Corporate Express N.V.
Annual Report 2008

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Chapter 1 – Chief Executive's Review

2008 represented a year of significant change that reshaped the structure, organization and future of Corporate Express.

After our acquisition by Staples, Corporate Express' shares and American Depositary Receipts were de-listed from the Amsterdam and New York Stock Exchanges in August 2008. Staples has acquired over 99% of the company's shares, and a squeeze out procedure has been initiated to acquire the remaining shares owned by minority shareholders.

Since July 2008, Corporate Express has been working diligently on the integration of its business with Staples. We have reorganized our business and implemented a regional management structure that reduces administrative costs, reinforces our multi-channel value proposition, and leverages best practices. As this process continues, we look forward to further building and strengthening the Staples brand globally.

Despite the difficult global economic circumstances, which are unpredictable and challenging, we are confident that the company is well positioned for the years ahead.

I would like to thank our associates for their continued efforts and support.

Amsterdam 29 May 2009
Peter Ventress
CEO

Chapter 2 – The Business

ABOUT THE COMPANY

General information

In July 2008, Staples, Inc. (through its subsidiary Staples Acquisition B.V.) acquired over 99 % of the shares in Corporate Express. In 2008, our employees generated annual sales of €2.5 billion.

De-listing and squeeze out procedure

In August 2008, Corporate Express' shares and American Depositary Receipts were de-listed from the Amsterdam and New York Stock Exchanges. A squeeze out procedure has been initiated before the Enterprise Chamber of the Amsterdam Court of Appeal, to acquire the remaining shares (less than 1 %) currently owned by minority shareholders.

Structure

Because of the acquisition by Staples, Corporate Express is no longer a stand alone company, and is not the head office of Staples. The ultimate parent company of Corporate Express is Staples, Inc., 500 Staples Drive, Framingham, Massachusetts, 01702, USA.

Our significant subsidiaries are listed on page 65. All subsidiaries are directly or indirectly wholly owned by Corporate Express NV, except for Corporate Express Australia Ltd and its subsidiaries, in which Corporate Express owned 58.8% at year end.

Corporate Express is split in two office products regions, and the Printing Systems Division:

- Corporate Express Europe, covers the activities of Corporate Express in continental Europe (including strategic alliances and partners).
- Corporate Express Australia consists of our fully consolidated business in Australia and New Zealand (58.8% share ownership)
- The Printing Systems Division operates in six countries in Europe.

Strategy

Since July 2008, Corporate Express has been working on the integration of its business with Staples. A reorganization of the business has taken place and a regional management structure has been implemented to reduce administrative costs, reinforce a new multi-channel value proposition, and leverage best practices. In 2009, these processes will continue and the company will focus on further building and strengthening the Staples brand globally.

As a result of the acquisition by Staples of Corporate Express, we expect to yield significant synergies which will result in cost savings for the new group of companies and for our customers. It is anticipated that the acquisition will provide the opportunity to:

- procure products from our vendors more efficiently,
- improve sales force productivity,
- streamline our products and services offerings,
- consolidate and strengthen our global brand,
- optimize our organizational structure,
- leverage information technology capabilities, and
- implement best practices.

For a more detailed description of the business and strategy of Staples, we refer to the Staples 2008 Annual Report which is available for viewing and/or downloading under the "Investor Information" link on the Staples website at www.staples.com.

GROUP FINANCIAL REVIEW

Major Events in 2008

The Financial Review should be considered in light of the following, major events:

In 2008 we incurred €67 million of one-off costs related to the strategic reorientation and the proposed merger with Lyreco. For the reorganization of the former headquarters of Corporate Express, an amount of €10 million has been provided.

At the beginning of April 2008, Corporate Express was refinanced with a new credit facility to extend the maturity profile of its capital structure. As a result of the acquisition of Corporate Express by Staples, which constituted a change of control under the terms of this credit facility, such facility, the Convertible Bond and the 2014 and 2015 Notes were redeemed.

As a result of the delisting of the Corporate Express shares per 8 August 2008 and the subsequent settlement of all outstanding option rights for employees, a charge of €13 million for accelerated vesting of those plans was incurred (see Note 33).

In the business segment Office Products Europe we incurred one-off costs of €4 million for the consolidation of our German distribution centers. In the business segment Office Products Australia we incurred one-off costs of €4 million for the restructuring of the Australian headquarters and the consolidation of distribution centres.

As of 3 June 2008 Corporate Express sold 100% of the shares of Veenman BV to Xerox Capital (Europe) Ltd for a total consideration of €43 million. After considering the impact of the related transaction expenses, the transaction resulted in a gain of €41 million which has been reported as income on a separate line item under operating results.

As part of the integration of Corporate Express with Staples, in October 2008, Corporate Express sold its North American Office Products business to Staples, Inc. for a total consideration of US$1,772 million. After considering the impact of the related transaction expenses, the release of the Cumulative Translation Adjustments and the taxation, the transaction resulted in a loss of €40 million. In the financial statements, the net result of Office Products North America has been reported retrospectively as the line item "Net result from discontinued operations". Likewise, Office Products North America cash flows have been reported retrospectively on the line items "Net cash from operating / investing / financing activities discontinued operations".

In December 2008, as part of the integration of Corporate Express with Staples, Corporate Express sold its French Office Products business to a Staples affiliate for a total consideration of €75 million. After considering the impact of the related transaction expenses and the taxation, the transaction resulted in a gain of €3 million.

The number of employees per 31 December 2008 was 7,522.

Critical accounting policies and estimates

Our main accounting policies are set out in Note 2 to our Financial Statements. The accounting policies and estimates that are most critical in determining the presentation of operating results and financial condition and which require subjective or complex judgments from management are listed in Note 3 to our Financial Statements.

Comparability

On 9 October 2008, we completed the sale of Office Products North America (OPNA) to Staples, Inc., as part of the integration of Corporate Express with Staples. Prior to such sale, OPNA was a separate business segment and as a result of the disposal, the financial statements have been restated with results of operations of OPNA presented as "net result on discontinued operations".
Therefore the historical statements included herein have been restated and reflect the continuing operations of Corporate Express to conform to this presentation.

Key figures

In millions of euro, unless stated otherwise	**2008**	2007	Change in %
Net sales	**2,475**	2,664	(7 %)
Gross contribution	**824**	871	(5 %)
Operating expenses	**(752)**	(750)	-
Operating result	**72**	121	
Gross contribution as a percentage of net sales	**33.3 %**	32.7 %	
Operating expenses as a percentage of net sales	**30.4%**	28.2 %	
Operating result as a percentage of net sales	**3.0 %**	4.5 %	

Our Global Office Products business and Printing Systems Division both suffered from the effects of the global economic conditions and uncertainty which, together with increased (price) competition, resulted in reduced sales and gross contribution. The decline in gross contribution could only partially be offset by the positive impacts of our merchandising and supply efforts. Despite the continued monitoring of operating expenditure we were not able to reduce these in line with the decrease in sales. Further detail on net sales and operating expenses is provided in the financial statements and the notes thereto.

Outlook

Looking ahead, we will work hard to integrate Corporate Express into Staples and contribute towards building one global Staples brand. We expect the economic environment to remain challenging throughout 2009. We are planning accordingly while staying focused on the vision of being part of the world's best office products company. We will maximize cash flow by carefully managing our business for the long term and reducing capital expenditures. We will expand the Staples brand assortment to help drive our value message. We will continue to provide customers with industry leading services. We will continue to strengthen our team to drive growth and profit improvement.

Chapter 3 – Report of the Supervisory Board

Financial Statements

The Corporate Express NV 2008 Statutory Annual Report has been prepared by the Corporate Express Executive Board and reviewed by us. Our independent auditors, Ernst & Young Accountants LLP, have audited the Annual Accounts and issued an unqualified opinion. Their subsequent report appears on page 66 of the Annual Report.

Major events in 2008

The year under review was characterised by the successful acquisition of over 99% of the company's shares by Staples Acquisition BV, a subsidiary of Staples, Inc., Framingham, USA.

Following the acquisition by Staples, the following proposals were adopted at the Extraordinary General Meeting of Shareholders of Corporate Express on 28 July 2008:

- to amend the articles of association of Corporate Express, and
- to appoint certain persons nominated by Staples to the Executive Board and the Supervisory Board, and
- to release from liability the members of the Supervisory Board who had resigned per the date of the General Meeting as a result of the acquisition offer by Staples Acquisition B.V.

