estimated useful lives. Management makes estimations regarding the useful lives and residual values and assumes that amortization takes place on a 'straight-line' basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Océ tests annually whether other intangible assets have suffered any impairment by comparing the recoverable amounts of the other intangible assets with their carrying amounts. In determining the recoverable amounts of other intangible assets, Océ makes estimates and assumptions about the net present value of future cash flows based on the value in use. In doing so Océ also makes assumptions and estimates regarding the discount rate used for calculating the net present value.

Property, plant and equipment and rentals

Property, plant and equipment and rentals are carried at cost less cumulative depreciation and any impairment. Depreciation is calculated using the 'straight-line' method based on the estimated useful lives, taking into account any residual values. Management makes estimations regarding the useful lives and residual values and assumes that depreciation takes place on a 'straight-line' basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate or on a yield curve based on market conditions existing at the balance sheet date. The fair value of interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The nominal value less impairment provision of trade receivables and trade payables are assumed to approximate their fair values. The fair value of non-current financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Share-based compensation

For equity-settled share-based compensations, estimates are made regarding the expected number of equity instruments (or its value) necessary for settlement. The fair value of share options granted is determined using binomial option-pricing models. In doing so, Océ uses market prices and makes estimates and assumptions about the risk-free rate, expected dividends, and expected volatility. The fair value of shares granted is determined by reference to their market price and, if applicable, market based performance conditions.

Inventories

In determining the net realizable value of inventories, Océ estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. In doing so, Océ makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of related machines, the remaining service period of these machines and the impact of new environmental legislations).

Provision for impairment of trade and finance lease receivables

In determining the provision for impairment of trade and finance lease receivables Océ bases its estimates and assumptions based on aging and specific developments regarding the customers (e.g. creditworthiness and market developments). The provision for impairment of trade and finance lease receivables is reviewed periodically to assess the adequacy of the provision.

Capitalization of development expenses

In determining the development expenses to be capitalized, Océ makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development costs. Other important estimates and assumptions in this assessment process are the required internal rate of return, the distinction between research and development and the estimated useful life.

Provision for restructuring

Océ recognizes a provision for restructuring regarding cost-saving restructuring measures and the integration of acquired businesses. Provisions for restructuring include, amongst other, estimates and assumptions about severance payments and termination fees.

Income taxes

Océ is subject to income taxes in numerous jurisdictions. Estimates are required in determining the worldwide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Océ recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which Océ operates and the period over which deferred tax assets are recoverable. In the event that actual results differ from these estimates, and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and net income.

Defined benefit plans

Defined benefit plans represent obligations that will be settled in the future. To project these obligations over a longer period of time, Océ is required to make assumptions regarding the development of these obligations. Post-employment benefit accounting is intended to reflect the recognition of future costs of defined benefit plans over the employee's expected service period, based on the term of the plans and the investment and funding decisions made. Post-employment benefit accounting requires Océ to make assumptions about variables such as discount rate, rate of compensation increase, return on plan assets and future mortality rates. Océ periodically consults outside actuaries regarding these assumptions. Changes in these assumptions can have significant impact on the defined benefit obligations.

6 REVIEW REPORT RELATING TO THE OCÉ SPECIAL PURPOSE FINANCIAL INFORMATION FOR THE YEAR ENDED 30 NOVEMBER 2009.

To the Board of Directors of Océ N.V.

Review report

Introduction

We have reviewed the special purpose financial information of Océ N.V., Venlo, for the year ended 30 November 2009 (as set out on pages 156 to 171 of the Offer Memorandum). This special purpose financial information is the responsibility of the company's management. Our responsibility is to issue a report on this special purpose financial information based on our review.

Scope

We conducted our review in accordance with Dutch law, including Standard 2400 'Engagements to review financial statements'. This law requires that we plan and perform the review to obtain moderate assurance about whether the special purpose financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying special purpose financial information has not been prepared in accordance with the accounting principles described in the section 'basis of preparation' (as set out on pages 161 to 171 of the Offer Memorandum).

Other matter – restriction of use

The special purpose financial information of Océ N.V., Venlo, for the year ended 30 November 2009 and our review report thereon are intended solely for the Executive Board of Océ N.V. for inclusion in the Offer Memorandum, part II and are not suitable for any other purpose.

Amsterdam, 26 January 2010
PricewaterhouseCoopers Accountants N.V.

B. Koolstra RA

PART III – POSITION STATEMENT

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POSITION STATEMENT

of

Océ N.V.

regarding the recommended cash offer by Canon Finance Netherlands B.V.
a wholly owned direct subsidiary of Canon Inc.



Dated 28 January 2010

DISCLAIMER

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities to any person in any jurisdiction. This document is not for release, distribution or publication, in whole or in part, in the United States of America or Canada.

This Position Statement has been published by Océ N.V. ("**Océ**") for the sole purpose of providing information to its Shareholders on the recommended cash offer by Canon Finance Netherlands B.V., a wholly owned direct subsidiary of Canon Inc. ("**Canon**") for all the Shares in Océ, as required pursuant to Article 18, paragraph 2 and Annex G of the Decree (*Besluit openbare biedingen Wft*).

In relation to the Offer, an extraordinary general meeting of Shareholders ("**Océ EGM**") will be held at 14.30 hours CET on 12 February 2010 at Van der Grintenstraat 1, 5914 HD at Venlo, the Netherlands.

Copies of this Position Statement can be obtained free of charge via the website of Océ (www.investor.oce.com).

The information included in this Position Statement reflects the situation as of the date of this Position Statement. Océ does not undertake any obligation to publicly release any revisions to this information to reflect events or circumstances after the date of this document, except as may be required by applicable securities laws or by any appropriate regulatory authority. Océ is exclusively responsible for the accuracy and completeness of the information contained in this Position Statement.

This Position Statement includes "forward looking statements" including statements about the expected timing and completion of the Offer. Forward looking statements involve known or unknown risk and uncertainty because these statements relate to events and depend on circumstances that all occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward looking statements. Although Océ believes the expectations reflected in such forward looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward looking statements must be considered, together with the fact that actual events or results may vary materially from such forward looking statements due, among other things, to political, economic or legal changes in the markets and environments in which Océ does business, to competitive developments or risks inherent to Océ's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting Océ. Océ undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

This Position Statement is governed by the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any

disputes which might arise out of or in connection with the Position Statement. Accordingly, any legal action or proceedings arising out of or in connection with this Position Statement may be brought exclusively in such courts.