In August, 2008 Staples completed the deregistration of Corporate Express' primary listing of its shares at Euronext Amsterdam NV in Amsterdam and the deregistration of the listing of American Depository Shares (ADS) on the New York Stock Exchange.

A squeeze out procedure has been initiated before the Enterprise Chamber of the Amsterdam Court of Appeal, to acquire the remaining shares (less than 1 %) currently owned by minority shareholders.

Supervision

Supervision of the Executive Board, its policy decisions and actions, is entrusted to the Supervisory Board. In accordance with Dutch law, the Supervisory Board is a separate body, independent of the Executive Board.

Activities of the Supervisory Board

Following the acquisition of Corporate Express by Staples, the Supervisory Board consulted with the Executive Board and senior management on the integration of the Corporate Express business with Staples, the implementation of a regional management structure, and on various other operational issues.

Composition of the Supervisory Board and the Executive Board

Executive Board
During the reporting year the composition of the Executive Board was as follows:

- P. Ventress (CEO), F.F. Waller (CFO – resigned 31 December 2008), T.W.C.M. van Brandenburg (appointed 28 July 2008)

Supervisory Board
During the reporting year the composition of the Supervisory Board was as follows:

- up to and including 28 July 2008:
  F.L.V. Meysman (Chairman), R.F. van den Bergh, G. Izeboud,
  B.J. Noteboom, J. Peelen (Vice-Chairman) and T. de Swaan.
- since 28 July 2008: R.L. Sargent (Chairman), J.J. Mahoney (Vice-Chairman)

Financial statements and dividend proposal

The Annual Report 2008, in which this Supervisory Board Report is incorporated, has been prepared by the Executive Board and consists of the Consolidated Financial Statements, the Financial Statements of Corporate Express NV and the management report for the past financial year. The financial statements have been audited by Ernst & Young Accountants LLP. You will find the statement of the External Auditor on page 66 of the Annual Report.

We have reviewed and endorse this report and recommend that shareholders at the Corporate Express Annual General Meeting of Shareholders to be held on 18 June 2009 adopt the financial statements for 2008 accordingly.

The Executive Board proposed to add to the reserves the profit remaining after the payment of the dividend on the Preference Shares A. We have approved this proposal.

Release

We also propose that shareholders at the Corporate Express Annual General Meeting of Shareholders, in accordance with Article 32, Paragraph 2 of the Articles of Association, release the members of the Executive Board from liability for their exercise of management activities as carried out in the past financial year and to release the members of the Supervisory Board from liability for their exercise of supervision activities over management in the past financial year.

Considerations about the business

Despite the tough economy we'll certainly face in 2009, we have never been more confident about the future of our company and our ability to take advantage of the opportunities ahead. To accomplish our goals, we'll rely on our most valuable asset: our people. We'd like to thank our dedicated associates in The Netherlands and Europe for continuing to make it easy for our customers and staying focused during a very difficult year.

Supervisory Board
Amsterdam, 29 May 2009

Ron Sargent - Chairman

John Mahoney - Vice-Chairman

Chapter 4 – Risk Factors

Subsequent to the acquisition of Corporate Express by Staples, we became part of the Staples group of worldwide companies. The risks factors associated with investing in Staples are described below and are also included in the Staples 2008 Annual Report, which is available for viewing and/or downloading under the “Investor Information” link on the Staples website at www.staples.com.

Deteriorating economic conditions may continue to cause a decline in business and consumer spending which could adversely affect our business and financial performance.
Our operating results and performance depend significantly on worldwide economic conditions and their impact on business and consumer spending. The decline in business and consumer spending resulting from the global recession and the recent deterioration of global credit markets has caused our same store sales to decline from prior periods in our retail businesses. We have also seen a decline in average sales per customer in both our delivery and retail businesses. Our business and financial performance may continue to be adversely affected by current and future economic conditions, which may cause a continued or further decline in business and consumer spending.

Our market is highly competitive and we may not continue to compete successfully.
The office products market is highly competitive. We compete with a variety of local, regional, national and international retailers, dealers and distributors for customers, associates, locations, products, services, and other important aspects of our business. In most of our geographic markets, we compete with other high-volume office supply chains such as Office Depot and OfficeMax, as well as mass merchants such as Wal-Mart, warehouse clubs such as Costco, computer and electronics superstores such as Best Buy, copy and print businesses such as FedEx Office, online retailers such as Amazon.com, ink cartridge specialty stores, and other discount retailers. Our retail stores and delivery operations also compete with numerous mail order firms, contract stationer businesses, electronic commerce distributors, regional and local dealers and direct manufacturers.

We strive to differentiate ourselves from our competitors in part by executing our brand promise:we make buying office products easy. This involves, among other things, offering our customers a broad selection of products, convenient store locations, and reliable and fast order delivery. Many of our competitors, however, have increased their presence in our markets in recent years by expanding their assortment of office products and services, opening new stores near our existing stores, and offering direct delivery of office products. Some of our current and potential competitors are larger than we are and have substantially greater financial resources that may be devoted to sourcing, promoting and selling their products. If we fail to execute on our brand promise or are otherwise unable to differentiate ourselves from our competitors, we may be unable to attract and retain customers.

We may not be able to successfully integrate Corporate Express into our operations to realize anticipated benefits and our growth may strain our operations.
In July 2008, we acquired Corporate Express. The integration of our Corporate Express operations will be a complex and time-consuming process that may disrupt the combined company's business if not completed in a timely and efficient manner. As a result, we may experience the following:

- impairment of relationships with customers, vendors or key employees;
- substantial demands on our management that may limit their time to attend to other operational, financial and strategic issues;
- difficulty in the integration of operational, financial and administrative functions and systems to permit effective management, and the lack of control if such integration is not implemented or delayed;
- difficulty in the global coordination of marketing, supply chain and sales efforts;

- potential conflicts between business cultures; and
- unexpected liabilities associated with the acquired business or unanticipated costs related to the integration.

We currently expect to realize certain synergies and cost savings as a result of the acquisition. If we fail to successfully integrate our businesses or fail to realize the intended benefits of the acquisition, our business may be adversely affected and the market price of our common stock could decline.

Our business has grown dramatically over the years. Although we expect our business to continue to grow organically and through strategic acquisitions, it will likely not grow at the rate experienced in the last year, when we acquired Corporate Express. Sales of our products and services, the mix of our businesses, the number of countries in which we conduct business, the number of stores that we operate and the number of associates working with us have grown, and we expect they will continue to grow in the long-term. This growth places significant demands on management and operational systems. If we cannot effectively manage our growth, it is likely to result in operational inefficiencies and ineffective management of our business. In addition, as we grow, our business is subject to a wider array of complex state, federal and international regulations, and may be increasingly the target of private actions alleging violations of such regulations. This increases the cost of doing business and the risk that our business practices could unknowingly result in liabilities that may adversely affect our business and financial performance.

If we are unable to manage our debt, it could materially harm our business and financial condition and restrict our operating flexibility.
Our borrowings and debt service requirements have increased substantially in connection with the acquisition of Corporate Express. Since the acquisition in July 2008, we have made significant progress in refinancing the debt associated with the acquisition and repaying amounts borrowed. With the issuance of $1.5 billion 9.75% notes, which mature in January 2014, and available cash, we have reduced our total debt by approximately $1.0 billion since the second quarter of 2008. Our consolidated outstanding debt as of January 31, 2009 was $3.42 billion, of which approximately $1.47 billion becomes due later this year. If we are unable to satisfy our debt service requirements, we may default under one or more of our credit facilities or the indentures governing our notes. If we default or breach our obligations, we could be required to pay a higher rate of interest or lenders could require us to accelerate our repayment obligations, and such a default could materially harm our business and financial condition.

We plan to use a significant portion of our operating cash flow to reduce our outstanding debt obligations over the next several years. Our level of indebtedness combined with the recent unprecedented deterioration of the global credit and financial markets may have significant consequences, including: restricting our growth; making us more vulnerable to a downturn in our business; making it more expensive to obtain future financing; making it more difficult for us to satisfy our obligations; limiting our ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, future acquisitions or other corporate purposes; restricting our flexibility to respond to changing market conditions; and limiting our ability to use operating cash flow in other areas of our business. As a result of our increased debt, we may also be placed at a competitive disadvantage against less leveraged competitors.

We may be unable to continue to open new stores and enter new markets successfully.
An important part of our business plan is to increase our number of stores and enter new geographic markets. However, due to the current economic environment, we currently plan to open fewer stores this year than we have in recent periods. During 2009, we plan to open approximately 65 new stores in North

America, Europe and Asia. For our strategy to be successful, we must identify favorable store sites, negotiate leases on acceptable terms, hire and train qualified associates and adapt management and operational systems to meet the needs of our expanded operations. These tasks may be difficult to accomplish, especially as we allocate time and resources to managing the profitability of our large existing portfolio of stores and renewing our existing store leases with acceptable terms. In addition, local zoning and other land use regulations may prevent or delay the opening of new stores in some markets. If we are unable to open new stores as efficiently as we planned, our future sales and profits may be adversely affected.

Our strategy also includes opening new stores in markets where we already have a presence so we can take advantage of economies of scale in marketing, distribution and supervision costs. These new stores may draw customers away from existing stores in nearby areas causing customer traffic and comparable store sales performance to decline at those existing stores. Our expansion strategy also includes opening stores in new markets where customers may not be familiar with our brand, where we may not be familiar with local customer preferences or where our competitors may have a large, established market presence. Even if we succeed in opening new stores, these new stores may not achieve the same sales or profit levels as our existing stores and may reduce our overall profitability.

We may be unable to attract and retain qualified associates.
Our customers value courteous and knowledgeable associates, and an important part of our "Easy" brand strategy is a positive customer service experience. Accordingly, our performance is dependent on attracting and retaining a large number of qualified associates. We face intense competition for qualified associates. We face even tighter labor markets as we expand into emerging markets such as India and China. Many of our associates are in entry-level or part-time positions with historically high rates of turnover. Our ability to meet our labor needs while controlling our labor costs is subject to numerous external factors, including the availability of a sufficient number of qualified persons in the workforce, unemployment levels, prevailing wage rates, changing demographics, health and other insurance costs and changes in employment legislation. If we are unable to attract and retain a sufficient number of qualified associates, our business and financial performance may be adversely affected.

Our quarterly operating results are subject to significant fluctuation.
Our operating results have fluctuated from quarter to quarter in the past, and we expect that they will continue to do so in the future. Factors that could cause these quarterly fluctuations include: the mix of products sold; pricing actions of competitors; the level of advertising and promotional expenses; the outcome of legal proceedings; seasonality, primarily because the sales and profitability of our stores are typically slightly lower in the first half of the year than in the second half of the year, which includes the back-to-school and holiday seasons; severe weather; and the other risk factors described in this section. Most of our operating expenses, such as occupancy costs and associate salaries, do not vary directly with the amount of sales and are difficult to adjust in the short term. As a result, if sales in a particular quarter are below expectations for that quarter, we may not proportionately reduce operating expenses for that quarter, and therefore such a sales shortfall would have a disproportionate effect on our net income for the quarter.

Our expanding international operations expose us to the unique risks inherent in foreign operations.
We currently operate in 26 different countries outside the United States and may enter new international markets. Operating in multiple countries requires that we comply with multiple foreign laws and regulations that may differ substantially from country to country and may conflict with corresponding U.S. laws and regulations. Ensuring such compliance may require that we implement new operational systems and financial controls that may be expensive and divert management's time from implementing our growth strategies. In addition, cultural differences and differences in the business climate in our

international markets may cause customers to be less receptive to our business model than we expect. Other factors that may also have an adverse impact on our international operations include increased local competition, foreign currency fluctuations, unfavorable foreign trade policies and unstable political and economic conditions.

Our business may be adversely affected by the actions of and risks associated with our third-party vendors.

The products we sell are sourced from a wide variety of third-party vendors. We derive benefits from vendor allowances and promotional incentives which may not be offered in the future. We also cannot control the supply, design, function or cost of many of the products that we offer for sale and are dependent on the availability and pricing of key products, including paper, ink, toner, technology and printing equipment. Some of the products we offer are supplied to us on an exclusive basis and may be difficult to replace in a timely manner. Disruptions in the availability of raw materials used in the production of these products may also adversely affect our sales and result in customer dissatisfaction.

Global sourcing of many of the products we sell is an important factor in our financial performance. Our ability to find qualified vendors and access products in a timely and efficient manner is a significant challenge, especially with respect to goods sourced outside the United States. Political instability, the financial instability of suppliers, merchandise quality issues, trade restrictions, tariffs, foreign currency exchange rates, transport capacity and costs, inflation and other factors relating to foreign trade are beyond our control. These and other issues affecting our vendors could adversely affect our business and financial performance.

Our expanded offering of proprietary branded products may not improve our financial performance and may expose us to intellectual property and product liability claims.

Our product offering includes Staples, Quill and other proprietary branded products, which represented approximately 23% of our sales in fiscal 2008, excluding Corporate Express. Corporate Express also has an own brand program that we will be transitioning to the Staples brand over time. Our proprietary branded products compete with other manufacturers' branded items that we offer. An increase in our proprietary branded product offerings may increase the risk that third parties will assert infringement claims against us with respect to such products. In addition, if any of our customers are harmed by our proprietary branded products, they may bring product liability and other claims against us. Any of these circumstances could damage our reputation and have an adverse effect on our business and financial performance.

Our effective tax rate may fluctuate.

We are a multi-national, multi-channel provider of office products and services. As a result, our effective tax rate is derived from a combination of applicable tax rates in the various countries, states and other jurisdictions in which we operate. Our effective tax rate may be lower or higher than our tax rates have been in the past due to numerous factors, including the sources of our income, any agreements we may have with taxing authorities in various jurisdictions, and the tax filing positions we take in various jurisdictions. We base our estimate of an effective tax rate at any given point in time upon a calculated mix of the tax rates applicable to our company and to estimates of the amount of business likely to be done in any given jurisdiction. The loss of one or more agreements with taxing jurisdictions, a change in the mix of our business from year to year and from country to country, changes in rules related to accounting for income taxes, changes in tax laws in any of the multiple jurisdictions in which we operate, or adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could result in an unfavorable change in our effective tax rate which could have an adverse effect on our business and results of our operations.

Our information security may be compromised.
Through our sales and marketing activities, we collect and store certain personal information that our customers provide to purchase products or services, enroll in promotional programs, register on our web site, or otherwise communicate and interact with us. We also gather and retain information about our associates in the normal course of business. We may share information about such persons with vendors that assist with certain aspects of our business. Despite instituted safeguards for the protection of such information, we cannot be certain that all of our systems are entirely free from vulnerability to attack. Computer hackers may attempt to penetrate our or our vendors' network security and, if successful, misappropriate confidential customer or business information. In addition, a Staples associate, contractor or other third party with whom we do business may attempt to circumvent our security measures in order to obtain such information or inadvertently cause a breach involving such information. Loss of customer or business information could disrupt our operations, damage our reputation, and expose us to claims from customers, financial institutions, payment card associations and other persons, any of which could have an adverse effect on our business, financial condition and results of operations. In addition, compliance with tougher privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes.

Various legal proceedings, investigations or audits may adversely affect our business and financial performance.
We are involved in various private legal proceedings, which include consumer, employment, intellectual property, tort and other litigation. As our workforce expands, we are subject to greater scrutiny by private litigants regarding compliance with local, state and national labor regulations, including overtime or "wage and hour" laws which have resulted in class action litigation. In addition, we may be subject to investigations or audits by governmental authorities and regulatory agencies, which can occur in the ordinary course of business or which can result from increased scrutiny from a particular agency towards an industry, country or practice. The resolution of these legal proceedings, investigations or audits could require us to pay substantial amounts of money or take actions that adversely affect our operations. In addition, defending against these claims may involve significant time and expense. Given the large size of our operations and workforce, the visibility of our brand and our position as an industry leader, we may regularly be involved in legal proceedings, investigations or audits that could adversely affect our business and financial performance.