Any capitalised terms in this Position Statement (other than in Section 6 (Fairness Opinions) and Section 7 (Extraordinary General Meeting of Shareholders) of this Position Statement or unless otherwise defined in this Position Statement) shall have the meaning attributed to them in Section 3 (Definitions) of the Offer Memorandum. Any reference in this Position Statement to defined terms in plural form shall constitute a reference to such defined terms in singular form, and *vice versa*. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made.

Dear Shareholder,

The Océ EGM to be held on 12 February 2010 is an important event for Océ and its Shareholders. During this meeting you will, among other things, be informed about the Offer.

On 16 November 2009, Océ and Canon jointly announced that conditional agreement had been reached between Océ and Canon about an intended public offer by (a wholly owned subsidiary of) Canon for all Shares in Océ at an offer price of EUR 8.60 in cash per Share.

In this Position Statement, we would like to address the background of the proposed transaction as well as its financial and strategic merits. As you will notice from the process described herein, the Boards have given this transaction careful and extensive consideration.

1 Recommendation by the Supervisory Board and the Management Board of Océ

As has been discussed in the latest two general meetings of shareholders (the extraordinary meeting of 21 October 2008 and the general meeting of 23 April 2009) and as communicated at various occasions in the press, the Boards have conducted a thorough and complete strategic review of Océ which started in August 2008. The strategic review process was started in view of the relative lack of scale of Océ in combination with the ongoing consolidation in the printing industry. On several occasions, including the above-mentioned general meetings of shareholders, the Boards have discussed the importance for Océ to further increase the economies of scale to secure the long-term future of Océ. The Boards have undertaken this strategic review process taking into account the interests of Océ, the Shareholders and its other stakeholders.

To thoroughly and completely conduct and coordinate the strategic review process, while at the same time safeguarding and guaranteeing the management of the business on a going-concern basis and the full preservation of confidentiality, a Steering Committee consisting of the members of the Management Board and certain selected senior managers was established in close consultation with the Supervisory Board. Throughout the process the Supervisory Board regularly discussed the strategic review process with the Management Board. The Supervisory Board established a Sounding Board consisting of certain selected members of the Supervisory Board to advise and supervise the Management Board in this process. The extensive involvement of the Supervisory Board members and the regular consultation between the Boards ensured a thorough and complete strategic review process taking into account the interests of Océ, the Shareholders and its other stakeholders.

To assist in its strategic review process, Océ has appointed ING Corporate Finance as financial adviser, De Brauw Blackstone Westbroek as legal adviser and McKinsey as strategic adviser.

In this process, potential candidates for an alliance, acquisition of one or more parts, a merger or a full takeover have been reviewed. Furthermore, the option of Océ continuing on a stand-alone basis including additional measures to be taken such as divestments and further cost reductions have been thoroughly reviewed. As stated above, these options have been reviewed taking the interests of Océ, the Shareholders and its other stakeholders into account and such review included assessments as to, amongst others, the value impact, the timing, the execution risks and the transaction risks associated with each of these options.

As part of this strategic review process the Boards have also considered a potential break-up scenario and have concluded, *inter alia*, that the combination of any theoretical value creation, the associated timing, costs, execution and transaction risks in such scenario is not attractive when compared to the Offer. Moreover, during the strategic review process no parties have indicated to Océ any interest for acquiring specific parts of Océ.

During the strategic review process Océ has been in contact with all relevant industry players with which it has considered and discussed various transaction forms. These parties included those with which Océ has or has had alliances, or has been in strategic dialogue with for a longer period of time as well as parties that pro-actively approached Océ.

Of all parties, four were interested to discuss a potential strategic partnership in more detail and received and signed a confidentiality agreement. None of these parties were granted exclusivity. Océ received two indicative offers that were based *inter alia* on management and expert meetings and

on information which was confidentially provided. One party submitted an indicative offer which was not satisfactory, in particular from a value point of view. This party decided not to submit a revised indicative offer and to withdraw from the process. To Canon, the Management Board provided further, more detailed information and supported them in their due diligence process by extensive Q&A and further expert meetings.

The result of this thorough and complete strategic review conducted since August 2008 is the Offer by Canon on the Shares. Besides the Offer no viable alternatives presented themselves. Since Océ and Canon's joint announcement that conditional agreement had been reached between them about an intended public offer by (a wholly owned subsidiary of) Canon for the Shares at an offer price of EUR 8.60 in cash per Share on 16 November 2009, Océ has not been approached by any party interested in Océ or parts thereof.

As described above, throughout the strategic review process, the Supervisory Board and the Management Board have met on a frequent basis and have discussed the progress of the process and key decisions in connection therewith. The terms and conditions of the Offer have been agreed between Océ and Canon with the prior approval of the Supervisory Board.

The Supervisory Board and the Management Board have received extensive strategic, financial and legal advice and have given due and careful consideration to the strategic, financial and social aspects and consequences of the proposed transaction and have considered all other options available to Océ, such as stand-alone scenarios and potential third party transactions. Taking all these considerations into account the Boards have unanimously reached the conclusion that the Offer presents the best possible way forward for Océ at conditions that are favourable to its Shareholders and all other stakeholders and as such the Offer is in the best interests of Océ, the Shareholders and its other stakeholders. In this context the Boards have also taken into account Canon having expressed its intention to support Océ in accordance with Canon's group financing rules to enable it to have appropriate financing to realize its strategic goals.

The Supervisory Board and the Management Board are of the opinion that the price being offered per Share is fair and reasonable to the Shareholders from a financial point of view. In this respect, reference is made to the Boards' financial assessment of the Offer, as included in Section 2 of this Position Statement, the Fairness Opinion rendered by ING Corporate Finance and the Fairness Opinion rendered by Lazard, as included in Section 6 (Fairness Opinions) of this Position Statement. With reference to the above, the Supervisory Board and the Management Board fully support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

2 The Boards' rationale

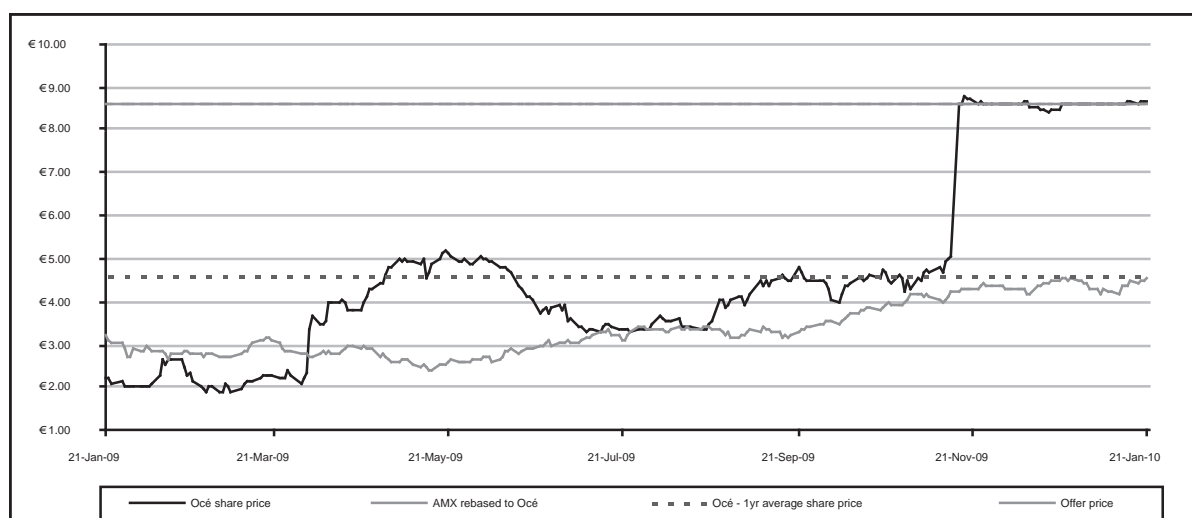
The Boards have given due and careful consideration to both the financial and non-financial consequences of the Offer as detailed in this Section 2 of this Position Statement, also in relation to assessing all other strategic options, such as stand-alone scenarios and potential third party transactions. In reaching their decision to approve the Offer and to recommend that the Shareholders tender their Shares in the Offer, the Boards have been supported by legal, financial and strategic advisers.

(i) Financial assessment of the Offer

The Offer of EUR 8.60 per Share represents the following premiums to historic trading prices:

- a) seventy (70) per cent, relative to the closing share price of EUR 5.07 per Share on 13 November 2009, the last trading day prior to 16 November 2009, the day on which Océ and Canon jointly announced that conditional agreement had been reached between them in connection with an intended public offer by Canon for the Shares;
- b) eighty-six (86) per cent, relative to the average closing share price of EUR 4.62 per Share over the last month prior to 16 November 2009;
- c) one hundred and five (105) per cent, relative to the average closing share price of EUR 4.19 per Share over the last 6 months prior to 16 November 2009; and
- d) one hundred and thirty seven (137) per cent, relative to the average closing share price of EUR 3.63 per Share over the last 12 months prior to 16 November 2009.

The chart below shows the development of the price of the Share on Euronext Amsterdam in the period from 21 January 2009 to 21 January 2010.



Note: AMX refers to the Amsterdam Midcap Index, the index of Euronext Amsterdam that lists the shares of medium sized companies. Océ is listed in AMX.

Based on the Boards' knowledge of the market and industry in which Océ operates, the Boards' experience and advice obtained from financial advisers, the Boards are of the opinion that the price being offered per Share is fair and reasonable to the Shareholders from a financial point of view. In this context the Boards have considered the price being offered per Share in conjunction with the takeout of the Preference Shares to be acquired by Canon (subject to the Offer being declared unconditional) and the liabilities that Océ still will have if the Offer is declared unconditional and Océ becomes a subsidiary of Canon. These liabilities include such items as interest bearing debt (of which the Boards have also taken into consideration its historical seasonality patterns) and pension liabilities.

In addition to the foregoing, the Boards have also considered the following in their financial assessment of the Offer:

1. The Fairness Opinion dated Monday 16 November that ING Corporate Finance provided to Océ before trading hours on that date and the Fairness Opinion dated Saturday 14 November 2009 that Lazard provided to the Supervisory Board, that – subject to the assumptions made, matters considered and limitations on the review undertaken in connection with such opinions – the Offer Price to be received by the Shareholders in the Offer was, as of the date of the relevant opinion, fair from a financial point of view to the Shareholders (see Section 6 (Fairness Opinions) of this Position Statement).
2. Canon is able to fulfil its obligations under the Offer from cash resources which are currently available within Canon's group of companies.

The above elements, combined with the fact that Canon has secured (i) an irrevocable commitment from Bestinver Gestion S.A., SGIIC, which holds approximately nine point five (9.5) per cent. of the Shares, and (ii) irrevocable commitments from all the holders of depositary receipts for Océ's financing preference shares and *Stichting Administratiekantoor Preferente Aandelen Océ*, representing approximately nineteen (19) per cent of the voting rights in Océ, make the Offer the best option for Océ, the Shareholders and its other stakeholders. In addition Canon has in the meantime – as it appears from the filings made by Canon with the AFM – acquired approximately (twenty-eight point zero five (28.05) per cent of the Shares at Euronext Amsterdam at the average price of EUR 8.55 per Share.

(ii) *Strategic fit*

The strategic, operational and financial rationale of the proposed transaction is compelling and will provide significant benefits to Océ, the Shareholders, employees, customers and other stakeholders of Océ.

Canon and Océ will be able to build upon each other's strong history and proven track record of innovation and customer servicing and create a strong joint enterprise capable of long term successes. The similar technology oriented background and corporate values will be important drivers creating a world leading group in the printing industry.

Canon and Océ have similar backgrounds in corporate values with a client oriented culture and a technology driven business model. Océ, one of the world's leading providers of document management and printing for professionals, brings to the merger its expertise and strengths in the areas of production printing, wide format printing and business services. Océ's strategy focuses on strengthening its distribution power, increasing product competitiveness and improving operational excellence. The combination will provide Océ access to Canon's well-established sales and marketing network worldwide. Additionally, Océ will benefit from the Canon Group "Best in Class" processes and infrastructure as well as financing to facilitate active investment toward the expansion of Océ's business operations. The combination of Canon and Océ will have leading positions in the SOHO (Small Office/Home Office), office, production and wide format segments, offering a superlative range of products and services. It will be able to provide optimal customer servicing through its enhanced scale, innovative technologies and strong distribution networks. Océ and Canon have complementary technologies and products and will benefit from improved diversification across regions and businesses.