* * *

The following additional risks are unique to the business of Corporate Express given its historical focus on its delivery business, and the separate issues associated with its Printing Systems business:

The demand for Corporate Express' products and services relates to the number of white collar workers employed by Corporate Express' customers.
The demand for Corporate Express' products and services, most notably our office products, relates to the number of white collar workers employed by Corporate Express' customers. A decline or interruption of economic growth and consequently employment growth in these markets or more specifically a reduction of white collar workers employed by Corporate Express' customers may adversely affect Corporate Express' operating results.

Customers are able to reduce their spend per white collar worker on short term notice, by postponing the purchase of items or through substitution by lower-cost items.
Corporate Express' customers may, on short notice, postpone or reduce spending on its products and services per white collar worker, for example, by our eCommerce platforms to control purchasing patterns at our customer. As a result, our level of sales can significantly change over a short period of

time. In addition, customers may also, on short notice, substitute certain of Corporate Express' products and services for other, potentially lower margin, products and services.

Although our customer base is spread over many industries and sectors, including government institutions, most of our customers are large corporations or institutions which frequently re-tender their office products contracts.
Many of our large account customers frequently (every 2-3 years) re-tender their office products contracts in order to take advantage of the competitive pricing within the office products industry, thereby eroding achieved efficiencies in our office products distribution activities. Although we have tens of thousands of customers, and no single customer represents more than 1% of our revenues, the loss of several large account customers in a relatively short period could materially adversely affect our business.

Revenues in Corporate Express' Printing Systems are cyclical.
A substantial part of the Printing Systems Division's revenues is derived from the sale of printing equipment which is regarded as a high-value investment good. The demand for this type of good depends to a large extent on developments in economic circumstances, particularly in relation to the activity levels at commercial printers, and technological innovation at the Printing Systems' main supplier ("economic obsolescence"). As a result, Printing Systems experiences cyclicality in its revenues which could adversely affect Corporate Express' operations over sustained periods (historically cycles have had a duration of 8-9 years).

If Corporate Express' contract with Heidelberg were to be terminated, or Heidelberg were to cease operations, Corporate Express could lose most of its Printing Systems' revenues.
Corporate Express' Printing Systems Division is the authorised distributor in a number of countries of printing equipment manufactured by Heidelberg. Printing Systems derives most of its revenues from the sale of that equipment. The Heidelberg contract currently has a perpetual term, but may be terminated by either party with eighteen months prior written notice.

Adverse developments in equity and bond markets may affect pension cost and may require Corporate Express to make additional contributions to its pension funds.
Corporate Express is operating a variety of pension funds, including a number of defined benefit schemes that are separately insured in trusts (pension funds). Local law or specific arrangements with these pension funds require a minimum funding level of benefit obligations of these pension funds. These regulations may change over time. The pension costs and funding levels are calculated based on certain assumptions. The value of the assets under management of these trusts varies, particularly with developments in the equity and bond markets. Lower than projected returns on the equity and bond markets may require Corporate Express to adjust the assumptions underlying the calculation of the pension cost and may furteher require it to make additional contributions to these pension funds in order to meet the minimum funding levels.

Chapter 5 - Financial statements

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Consolidated Statements of Income

for the years ended 31 December 2008 and 2007

In millions of euro, unless stated otherwise

	Notes	**2008**	**2007**
Continuing operations:			
Net sales	7	**2,475**	2,664
Purchase value of trade goods sold		**-1,651**	-1,794
Gross contribution		**824**	871
Employee benefit expenses, excluding restructuring expenses, termination benefits, costs related to accelerated vesting of option plans, and costs related to the transfer of defined contribution plans into defined benefit plans	8	**-363**	-391
Depreciation of property, plant & equipment and amortisation of software and other intangible assets	16,17,18	**-39**	-39
Accelerated vesting of option plans	33	**-13**	-
Costs related to the transfer of defined contribution plans into defined benefit plans	8	**-**	-5
Result from disposal of Group companies	6	**47**	10
Reorientation, restructuring and termination expenses	10	**-85**	-13
Other operating expenses	9	**-299**	-313
Operating result		**72**	121
Special financing expenses	11	**-14**	-
Other financing expenses	11	**47**	7
Total financing expenses		**34**	7
Result before taxes		**105**	129
Taxes	12	**-23**	-27
Net result from continuing operations		**82**	102
Discontinued operations:			
Net result from discontinued operations	6	**-50**	93
Total operations:			
Net result from total Group		**33**	195
Attributable to:			
Holders of ordinary shares Corporate Express NV		**18**	178
Minority interests in Group companies	13	**15**	17
		33	195

The accompanying Notes are an integral part of these Financial Statements

Consolidated Balance Sheets

as at 31 December 2008 and 2007

In millions of euro, unless stated otherwise

	Notes	2008	2007
ASSETS			
Non-current assets			
Goodwill	15	**516**	1,420
Software	16	**38**	98
Other intangible assets	17	**45**	82
Property, plant & equipment	18	**94**	196
Net pension asset	19	**47**	190
Deferred tax assets	28	**57**	350
Investments in associates		**-**	4
Receivable on parent company	14	**1,054**	-
Other non-current assets	14,20	**4**	12
Total non-current assets		**1,854**	2,352
Current assets			
Inventories	21	**225**	498
Trade receivables	14,22	**327**	700
Prepaid expenses and accrued income	23	**56**	183
Current tax receivable		**1**	12
Cash and cash equivalents	14,24	**37**	50
		646	1,443
Non-current assets held for sale	25	**-**	3
Total current assets		**646**	1,446
Total assets		**2,500**	3,799
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Issued and paid-in capital	26,27	**223**	219
Additional paid-in capital	27	**1,878**	1,745
Other reserves	27	**-55**	-90
Accumulated deficit	27	**-436**	-331
		1,611	1,543
Minority interests	13	**59**	40
Total equity		**1,670**	1,583
Non-current liabilities			
Long-term borrowings	14,29	**266**	1,011
Deferred tax liabilities	28	**34**	136
Net pension liabilities	19	**21**	22
Provisions	30	**25**	41
Total non-current liabilities		**345**	1,211
Current liabilities			
Current portion of long-term borrowings	14,29	**35**	117
Short-term loans and bank overdrafts	14	**29**	19
Trade liabilities	14	**275**	547
Current tax liabilities		**5**	11
Current provisions	30,31	**19**	23
Other current liabilities	32	**121**	286
Total current liabilities		**485**	1,004
Total liabilities		**830**	2,215
Total equity and liabilities		**2,500**	3,799
Commitments not included in the Balance Sheet	34	**311**	569

The accompanying Notes are an integral part of these Financial Statements

Consolidated Statements of Cash Flows

for the years ended 31 December 2008 and 2007

In millions of euro, unless stated otherwise

	NOTES	2008	2007
CASH FLOW FROM OPERATING ACTIVITIES			
Net result from total Group		**33**	195
Adjustments:			
Taxes		**23**	27
Total financing expenses		**-34**	-7
Net result from discontinued operations		**50**	-93
Total adjustments		**39**	-74
Operating result		**72**	121
Depreciation of property, plant & equipment and amortisation of software and other intangible assets	16,18	**39**	40
Adjustments for share based payments	33	**14**	4
Adjustments for additions and (releases) from provisions	30	**-12**	-7
Adjustment for result on sale group companies included in Operating result	6	**-42**	-
(Increase)/decrease in working capital:			
(Increase)/decrease inventories	21	**-24**	-3
(Increase)/decrease accounts receivable	22	**13**	-14
Increase/(decrease) accounts payable		**-30**	43
(Increase)/decrease prepaid expenses and accrued income	23,32	**-9**	-27
Increase/(decrease) other current liabilities	32	**5**	2
Net (increase)/decrease in working capital		**-44**	2
Other operational payments and receivables:			
Profit taxes (net)	12	**-30**	-31
Payments deducted from provisions for restructuring and other provisions excluding pensions	30	**-16**	-19
Payments for defined benefit pension plans		**-6**	-4
Total other operational payments and receivables		**-52**	-53
- Net cash from operating activities continuing operations		**-27**	106
- Net cash from operating activities discontinued operations		**94**	116
Total net cash from operating activities total Group (A)		**67**	**223**
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment and software	16,18	**-54**	-44
Proceeds from the disposal of property, plant & equipment	16	**3**	12
Acquisitions of Group companies	5	**-**	-55
Proceeds of divestments net of transaction fees	6	**41**	260
Other		**3**	-1
- Net cash used in investing activities continuing operations		**-7**	172
- Net cash used in investing activities discontinued operations		**1,388**	-55
Net cash used in investing activities total Group (B)		**1,381**	**117**
CASH FLOW AVAILABLE FOR FINANCING ACTIVITIES (A+B)		**1,448**	**341**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend payments		**-18**	-21
Interest receipts		**64**	52
Interest payments		**-36**	-15
Dividend Preference Shares A		**-11**	-11
Dividend payment to and repurchase of shares from minority shareholders		**-10**	-68
Proceeds from share issues		**2**	0
Net proceeds/ (repayments) of other long-term borrowings and receivables		**-1,461**	-301
- Net cash provided by /(used in) financing activities continuing operations		**-1,470**	-365
- Net cash provided by /(used in) financing activities discontinued operations		**0**	0
Net cash provided by /(used in) financing activities total Group (C)		**-1,470**	**-365**
NET CASH FLOW TOTAL GROUP (A+B+C)		**-21**	**-24**