In a consolidating printing industry, driven by the fact that scale is increasingly important, only players that are able to improve profitability through increased scale and "Best in Class" processes and infrastructure will play a leading role in such industry going forward. In this perspective, Canon and Océ form the ideal combination. Together they are excellently positioned to optimize the servicing of their customers and become an undisputed market leader.

(iii) *Non financial considerations*

- Océ will remain a separate legal entity and will become a division within Canon with headquarters in Venlo, the Netherlands.
- Océ will be responsible worldwide for wide format, commercial printing and business services. Océ's office activities will be integrated in Canon's Office Imaging Products division. Canon's Large Format Printing will functionally be integrated in the Océ Production Printing Division (the "**Océ division**") over time.
- A Steering Committee composed of executives of both Océ and Canon will direct and supervise the integration process, which will be aimed at optimizing efficient coordination of Sales, Service, Marketing, Research and Development and Manufacturing and Logistics covering all business areas.
- The Océ division will report (managerially and financially) to the Canon board and will lead the Research and Development and manufacturing for its businesses.
- Océ's headquarters, combining Research and Development, production and sales functions, are expected to play an integral role in Canon's European regional operations, one of Canon's key bases within its Three Regional Headquarters vision.
- The current Management Board and key management of Océ will remain in place. The proposed composition of Océ's Supervisory Board will be such that Mr. Elverding and Mr. Baan will remain in office as independent members and four (4) new members nominated by Canon, including Mr. Toshizo Tanaka, the Executive Vice-President and CFO of Canon, will be proposed for appointment to the Océ EGM, all subject to completion of the Offer.
- In the Océ division, the strong Océ brand name will be maintained and will be applied in all relevant markets.
- The customers of Océ will benefit from an enlarged range of high quality products and services through an extended global sales and service network.
- No material negative consequences are expected as a result of the Offer for the existing employment level of Océ (excluding already announced personnel reductions). The Océ employees will become part of a global leader in the printing industry which will capitalize on

the strong brands of both companies and may benefit from the opportunities available in the combination.

- Human resources management is considered a critical success factor for the combination Canon – Océ and will be based on merit and skills.
- The combination Océ – Canon will respect the existing rights of the employees of Océ.
- The applicable covenants with the Océ works councils and the unions, the applicable social plans and collective labour agreements, and also the current obligations with respect to the pension rights of Océ's employees will be respected.
- Canon intends to refinance short and long term debt of Océ that becomes repayable upon the completion of the Offer.

These considerations, while also taking into account the fact that Canon has expressed its intention to support Océ in accordance with Canon's group financing rules to enable it to have appropriate financing to realize its strategic goals, have brought reassurance to the Boards that the combination with Canon will have a positive impact on Océ and its stakeholders.

(iv) *Certain arrangements*

In the negotiations resulting in the announcement on 16 November 2009 that conditional agreement had been reached between Océ and Canon in connection with a public offer, Océ identified certain core process points in order to be able to safeguard the interests of Océ, the Shareholders and all its stakeholders. In particular Océ agreed with Canon that:

- Océ is not prohibited from responding to an unsolicited and uninvited approach by a *bona fide* third party.
- Océ may terminate the conditional agreement with Canon in the event that a bona fide third party makes an offer which is, in the reasonable opinion of Océ's Management Board and Supervisory Board, superior to the Offer and as such exceeds the Offer price by ten (10) per cent (or in the event of a consecutive bid by five (5) per cent), unless Canon matches such superior offer.
- In the event the conditional agreement is terminated pursuant to a competing offer, Océ shall pay to Canon an amount of EUR 7,950,000 as compensation for opportunity costs and other costs incurred by Canon.
- As long as Océ is a listed company and Canon holds less than ninety-five (95) per cent of the Shares:
 - the Supervisory Board shall have at least two members who are independent of Canon, its affiliates or any of its advisers as specified in the Dutch Corporate Governance Code; and
 - Océ shall continue to adhere to the Dutch Corporate Governance Code by way of complying or explaining any deviations in accordance with the provisions of the aforementioned code.

(v) *Conclusion*

With reference to the financial and the non-financial considerations of the Offer as set out in Section 2 above, the Supervisory Board and the Management Board fully support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

3 Financials

Reference is made to Part II (Financial Statements) of the Offer Memorandum.

4 Employee consultation process

The relevant and applicable employee consultation procedures have been completed (including the information provision process with the Océ Merger Committee (*Océ Fusiecommissie*), the Océ European Works Council and the relevant Océ works councils). The Social Economic Council and the relevant trade unions have been notified of the Offer in accordance with the SER Merger Code.

5 Overview of trading in Océ

In the year preceding the date of this Position Statement, no transactions or agreements in respect of securities in Océ were effected or concluded by any of the current members of the Management Board or the Supervisory Board.

Pursuant to and in accordance with the terms of the Océ's applicable long term incentive plans, certain members of the Management Board were awarded Shares as set out below in the year preceding the date of this Position Statement:

Management Board member	Award date	Applicable plan	Class of Shares	Number of Shares	Share price (EUR)
Mr. R.L. van Iperen	21 April 2009	Share Plan 2006	Ordinary	2,297	2.02
Mr. A.H. Schaaf	30 January 2009	Share Plan July 2006	Ordinary	7,688	2.04

6 Fairness Opinions

6.1 Fairness Opinion of ING Corporate Finance

Océ N.V.
The Board of Executive Directors
St. Urbanusweg 43
P.O. Box 101, 5900 MA Venlo
The Netherlands

Date
November 16, 2009

STRICTLY PRIVATE AND CONFIDENTIAL

Subject: Fairness Opinion

Dear Sirs,

It is understood that Canon, Inc. ("**Canon**"), or a fully-owned subsidiary of Canon (combined the "Offeror"), intends to make a public offer (the "**Intended Offer**") for all issued and outstanding ordinary shares with a nominal value of EUR 0.50 each (the "**Shares**", each a "**Share**") of Océ N.V. ("**Océ**" or the "**Company**") pursuant to the merger agreement entered into on November 16, 2009 (the "**Merger Protocol**"), of which the terms and conditions will be set out in an offer memorandum (the "Offer Memorandum") that is expected to be published in relation to the Intended Offer for information purposes to the holders of the Shares (the "**Shareholders**"). It is understood that the Offeror is to offer for each Share tendered under the terms of the Intended Offer, a cash amount of EUR 8.60 per Share cum dividend, if applicable (the "**Consideration**").

You, the Board of Executive Directors of the Company, have asked the Corporate Finance Division of ING Bank N.V. ("**ING Corporate Finance**") to provide you with an opinion (the "**Fairness Opinion**" or the "**Opinion**") with respect to the fairness, from a financial perspective, of the Consideration to be offered in the Intended Offer to the Shareholders.

In arriving at our Opinion, ING Corporate Finance has reviewed and considered:

- (1) certain publicly available information with respect to the Company, such as annual reports, company presentations and press releases and such other publicly available information concerning the Company that ING Corporate Finance believes to be relevant to its analysis;
- (2) certain internal financial and operating information with respect to the business, operations and prospects of the Company, furnished to ING Corporate Finance by the Company;
- (3) certain discussions with representatives of the Company;
- (4) current and historical market prices of the Shares;

- (5) a comparison of the historical financial results and current financial condition of the Company with those of other companies that ING Corporate Finance deemed relevant;
- (6) a comparison of the financial terms of the Intended Offer with the financial terms of certain other recent transactions that ING Corporate Finance deemed relevant;
- (7) the Merger Protocol between the Company and the Offeror; and
- (8) other studies, analyses and investigations that ING Corporate Finance deemed appropriate for the purpose of this Opinion.

In performing our analysis, we have used such valuation methodologies as we have deemed necessary or appropriate for the purposes of this Opinion. In producing our Opinion:

- (1) We have not assumed or accepted any responsibility and/or liability for independent verification of, and we have not independently verified, any of the foregoing information and have relied on all such information as being sufficient, complete and accurate and not misleading in all material respects, without any additional check being undertaken to verify the completeness and accuracy of such disclosure. For the avoidance of doubt, we have assumed that no information has been withheld from us that could have an impact on this Opinion;
- (2) We have not assumed or accepted any responsibility and/or liability for any aspect of the work that any other professional advisers have produced regarding the Intended Offer and we have assumed as true and accurate and not misleading any work produced by such advisers. We have not been provided with, obtained or reviewed any tax, regulatory, accounting, actuarial or other advice and as such assume no liability or responsibility in connection therewith. Accordingly, in providing this Opinion, we have not taken into account the possible implications of any such advice;
- (3) We have assumed that all corporate and other action required by you, your subsidiaries and your other affiliates to complete the Intended Offer and carry out your obligations there under has been or will be duly taken, that the Intended Offer documentation will constitute a valid and legally binding obligation of you and that the execution, delivery and performance by you of the Intended Offer will not violate or be prohibited by either your internal constitution or by any provision of any existing law applicable to you or any agreement or instrument binding on you or any of your assets or constitute a default or termination event (however described) under any such agreement or instrument;
- (4) With respect to any financial forecasts, we have assumed that such forecasts have been prepared on bases reflecting reasonable estimates and judgments as to your future financial performance. In addition, we have not been requested to make (and therefore have not made) an independent evaluation or appraisal of your assets and liabilities (contingent or otherwise), nor have we been furnished with any such evaluations or appraisals. Our Opinion is necessarily based upon information available to us, and the financial, economic, political and social market and other relevant conditions to the Opinion as they exist and can be evaluated, as at the date hereof;
- (5) We have assumed that all consents and approvals of regulatory bodies, shareholders, exchanges, creditors and others which are required under any applicable law, regulation, agreement or instrument to consummate the Intended Offer will be obtained with no detriment in any aspect which may be material for our analysis. Subsequent developments may affect this Opinion and the assumptions made in its preparation, and we do not have any obligation to update, revise or reaffirm this Opinion;
- (6) have assumed that the Intended Offer will not constitute nor cause an event of default or a potential event of default under any of your debt obligations;
- (7) We have assumed that, up to the date of this Opinion, no facts or circumstances have occurred that are not known to ING Corporate Finance, or should have been known to ING Corporate Finance given the information provided, that could materially impact ING Corporate Finance's view regarding the Opinion.

We have been engaged by you to act as your financial advisor in relation to the Intended Offer and we will receive a fee from you for our services, a significant portion of which is conditional upon completion of the Intended Offer.

In rendering this Opinion, ING Corporate Finance has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly ING Corporate Finance does not assume any responsibility and/or liability in respect thereof.

In the ordinary course of business, ING Bank N.V. (of which ING Corporate Finance forms part) and its affiliates may have a banking relationship with the Company or the Offeror, or may actively be involved in proprietary or third party trading of debt and equity securities of the Company or the Offeror and accordingly, may at any time hold a long or short position in such securities. ING Corporate Finance has established procedures, including Chinese Walls, designed to help ensure the independence of its advice.

The valuation of securities is inherently imprecise and is subject to uncertainties and contingencies, all of which are difficult to predict and beyond ING Corporate Finance's control. Developments in economic, market, financial and other conditions occurring after the date of this Opinion, and any other information that becomes available after this date, could impact the Opinion and the assumptions on which the Opinion is based. In that case, ING Corporate Finance is not obliged to renew, review or confirm its Opinion. In addition, ING Corporate Finance cannot provide any assurance that this Opinion could be repeated by the facts and circumstances in existence at any future date, and in particular on any date on which this Opinion is included in a position statement of the Board of Executive Directors and the Supervisory Board (the "Position Statement") or is disclosed pursuant to any legal or regulatory requirement.

This Opinion is supplied to you, the Board of Executive Directors of the Company, on the understanding that it has been produced solely for your benefit as part of the information you require in your contemplation of the Intended Offer. We do not otherwise express any views on the Offer, or its effect on your business or any part of it.

This Opinion does not constitute a recommendation to you or to any holder of your debt or equity securities or any other company involved in any way with the Intended Offer. This Opinion is confidential and may not be made public, other than through publication of the complete contents of this letter in a Position Statement.

We do not accept any responsibility and/or liability for the contents of this Opinion to any party (including your shareholders, creditors, regulators, exchanges and other interested parties) other than the Board of Executive Directors of the Company. In addition, you agree that, we shall not have any direct or indirect liability of any kind to you, or to any of your directors, employees, shareholders or creditors, except for losses, claims, damages or liabilities incurred by you to the extent they are found in a final judgment by a court to have resulted from a deliberate omission or negligence on the part of us or our affiliates and sub-contractors.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, from a financial perspective, the Consideration offered in the Intended Offer is fair and reasonable to the Shareholders.