Consolidated Statements of Cash Flows

for the years ended 31 December 2008 and 2007

In millions of euro, unless stated otherwise

		2008	2007
Net increase in liquid funds			
Liquid funds at year-end:			
Cash and cash equivalents		**37**	50
Bank overdrafts		**(29)**	(19)
	A	**8**	31
Minus liquid funds at beginning of year:			
Cash and cash equivalents		**50**	73
Bank overdrafts		**(19)**	(18)
Translation differences		**(2)**	0
	B	**29**	55
Net cash flow total Group	A-B	**(21)**	(24)

The accompanying Notes are an integral part of these Financial Statements

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE

for the years ended 31 December 2008 and 2007

In millions of euro, unless stated otherwise

	NOTES	2008	2007
Cash Flow hedges:			
Valuation gain/(loss) taken to equity		**-3**	-2
Transferred to income statement for the year		**-2**	-4
	27	**-5**	-6
Actuarial gains and (losses) on pension plans [1]	19	**-173**	56
Exchange differences on translation of foreign operations		**-7**	-98
Tax on items		**43**	-12
Net result taken directly to equity		**-140**	-60
Net result for the year		**33**	195
Total recognised income and expense for the year		**-107**	135
Attributable to:			
Holders of ordinary shares Corporate Express NV		**-122**	118
Minority interests in Group companies		**15**	17
		-107	135

[1] The accumulated actuarial loss since the implementation of IFRS as per 31 December 2008 is a loss of €151 (loss of €109, net of tax).

The accompanying Notes are an integral part of these Financial Statements

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

1. Business

Corporate Express was incorporated in 1875 under the name Koninklijke Nederlandsche Papierfabrieken NV (KNP). In 1993, KNP merged with Buhrmann-Tetterode NV and VRG-Groep NV and the legal entity was renamed NV Koninklijke KNP BT (KNP BT). In 1998, the name KNP BT was changed into Buhrmann NV and on 20 April 2007 into Corporate Express NV (Corporate Express). The Company is incorporated under the laws of the Netherlands and has its statutory seat in Maastricht (the Netherlands). Corporate Express head office is located in Amsterdam, the Netherlands, at the address Hoogoorddreef 62 (zip code 1101 BE). The parent of the company is Staples Acquisition BV and the ultimate parent company of Corporate Express is Staples, Inc.

Corporate Express offers a full range of products to large- and medium-sized companies and institutions such as traditional office products and office furniture but also facility supplies, forms and print and promotional products

Corporate Express also supplies pre-press systems, printing presses, folding, cutting and binding machines and provides related services, spare parts, supplies and related services in six countries in Europe. These activities are grouped in Printing Systems.

Until 8 August 2008, Corporate Express primary listing of ordinary shares was at Euronext Amsterdam NV in Amsterdam. Corporate Express also had American Depository Shares (ADS) listed on the New York Stock Exchange, representing its ordinary shares, evidenced by American Depositary Receipts (ADR), each represent one Ordinary Share of Corporate Express NV. As of 8 August 2008 Corporate Express was delisted from both Exchanges.

2. Summary of accounting policies

Basis of preparation

The Consolidated Financial Statements comply with Title 9, Book 2 of the Netherlands Civil Code. In accordance with Article 402, Title 9, Book 2 of the Netherlands Civil Code, an abbreviated Company Income Statement is included. Corporate Express' financial statements comply in all respects with IFRS as issued by the International Accounting Standards Board as adopted for use in the European Union, the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC). For Corporate Express there are no differences between IFRS as adopted for use in the European Union and full IFRS as issued by the International Accounting Standards Board. For new accounting pronouncements under IFRS that are effective after 31 December 2008 see Note 37, accounting pronouncements which became effective as of 1 January 2008 had no material impact on the financial statements for 2008.

The consolidated financial statements of the company for the year ended 31 December 2008 were authorized for issue in accordance with a resolution of the Boards on 29 May 2009.

The consolidated financial statements will be submitted for adoption to the General Meeting of Shareholders.

The Consolidated Financial Statements are presented in euro and are prepared under the historical cost basis, except for derivative instruments, which are valued at fair value as described in the Notes.

Amounts are rounded to the nearest million euro; therefore amounts may not equal (sub) totals due to rounding.

As a general principle, an asset is recognised in the Consolidated Balance Sheet when it is controlled by the entity, it is probable that the future economic benefits will flow to the Company and the asset can be measured reliably. A liability is recognised in the Consolidated Balance Sheet when it is probable that an outflow of resources will result from the settlement of a present obligation, and the amount at which the settlement will take place can be measured reliably. Non-current financial liabilities are stated at amortised cost. If the criteria for recognition are no longer met, the assets and liabilities are derecognised. Where necessary, the assets have been reduced to reflect the impaired value.

Principles of consolidation

The Consolidated Financial Statements include Corporate Express NV and the entities controlled by Corporate Express. Control is achieved when Corporate Express has the power to govern the financial and operating policies of an investee (subsidiary) so as to obtain benefits from its activities. Control is presumed to exist when Corporate Express NV owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be demonstrated that such ownership does not constitute control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Corporate Express controls another entity. Subsidiaries are fully consolidated (Group companies) from the date on which control is obtained.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The interest of minority shareholders in a Group company is stated at the minority's proportion of the net asset (equity) values and net income of the Group company.

A Group company is included in the consolidation until the date on which Corporate Express ceases to control the Group company.

Non-current assets held for sale and discontinued operations

In case of disposal or classification as held for sale of an entire component of the entity, comprising major operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity, that component is treated as a discontinued operation. Accordingly, the Consolidated Statements of Income and the Consolidated Statements of Cash Flows of previous years are represented and the results of that operation, including the result on the sale of that operation, are disclosed as a single amount.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

2. Summary of accounting policies (continued)

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

A non-current asset or disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. The carrying amount includes goodwill acquired in a business combination if the Group company or component of the Corporate Express Group is a cash-generating unit to which goodwill has been allocated (see Note 6).

At the time of sale, any gain or loss on disposal is recognised in income, including the cumulative amount of any translation differences recognised directly in equity with respect to the assets sold.

Foreign currencies

Each Group company measures its balance sheet and income statement items in the currency of the primary economic environment in which the Group company operates ('the functional currency'). The Consolidated Financial Statements are presented in euro, which is the Group's presentation currency. In the consolidation, assets and liabilities of Group companies whose functional currency is not the euro are translated into euro at the rates prevailing at the balance sheet date. Income statements of these Group companies are translated into euros at the average rates for the reporting period. The resulting translation differences are recorded directly in equity as 'cumulative translation adjustments'.

Transactions in currencies other than the functional currencies of the Group companies are recorded at the exchange rates prevailing on the dates of the transactions. Monetary items (such as receivables, cash and cash equivalents and liabilities) denominated in currencies other than the functional currencies of the Group companies are translated at the rates prevailing on the balance sheet date. The resulting translation differences and translation differences on settlements are reflected in the income statement.

Translation differences, net of related taxation, arising from long-term loans granted to Group companies that have the nature of permanent investments (quasi equity), are recorded directly in equity as 'cumulative translation adjustments' by analogy of translation differences on shareholdings in Group companies (see 'Principles of consolidation').