This Opinion shall be governed by, and construed in accordance with, Dutch law and each party agrees for the benefit of the other that proceedings against it may only be brought in the competent courts of Amsterdam, the Netherlands.

Yours faithfully,
ING Bank N.V.

6.2 Fairness Opinion of Lazard

Supervisory Board of Océ N.V.
Sint Urbanusweg 43
5900 MA Venlo

14 November 2009

Dear Members of the Supervisory Board:

We understand that Canon, Inc., either itself or through a wholly owned subsidiary, (the "Bidder") intends to make a public offer (the "Transaction" or the "Offer") for all the outstanding ordinary shares (the "Shares") in the capital of Océ N.V. (the "Company") for a cash consideration of EUR 8.60 per Share. While certain provisions of the Offer are summarized herein, the terms and conditions of the Offer are more fully set forth in a merger protocol between the Bidder and the Company, a draft of which has been provided to us on 13 November 2009, and certain related documents (the "Merger Protocol").

You have requested the opinion of Lazard B.V. ("Lazard") as to the fairness, from a financial point of view, to the shareholders of the Company of the consideration of EUR 8.60 per Share to be paid in the Offer. In connection with this opinion, we have:

- (i) Reviewed the financial terms and conditions of the Offer as set out in the Merger Protocol;
- (ii) Analyzed certain historical business and financial information relating to the Company, including the audited annual accounts of the Company for the three years ended November 30, 2006, 2007 and 2008, and the unaudited quarterly reports for the quarters ended 29 February 2009, 31 May 2009 and 31 August 2009;
- (iii) Reviewed various financial forecasts and other data provided to us by the Company relating to its business;
- (iv) Held discussions with members of the senior management of the Company with respect to the business and prospects of the Company;
- (v) Reviewed public information, including research analysts reports relating to the expected future financial performance of the Company;
- (vi) Reviewed public information with respect to certain other companies in lines of business we believe to be generally comparable to the business of the Company;
- (vii) Reviewed the financial terms of certain transactions involving companies in lines of businesses we believe to be generally comparable to those of the Company and the Bidder and in other industries generally;
- (viii) Reviewed the historical stock prices and trading volumes of the Company's stock; and
- (ix) Conducted such other financial studies, analyses and investigations as we deemed appropriate.

In preparing this opinion we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the foregoing information, including, without limitation, all the financial and other information and reports provided, and all representations made, to us by the Company. We have not undertaken any independent investigation or appraisal of such information, reports or representations. We have not provided, obtained or reviewed on your behalf any specialist advice, including but not limited to, legal, accounting, actuarial, environmental, information technology or tax advice, and accordingly our opinion does not take into account the possible implications of any such specialist advice.

We have assumed that the valuation of assets (including all plant and equipment) and liabilities and the profit and cash flow forecasts, including future capital expenditure projections made by the management of the Company are fair and reasonable. We have not independently valued the principal assets or liabilities of the Company. With respect to the financial forecasts and projections provided to us, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently

available estimates and judgments of the management of the Company as to the expected future results of operations and financial condition of the Company to which such forecasts and projections relate. We are expressing no opinion herein as to the price at which the Shares will trade at any future time.

In preparing our opinion, we have assumed that the Transaction will be consummated on the terms and subject to the conditions described in the draft Merger Protocol provided to us on 13 November 2009, without any modification of any of its material terms or conditions. We have also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Offer will be obtained without any reduction in the benefits of the Offer and we have taken into account certain specific risk factors related to the Company's business and the industry in which it operates.

Further, our opinion is necessarily based on the economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. We further note that the current volatility and disruption in the credit and financial markets may or may not have an effect on the Company and we are not expressing an opinion as to the effects of such volatility or such disruption on the Company. In addition, changes in the printing industry sector and the laws and regulations applicable to such sector could affect the financial forecasts of the Company.

We are acting as financial advisor to the Supervisory Board of the Company in connection with the Transaction and will receive a fee for our services, which fee will not be contingent on the success of the Offer. Certain companies belonging to the Lazard Group may trade shares and other securities of the Company and/or the Bidder in the ordinary course of business for their own account and for the accounts of their customers and may, therefore, at any time hold long or short positions in such securities.

This opinion is being provided solely for the benefit of the Supervisory Board of the Company in connection with, and for the purposes of, its consideration, in its sole independence of judgment, the Offer and is not on behalf of, and shall not confer rights or remedies on, nor may it be relied on by any shareholder of the Company, the Bidder or any other person or be used for any other purpose. This opinion addresses only the fairness, from a financial point of view, of the consideration to be paid as set forth in the Offer, and does not address any other aspect or implication of the Transaction. This opinion does not address the relative merits of the Transaction as compared to alternative transactions or strategies that might be available to the Company. This opinion does not constitute a recommendation to any person as to whether such person should tender shares pursuant to the Offer. We express no opinion as to the consideration shareholders of the Company may receive or have received in alternative transactions, or on the merits of the Offer compared to alternative transactions or business strategy that may be available to the Company. In addition, this opinion does not address, the fairness to, or any consideration of, the holders of any class of securities, creditors or other constituencies of the Company other than the holders of Shares.

This opinion is confidential and may not be used or relied upon, or disclosed, referred to or communicated by you (in whole or in part) to any third party for any purpose whatsoever without our prior written authorization. This opinion is subject to the engagement letter entered into between the Supervisory Board of the Company and Lazard.

This opinion is issued in the English language and reliance may only be placed on this opinion as issued in the English language. If any translations of this opinion will be delivered they are provided only for the ease of reference, have no legal effect and we make no representation as to (and accept no liability in respect of) the accuracy of any such translation.

This letter shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the Dutch courts.

Based on and subject to the foregoing, we are of the opinion, as of the date hereof, that the consideration to be paid as set forth in the Offer is fair, from a financial point of view, to the shareholders of the Company accepting the Offer.

Very truly yours,
LAZARD B.V.

7 Extraordinary General Meeting of Shareholders

Agenda for the Extraordinary General Meeting of Shareholders of Océ N.V. (the "Company"), with corporate seat in Venlo, to be held at the Company's office in Venlo, the Netherlands, on Friday, 12 February, 2010 at 14.30 hrs.

The meeting will be held in Océ building 3R in Venlo, entrance Van der Grintenstraat 1, 5914 HD Venlo, Gate 2-3.

1. Opening.
2. Announcements.
3. Discussion of the public offer (the "**Offer**") by Canon Finance Netherlands B.V. (the "**Offeror**"), a wholly owned direct subsidiary of Canon Inc. ("**Canon**") for all issued and outstanding ordinary shares in the capital of the Company (the "**Shares**") for a cash amount of EUR 8.60 per issued and outstanding ordinary share (the "**Offer Price**"), pursuant to article 18 of the Public Takeover Bids (Financial Supervision Act) Decree (*Besluit openbare biedingen Wft*) (the "**Takeover Decree**").
4. Discharge of the resigning members of the Supervisory Board.*
5. Composition of the Supervisory Board.
 - 5a. Appointment of Mr. T. Tanaka as member of the Supervisory Board.*
 - 5b. Appointment of Mr. S. Liebman as member of the Supervisory Board.*
 - 5c. Appointment of Mr. N. Eley as member of the Supervisory Board.*
 - 5d. Appointment of Mr. J.M. van den Wall Bake as member of the Supervisory Board.*
6. Amendment of the Company's articles of association.
 - 6a. Elimination of the cumulative protective preference shares.*
 - 6b. Deletion of the transfer restriction re convertible cumulative financing preference shares.*
 - 6c. Changes to corporate governance structure.*
7. Announcements, questions, and closing.

The Management Board

- * Agenda items to be voted on. The other items are included on the agenda for discussion purposes only.

Explanatory notes to the agenda

Information pertaining to agenda item 3

On 16 November 2009, Canon and the Company announced by means of a press release Canon's intention to make a public offer for the Shares. The offer memorandum (the "**Offer Memorandum**") is made available on 28 January 2010. The acceptance period under the Offer commences on 29 January 2010 at 9.00 hrs CET and will expire on 1 March 2010, at 17.30 hrs CET.

In addition to key items such as the Offer Price, the acceptance period, conditions of settlement of the Offer by the Offeror and transfer of shares in the capital of the Company against payment of the Offer Price, the Offer Memorandum contains an explanation of the conditions and the structure of the Offer and other information with regard to the Offer and the parties involved in the Offer.

Further, under the same cover as the Offer Memorandum, the Position Statement of the Management Board and the Supervisory Board with respect to the Offer is also published. Information regarding the assets and liabilities and the results of the Company for the financial years 2006 through 2008, together with the provisional results for the financial year 2009 is published as well under the same cover as the Offer Memorandum.

In the general meeting the chairman of the Management Board will give a presentation on the Offer and, in accordance with article 18 of the Takeover Decree, the Offer will be discussed.

The Management Board and the Supervisory Board of the Company have extensively considered the Offer and the Offer Price offered by the Offeror. Reference is made to the recommendation of the Management Board and the Supervisory Board as included in Section 1 of the Position Statement, which is attached to the Offer Memorandum. In addition, reference is made to Sections 2 and 6 of the Position Statement, in which the Offer Price is substantiated and the non-financial considerations of the Offer are discussed. The Management Board and the Supervisory Board are of the opinion that the Offer Price is fair and reasonable to the shareholders from a financial point of view and have unanimously come to the conclusion that the Offer is in the best interests of the Company, its shareholders and its other stakeholders.

We strongly recommend you to form your own opinion on the Offer and the consequences thereof for you personally on the basis of the Offer Memorandum, the Position Statement and, if so desired, independent advice.

Information pertaining to agenda item 4

In connection with the Offer, the following members of the Supervisory Board will resign subject to and effective as per the day on which the Offeror will pay the Offer Price per share in respect of each share validly tendered and delivered (or defectively tendered provided that such defect has been waived by the Offeror) ("**Settlement Date**"):

Mr. G.J.A. van de Aast
Mr. M. Arentsen
Mr. R.W.A. De Becker
Mr. D.M. Wendt
(the "**Resigning Directors**")

Proposal

In connection with their resignation it is proposed to grant discharge to the Resigning Directors in respect of their performance in their supervision of the Management Board's policies and the general course of the Company's affairs and its business. The discharge will be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Information pertaining to agenda item 5

In connection with the Offer, the Supervisory Board, proposes to change the composition of the Supervisory Board, as described in the agenda items 5a, 5b, 5c and 5d.

In this proposal, the Supervisory Board has included Mr. T. Tanaka, Mr. S. Liebman, Mr. N. Eley and Mr. J.M. van den Wall Bake as persons for appointment as members of the Supervisory Board.

The appointments will be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

In connection with the proposed changes to the composition of the Supervisory Board the Company will no longer comply with Best Practice Provision III.2.1 of the Dutch Corporate Governance Code as per the Settlement Date.

The information, within the meaning of section 2:142, subsection 3, of the Dutch Civil Code, will be available for public inspection and obtainable free of charge at the Company's offices (St. Urbanusweg 43, 5914 CA Venlo, the Netherlands, tel. +31 (0)77 3592424) and at RBS Corporate Actions (tel. +31 (0)20 3836707 or e-mail corporate.actions@rbs.com). This information is also available on the Company's website (www.investor.oce.com).

Information pertaining to agenda item 5a

The Supervisory Board is of the opinion that, in view of his broad experience and knowledge of the Company's key markets and his reputable financial and management background, Mr. Toshizo Tanaka is well positioned to make a telling contribution to the activities of the Supervisory Board.

The general meeting is asked to appoint Mr. Toshizo Tanaka as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Mr. Toshizo Tanaka (1940) is of Japanese nationality. He studied Economics at the Keio University (Japan).

Currently, Mr. Tanaka is Representative Director, Executive Vice President & CFO, and Group Executive of General Affairs Headquarters of Canon Inc.

Mr. Tanaka held various management posts within Canon Inc., amongst others as Group Executive of the Finance & Accounting Headquarters, Logistics Headquarters and as chairman of the Canon Pension Fund.

Mr. Tanaka holds no shares in the capital of the Company.

Proposal

To appoint Mr. Toshizo Tanaka as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Information pertaining to agenda item 5b

The Supervisory Board is of the opinion that, in view of his broad experience in accounting and his knowledge of the Company's key markets, Mr. Seymour Liebman is well positioned to make a telling contribution to the activities of the Supervisory Board.