The following translation rates against the euro have been used (main currencies only):

Currency per 1 EUR	31 December 2008	Average 2008	31 December 2007	Average 2007
AUD	2.0274	1.7421	1.6757	1.6355
CAD	1.6998	1.5598	1.4449	1.4690
GBP	0.9525	0.7967	0.7334	0.6846
USD	1.3917	1.4708	1.4721	1.3705
NOK	9.7500	8.2283	7.9580	8.0183
SEK	10.8700	9.6187	9.4415	9.2523

Net sales

The criteria for recognition of sales of goods are:
– Significant risks and rewards of ownership have been transferred to the buyer. In most cases, the significant risks and rewards of ownership are transferred at the point of delivery or at the moment after installation (ready to operate), depending on shipping terms, contractual arrangements and performance obligations.
– It is probable that the economic benefits associated with the transaction will flow to the entity.
– The amount of revenue can be measured reliably and collectibility is reasonably assured.
– The related cost (of sales) can be measured reliably.

Based on these criteria, sales of goods are in general recognised at the point of delivery, as Corporate Express has no future performance obligations.

The criteria for recognition of rendering services are:
– The stage of completion of the transaction at balance sheet date can be measured reliably.
– The amount of revenue can be measured reliably.
– The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Based on these criteria, sales of machines in the Printing Systems business segment are recognised after installation while sales of supplies and spare parts are recognised at the point of delivery. Sales of services are recognised in the period in which the services are rendered.

The Company sells copiers and graphic machines together with subsequent servicing usually to third-party lease companies who enter into long-term lease contracts with our customers. The revenue from these contracts is allocated to the delivery of copiers and graphic machines and subsequent servicing in proportion to their fair value which means that any price discount given is allocated in proportion to their fair value.

The Company also rents copiers and graphic machines to customers for which the revenue is recognised on a linear basis over the contractual rental period.

Corporate Express receives contributions from vendors for inclusion of their products in Corporate Express' catalogues which have no relationship with purchased volumes. Catalogue contributions are in principle recognised as income on a linear basis over the period the catalogue is generating sales and included in net sales. Catalogue contributions received for promoting and advertising are recognised in income when the catalogue is released.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

2. Summary of accounting policies (continued)

Sales are recorded on a gross basis when Corporate Express acts as the primary obligor in a sales transaction and/or whether based on an assessment of certain indicators, such as general inventory risk and credit risks, Corporate Express bears the major part of the risks and rewards in a sales transaction. If the supplier acts as the primary obligor and/or bears the major part of the risks and rewards in a sales transaction, Corporate Express records the sales on a net basis (sales value less purchase value of goods or services).

In the Statements of Income, net sales represents the invoiced value, excluding sales tax, of trade goods sold and services rendered to third parties, less discounts, rebates to customers and less goods returned by the customers. Also included in net sales are shipping and other handling costs separately charged to the customers. Rebates of customers paid out upfront and related to future periods are amortised over the duration of the customer contract.

Purchase value of trade goods sold

Purchase value of trade goods sold is the average purchase cost of trade goods (see 'Inventories').

Gross contribution

Gross contribution is arrived at by subtracting purchase value of trade goods sold from net sales.

Employee benefits

In general, employee benefits are recorded as an expense in the period in which services by the employee are rendered.

A liability and an expense is recognised for vacation days, vacation pay, bonuses and other short-term benefits when the employees render service that increases their entitlement to these benefits.

The expected cost of long-term benefits such as sabbatical leave, jubilee benefits, disability benefits and long-term bonus plans are actuarially determined and recognised as a liability and an expense proportionally over the service period. The accounting policies regarding pensions and employee stock options are described below.

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised as a liability and expense when Corporate Express has raised valid expectations to those effected to either terminate the employment of current employees according to a detailed formal plan or to provide termination benefits as a result of an accepted offer made to encourage voluntary redundancy.

Pensions

Defined contribution plans are plans under which Corporate Express pays fixed contributions and will have no legal or constructive obligation to pay additional contributions. Contributions for defined contribution plans are recognised as an expense when incurred.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The main defined benefit plans in the Netherlands and some foreign defined benefit plans are funded with plan assets which have been segregated and restricted in trusts.
For the funded plans, contributions are made by Corporate Express, as necessary, to provide assets sufficient to meet benefit entitlements in accordance with, among others, legal requirements and financing agreements with these trusts. In the balance sheet, the pension obligation less, in the case of funded plans, fair value of the plan assets, is recorded either as a net pension provision or a net pension asset. A net pension asset is only recorded to the amount of economic benefits available for Corporate Express in the form of future refunds from the plan or reductions in future contributions to the plan.

The pension obligation of a defined benefit plan is measured as the present value of the estimated pension benefits, taking into account, among others, expected wage inflation and salary increases due to promotion, using the projected unit credit method under which the cost of providing pensions is charged to the income statement so as to spread the service cost over the service lives of employees.
The discount rate used to calculate the present value is the interest on high-quality corporate bonds that have a maturity approximating the terms of the related obligations. The net periodic pension cost for defined benefit plans consists of the current service cost and interest cost less, in the case of funded plans, expected return on plan assets. In case of an amendment of a defined benefit plan, past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are vested immediately following the changes to a defined benefit plan, past service costs are recognised immediately as an expense. Actuarial gains and losses arise due to, among others, changes in discount rates, differences between expected and realised returns on plan assets, differences in mortality and differences between expected and actual wage inflation and salary increases due to promotion. Actuarial gains and losses are recorded directly in equity (see Consolidated Statements of Recognised Income and Expense). The pension obligation is determined as the present value of the defined benefit obligation less the fair value of plan assets, together with adjustments for past service cost. Fair value is based on market price information and in the case of quoted securities it is the published bid price.

Employee Stock Options

Stock options are granted to a group of employees. The grants meet the definition of equity-settled, share-based compensation. The fair value of the options is measured at grant date allowing for any market-based performance conditions and recognised as expenses on a linear basis during the vesting period, based on the number of options that eventually vest, with a corresponding increase in equity as 'option reserve'. Vesting conditions are taken into account in the measurement of the fair value and the related recognition of expense. When the options are exercised or lapsed, a reclassification within equity attributable to equity holders of the Company takes place from the option reserve to retained earnings. This policy is applied to all options that on 1 January 2004, the date of transition to IFRS, had not been exercised, vested or lapsed. As per 8 August 2008, as a result of the delisting of Corporate Express, all outstanding stock options have been settled, with the related expense directly recognized in the income statement.

2. Summary of accounting policies (continued)

Acquisition of companies
The purchase method of accounting is used to account for the acquisition of companies. At the acquisition date, the identifiable assets, liabilities and contingent liabilities of the acquired company are recognised separately based on Corporate Express' accounting policies, regardless of whether they had been previously recognised in the financial statements of the acquired company. The identified assets, liabilities and contingent liabilities of the acquired company are measured initially at their fair values at the acquisition date. This includes intangible assets such as customer lists, customer relationships and brand names, insofar as they can be reliably measured, regardless of whether they will be subsequently used. These intangibles assets are amortised over the estimated useful lives.

The cost of an acquisition includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by Corporate Express, in exchange for control of or significant influence in the acquired company plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over Corporate Express' interest in the net fair value of the acquired company's identified assets, liabilities and contingent liabilities is initially recognised as goodwill. Goodwill is allocated to cash-generating units, being the Office Products Europe business, the Office Products Australia business and the Printing Systems business.

If Corporate Express' interest in the net fair value of the items recognised exceeds the cost of the acquisition, the identification and measurement of the acquired company's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination are reassessed. Any excess remaining after that reassessment is recognised immediately in the income statement. Goodwill acquired with acquisitions of Group companies is separately presented in the Consolidated Balance Sheet. Goodwill acquired with acquisition of associated companies is included in investments in associates.

After the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired.

In the impairment test, goodwill related to cash-generating units whose carrying values exceed their recoverable amount are written down to the higher of the net selling price (fair value less cost to sell) or the discounted net future cash flows expected to be generated (value in use). The discount rate is derived from the pre-tax estimated weighted average cost of capital, reflecting the risks inherent to the cash-generating unit for which cash flows have not been adjusted and a normative financing profile. Impairment losses on goodwill are recognised as an expense immediately and are not reversible. The determination of a cash generating unit for goodwill impairment testing purposes is based on the business segments

For the repurchase of shares held by minority shareholders the economic entity model is applied, the difference between the price of the shares and the net asset value of the minority interest is recognised in equity.