The general meeting is asked to appoint Mr. Seymour Liebman as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Mr. Seymour Liebman (1949) is of American nationality. He gained a Master of Science in Accounting at the Long Island University (United States) and became Juris Doctor (J.D.) at the Touro Law Center (United States).

Currently, Mr. Liebman is Executive Vice President, General Manager, Administration and Regional Operations & General Counsel of Canon U.S.A., Inc. and Executive Officer of Canon Inc.

Mr. Liebman is also board member of the Information Technology Industry Council, Long Island Association and Touro Law Center and council member of the Tilles Center for the Performing Arts.

Mr. Liebman holds no shares in the capital of the Company.

Proposal

To appoint Mr. Seymour Liebman as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Information pertaining to agenda item 5c

The Supervisory Board is of the opinion that, in view of his broad experience in finance and his knowledge of the Company's key markets, Mr. Norman Eley is well positioned to make a telling contribution to the activities of the Supervisory Board.

The general meeting is asked to appoint Mr. Norman Eley as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Mr. Norman Eley (1954) is of British nationality. He gained a BA (Hons) in Politics & Government from University of Kent (United Kingdom) and a Masters Degree from Stanford University Business School (United States). He is a Fellow of the Institute of Chartered Accounts in England & Wales (FCA) and a Member of the Chartered Institute of Marketing (ACMA).

Currently, Mr. Eley is Chief Financial Officer for Canon Europe Ltd. and responsible for Canon EMEA Finance Function, Procurement and Facilities Management.

Mr. Eley held various management posts, amongst others as Head of Sony's UK finance, IT and Administration and as Finance Director for Canon (U.K.) Ltd.

Mr. Eley holds no shares in the capital of the Company.

Proposal

To appoint Mr. Norman Eley as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Information pertaining to agenda item 5d

The Supervisory Board is of the opinion that, in view of his broad experience and knowledge of Dutch corporate governance, Mr. Maurits van den Wall Bake is well positioned to make a telling contribution to the activities of the Supervisory Board.

The general meeting is asked to appoint Mr. Maurits van den Wall Bake as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Mr. Maurits van den Wall Bake (1950) is of Dutch nationality. He studied at Leiden University (the Netherlands) where he gained a Masters Degree in law.

Currently, Mr. Van den Wall Bake is Of Counsel with Stibbe N.V., chairman of the Supervisory Board of SCA Hygiene Products B.V. and a member of the Supervisory Board of Amfors Holding B.V.

Mr. Van den Wall Bake is also chairman of the board of the Twickel Foundation (*Stichting Twickel*) and chairman of the board of The Old Church Foundation (*Stichting de Oude Kerk*).

From 1983 to 1989 Mr. Van den Wall Bake was a residential partner in the Stibbe Brussels office.

From 1984 to 2009 Mr. Van den Wall Bake was a partner at Stibbe N.V. in a general corporate practice with a focus on governance matters and mergers and acquisitions/joint ventures. Mr. Van den Wall Bake held various management posts, among others at the Dutch Bar Association (*Nederlandse Orde van Advocaten*) and at Stibbe N.V.

Mr. Van den Wall Bake holds no shares in the capital of the Company.

Proposal

To appoint Mr. Maurits van den Wall Bake as member of the Supervisory Board. The appointment shall be effective as per the Settlement Date, and therefore under the condition precedent that the Offer is declared unconditional.

Information pertaining to agenda item 6

In connection with the Offer, the Management Board proposes to the general meeting, having obtained the approval of the Supervisory Board, to amend the Company's articles of association under the condition precedent that the Offer is declared unconditional.

In accordance with the Dutch Corporate Governance Code the proposed amendments to the articles of association shall be presented to the general meeting divided into the following three main subjects:

Agenda item 6a:

Elimination of the cumulative protective preference shares.

The cumulative protective preference shares shall be removed from the authorized share capital of the Company. All references to the cumulative protective preference shares shall be removed.

Agenda item 6b:

Deletion of the transfer restriction re convertible cumulative financing preference shares

The transfer restrictions relating to the convertible cumulative financing preference shares shall be removed after which the holders of convertible cumulative financing preference shares shall be free to transfer those shares.

Agenda item 6c:

Changes to corporate governance structure.

Several changes are proposed to the Company's corporate governance structure including the attribution of certain powers to the General Meeting of Shareholders and the Supervisory Board.

Proposal

In the light of the foregoing it is proposed to the general meeting, having obtained the approval of the Supervisory Board and under the condition precedent that the Offer is declared unconditional, to amend the articles of association in accordance with the full text as set out below. In this text the alterations are printed in **bold** or are shown in the form of deletions, whilst explanatory comments on them are printed in *italics*. The explanatory texts and symbols do not form part of the definitive provisions in the articles of association to be approved by you. In the explanatory text reference is made to which agenda item and thus the voting item, the amendments relate to.

[Full text of the proposed articles of association.]

Note: for the text of the articles of association reference is made to the agenda of the Extraordinary General Meeting of Shareholders as published on the website of the Company: www.investor.oce.com.

8 Important Information

Copies of the Offer Memorandum and the Position Statement are available free of charge at the offices of Océ and Fortis Bank (Nederland) N.V./MeesPierson CFCM (the "**Exchange Agent**") and can be obtained by contacting Océ or the Exchange Agent at the addresses below.

Océ N.V. St. Urbanusweg 43 5914 CA Venlo The Netherlands Tel: +31 (0) 77 359 2240 E-mail: investor@oce.com	Fortis Bank (Nederland) N.V./ MeesPierson CFCM Rokin 55 1012 KK Amsterdam The Netherlands P.O. Box 243 1000 AE Amsterdam The Netherlands Tel: +31 (0) 20 527 24 67 Email: prospectus@nl.fortis.com
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(Digital) Copies of this Offer Memorandum are also available on the website of Océ (www.investor.oce.com).

We strongly recommend that you carefully read the Offer Memorandum and, if necessary, that you seek independent advice with regard to all aspects of the Offer and the consequences thereof for you personally.

28 January 2010

Supervisory Board

P.A.F.W. (Peter) Elverding
G.J.A. (Gerard) van de Aast
M. (Rinus) Arentsen
A. (Adri) Baan
R.W.A. (Rudi) De Becker
D.M. (Dietmar) Wendt

Management Board

R.L. (Rokus) van Iperen
H.A. (Hans) Kerkhoven
A.H. (Anton) Schaaf