Financial instruments
In principle Corporate Express uses the following financial instruments:

- financial assets: cash, trade and other receivables, long term investments;
- financial liabilities: trade payables, long-term borrowings;
- derivative financial instruments: forward exchange contracts, currency swaps and interest rate swaps.

Information on the accounting policies for the financial instruments listed above can be found elsewhere within this Note 2 to the consolidated financial statements.

Corporate Express is party to derivative financial instruments in the normal course of business, in order to limit the volatility of interest rates with respect to our long-term debt, in accordance with the Group's financial risk management policies (Note 4).

Derivative financial instruments are measured at their fair value. Changes in the fair value of derivative financial instruments are recognised in the income statement, unless the derivatives are designated, and effective, as cash flow hedges in which case the changes in the fair value are deferred and recorded directly in equity attributable to equity holders of the Company. Any ineffective portion is recognised immediately in the income statement.

In principle interest rate swaps, swapping the interest on loans from a fixed rate to a variable rate, are accounted for as cash flow hedges which means that changes in the fair value of these interest rate swaps are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. The amounts deferred in equity are recognised in the income statement when the hedged items affect the income statement. At inception of the hedge the hedge documentation is prepared which, amongst others, includes the method of prospective and retrospective testing for effectiveness. An interest rate swap is accounted for as a (cash flow) hedge if it is expected to be highly effective, based on the prospective effectiveness test at inception of the hedge. At least quarterly a retrospective test is performed to determine whether the swap has been highly effective. The ineffective portion is recorded in the income statement. In the event that the hedged transaction terminates, the deferred gains or losses on the associated derivative are recorded in the income statement.

The estimated fair value of interest rate swaps is calculated as the present value, based on the zero coupon interest curve, of the estimated future cash flows.

Corporate Express accounts for ordinary purchases and sales of financial assets at trade date.

2. Summary of accounting policies (continued)

Impairment of non-current assets other than goodwill

At balance sheet date, the carrying amounts of property, plant and equipment, internally used software and other non-current intangible assets is reviewed to determine whether there is any indication that those assets might have been impaired. Assets whose carrying values exceed their recoverable amount are written down to the higher of the fair value less cost to sell and its value in use. Impairment losses are recognised as an expense immediately. Where an impairment loss of a non-current asset other than goodwill subsequently reverses, the carrying amount of these assets is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Software (for own use)

This software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised as an expense and calculated on a straight-line basis over the expected useful life of the individual software asset with a maximum of seven years.

The cost includes third-party costs and internal costs, such as employee benefit costs, insofar related to the development of the software. Also included in the cost are borrowing costs to finance the development of software

Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses and consist primarily of customer relationships and brand names mostly acquired in business combinations.
These intangible assets are recognised at fair value determined at the date of acquisition and are amortised using the straight-line method over their individually estimated useful lives.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised as an expense and calculated on a straight-line basis over the expected useful lives of the assets, taking into account a residual value. Useful life, residual value and depreciation method of property, plant and equipment are annually reviewed.

Land is not depreciated.

Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately over its own useful life, not exceeding the remaining useful life of the related asset.

Borrowing costs to finance the construction of property, plant and equipment are capitalised as part of the costs of the asset, during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs included in the cost of qualifying assets during the year are calculated by applying an average local capitalisation rate to expenditure on such assets.

The depreciation rates per year are as follows:

Land	Not depreciated
Buildings	3-7%
Plant and equipment	5-10%
Other fixed equipment	10-33%

Maintenance, repairs and refurbishments are generally recognised as expenses during the period in which they are incurred. However, major renovations are capitalised when they meet the recognition criteria. Major improvements are recognised as a separate component and depreciated over the useful life of the component, not exceeding the remaining useful life of the related asset.

Catalogue production costs

The cost to produce catalogues is capitalised and presented as prepaid expenses insofar as the catalogue enables the receipt of sales orders. The production costs of that part of a catalogue which is used for promoting and advertising products and services is expensed as incurred. The capitalised catalogue production costs includes third-party and internal costs of development and distribution.
The capitalised catalogue production costs are presented as a current asset and amortised on a linear basis over the period the catalogue is generating sales which usually does not exceed 12 months. The amortisation expense is included in other operating costs.

Income taxes and deferred taxes

The amount of tax included in the income statement is based on the reported accounting profit plus or minus non-deductible accounting expenses and non-taxable accounting income. The amount of tax included in the income statement includes changes in the valuation of deferred tax assets for loss carry-forwards.

Current tax assets and liabilities are not discounted and are calculated at tax rates prevailing at the balance sheet date.

Deferred tax assets and liabilities are recognised for temporary differences in the carrying value of assets and liabilities and their tax base and for loss carry-forwards. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and loss carry forwards can be utilised. Deferred taxes are not discounted and are determined at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset.

Tax expense and income related to items that are recorded in equity are recorded likewise.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

2 Summary of accounting policies (continued)

Investments in associates

An associate is an entity over which Corporate Express is in a position to exercise significant influence, but not control, in the financial and operational policy decisions of the investee through participation. Significant influence is assumed when Corporate Express holds 20% or more of the voting power. Investments in associates are initially measured at cost and subsequently increased or decreased for the Company's share in the result (after tax) and other changes in equity of the associate less, if applicable, impairments and less distributions received such as dividends. The result of an associate is determined in accordance with Corporate Express' accounting policies.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset. All other leases are classified as operational leases.

Corporate Express leases distribution and office facilities under non-cancellable operating leases. Some of the larger leases have separate clauses related to leasehold improvements, where Corporate Express has substantially all the risks and rewards of ownership. Therefore the leasehold improvements are classified as finance leases.

Assets under finance leases, with the Company as lessee are recognised as assets of the Company (under land and buildings in the property, plant & equipment) at their fair value at the date of inception or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. The interest element of the finance cost is charged to the income statement over the lease period so as to achieve a constant rate of interest on the remaining balance of the liability for each period. The leasehold improvements acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Payments under operating leases with the Company as lessee are expensed on a straight-line basis over the term of the relevant lease.

Inventories

Inventories related to trade goods, used machines and goods in transit are valued at the lower of purchase cost or net realisable value. Purchase cost includes the purchase price, import duties and other taxes (other than those subsequently recoverable from the tax authorities) and inbound third-party transportation, handling and other costs directly attributable to the acquisition of trade goods.

The purchase price is net of trade discounts, cash discounts from suppliers for prompt payment and rebates received from suppliers.
The difference between the weighted average purchase cost and net realisable value (if the latter is lower) is the provision for impairment for obsolete and slow-moving items.

Trade receivables

Trade receivables are carried at amortised cost which is usually the nominal value, less an allowance for doubtful receivables. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance 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 change of the allowance is recognised in the income statement.

Prepaid expenses and accrued income

Prepaid expenses and accrued income are carried at cost which is usually the nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

Trade payables

Trade payables are carried at amortised cost which is usually the nominal value.

Equity attributable to equity holders of the Company, Ordinary Shares and, Preference Shares

Corporate Express' ordinary shares are classified as equity attributable to equity holders of the Company. External costs directly attributable to the issue of new ordinary shares, other than in connection with business combinations, are deducted from equity attributable to equity holders of the Company net of tax.

Where any Group company purchases Corporate Express share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to equity holders of the Company until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to equity holders of the Company.

Corporate Express' Preference Shares A are classified as a financial liability and are recognised at the proceeds received, which represent fair value, net of transaction costs incurred. Subsequently the Preference Shares are stated at amortised cost.

Under IFRS, the critical feature in differentiating a financial liability from an equity instrument is the existence of a contractual obligation on one party (the issuer) to deliver cash or another financial asset to the other party (the holder) or to exchange another financial instrument with the holder under conditions that are potentially unfavorable to the issuer. When such a contractual obligation exists, that instrument meets the definition of a financial liability regardless of the manner in which the contractual obligation will be settled.

Further information regarding Corporate Express' ordinary shares and Preference Shares is given in Note 26.

2 Summary of accounting policies (continued)

The 'option reserve' in equity attributable to equity holders of the Company is the amount of expenses recognised in connection with the employee share options. When the options are exercised reclassification from option reserve to share premium reserve takes place. When the options have lapsed, a reclassification from the option reserve to retained earnings takes place.

The 'cumulative translation adjustments' in equity attributable to equity holders of the Company relates to the euro translation of assets and liabilities of Group companies whose functional currency is not the euro. When a Group company is sold or otherwise disposed of, the cumulative translation adjustments, if any, are recognised in the income statement as part of the result on the sale or disposal. Also, cumulative translation adjustments with respect to long-term loans that are designated as permanent investments (quasi equity, see 'Transactions in foreign currencies') are recognised in the income statement when these loans are reduced.

The hedge reserve relates to changes in the fair value of the interest rate swaps for which hedge accounting is applied. The amounts recorded in the hedge reserve are recognised in the income statement, as other financing expenses, when the hedged item affects the income statement.

Subordinated Convertible Bonds

Corporate Express' Subordinated Convertible Bonds are classified as a compound financial instrument. The liability component is initially stated at fair value and is subsequently stated at amortised cost which is the initial amount minus interest and principal payments plus cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount. The amortisation is recorded in the income statement. The value of the conversion option is determined using the residual method. The liability component is recorded as long-term borrowings and the value of the conversion option is recorded directly in equity attributable to equity holders of the Company (net of taxes).

High Yield Bonds, Senior Facilities Agreement and Securitised Notes

The High Yield Bonds and Term Loans A, B and D and Medium Term Notes are initially stated at fair value (proceeds received net of transaction costs incurred) and subsequently stated at amortised cost. Any difference between the proceeds and redemption value is recognised in the income statement over the term of the loan using the effective interest method. The amortisation is recorded in the income statement as other financing costs.

The Revolver and Short Term Notes are stated at the proceeds received under long-term borrowings. Transaction costs incurred are recorded as 'capitalised financing fees' under other non-current assets as these borrowings have variable amounts outstanding. The interest paid on these types of borrowings is recorded in the income statement as other financing costs. The capitalised financing fees are amortised on a linear basis over the expected life of the related borrowing. The amortisation expense is presented in the income statement as other financing costs.

Provisions

The accounting policies regarding pensions and other employee benefits are stated under 'employee benefits'.
Provisions are recognised when the Group has:

- A present legal or constructive obligation as a result of past events.
- It is probable that an outflow of resources will be required to settle the obligation.
- A reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Other non-current provisions and liabilities in the balance sheet include provisions for integration and reorganisation following acquisitions, divestments and restructuring of businesses as well as provisions for product warranties and reflect amounts payable after more than one year from the balance sheet date. Amounts payable within one year are recorded under current liabilities.

Provisions for restructuring as a result of an acquisition are only recognised as part of the cost of the acquisition if the acquired company has an existing liability for restructuring recognised before the acquisition date. A provision recognised after the acquisition date is not recognised as part of the cost of the acquisition and is therefore not part of the acquisition goodwill. In this case the provision is set up through the income statement.

Advertising costs

Advertising costs are expensed as incurred and included in operating expenses.

Research and development

Costs of research are expensed as incurred and included in operating expenses. Costs of research are insignificant. Costs of development, which predominantly relate to internally used software, are capitalised and after being put into use, amortised over the expected life of the asset.

Disclosure of material items of income and expense

During the course of a year, certain events may take place which may have unique characteristics that set them apart from the Company's standard day-to-day operations. If these events are significant in size, Corporate Express reports them separately to provide a more operationally oriented view on the results of the business.

Consolidated Statements of Cash Flows

Cash flow statements have been prepared using the indirect method. Cash flows of subsidiaries with functional currencies other than the euro are translated into euros using the average rates of exchange for the periods involved.

Corporate Express has chosen to report interests paid and received as part of the cash flow from financing activities.

The net cash flow is recorded net of the effects of acquisitions and divestments on liquid funds.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

3. Critical accounting estimates and assumptions

The Consolidated Financial Statements include amounts that are based on management's best estimates, judgments and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.
The estimates, judgments and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pensions
Corporate Express' operating companies offer a variety of defined benefit plans. In countries such as the Netherlands and the United Kingdom, these defined benefit plans are maintained in separate trusts (pension funds) to which Corporate Express makes contributions.

The Company accounts for pensions in accordance with IAS 19 under which pension expense and related plan assets and benefit obligations are based on a specific methodology that reflects the concepts of accrual accounting. Amounts are reflected in the income statement systematically over the service periods of the employees covered by the plan. Amounts expensed are typically different from amounts funded. Application of IAS 19 requires that management makes use of assumptions regarding, among others, discount rate, expected return on plan assets and rates of compensation, state pension and pension increases in assessing benefit obligations and periodic pension costs. IAS 19 requires readjustment of the significant actuarial assumptions annually to reflect current market and economic conditions. Actual circumstances could change the impact of these assumptions giving rise to different benefit obligations, and may affect pension cost in the following years which could have an effect on Corporate Express' future operating result and net result.
A sensitivity analysis of pension cost in 2008 for a change in discount rate and/or expected return on plan assets is provided under Note 19.

Goodwill impairment
Under the impairment test, the fair value of the cash-generating unit that contains the goodwill is compared to its book value, including the goodwill. Any excess of book value over fair value is recorded as an impairment of goodwill. This fair value of the cash generating unit is calculated based on discounted future cash flows and residual values. The determination of the estimated multi-year forecasts requires management to make assumptions and estimates regarding, amongst others, sales growth, gross contribution margins and operating expense developments. These assumptions are based, amongst others, on past performance.
Management assumptions and estimates are also affected by external factors such as assumed macro-economic conditions, and market developments. These estimates may change over time and may cause the Company to record additional impairment charges. Also the fair value and hence the impairment charge is sensitive to the discount rate. The discount rate is derived from the pre-tax estimated weighted cost of capital, reflecting the risks inherent to the cash-generating unit and a normative financing profile. A sensitivity analysis around the key assumptions has been performed and it was concluded that no reasonably possible changes in key assumptions would cause an impairment amount.

Taxation
Corporate Express has a considerable amount of loss carry-forwards. For these loss carry-forwards and for temporary differences in the valuation of assets and liabilities for reporting and tax purposes, deferred tax assets and deferred tax liabilities are recognised.
Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In determining the valuation of deferred tax assets and liabilities, Corporate Express' assessment of future taxable income, available taxable temporary differences, tax planning, applicable limitations on the use of tax loss carry forwards are factors taken into account. These factors are determined in consultation with external tax experts. If actual future taxable income is different than originally assessed, if tax planning fails to materialise, if limitations on the use of tax loss carry-forward apply, the valuation of deferred tax assets and liabilities may have to be adjusted which may have an effect on the reported tax expense and net result.

Other receivables in respect of rebates from suppliers
Corporate Express receives various types of rebates from suppliers, which are based on the volume of goods purchased (volume-based rebates) or based on the inclusion of certain products of the supplier in Corporate Express' catalogue offerings (catalogue contributions) or are received for entering into a contract with a supplier (contract-based rebates).
Volume-based rebates are settled in arrears, mostly not exceeding one year. For each reporting period volume-based rebates are accrued on the basis of a prudent estimate of the volumes to be purchased for the entire rebate period.

Provisions for restructuring and integration
Corporate Express records provisions for restructuring and integration relating to cost-saving restructuring measures and the integration of acquired businesses and the integration of Corporate Express in the Staples Group. These provisions are based on Corporate Express' best estimate of costs to be incurred for, among other things, severance payments, termination fees and penalties for rental and other contracts. If actual costs are different than originally estimated, the provisions for restructuring and integration may be insufficient which could affect operating result and net result.
Furthermore, additional restructuring measures may be necessary depending on changes in economic conditions and operating performance, which may result in additional provisions, which in turn may affect operating result and net result.

Provisions for legal proceedings
Corporate Express is involved in various legal and regulatory proceedings arising in the normal course of its business. Corporate Express accrues for the estimated probable costs to resolve these proceedings if a reasonable estimate can be made of the probable outcome. After consultation of in-house and outside legal counsels, these accruals are based on the analysis of possible outcomes of litigation and settlements. Operating result and net result could be affected if actual outcomes are different than originally estimated.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

4. Financial market risks

Corporate Express is exposed to financial market risks, including adverse changes in interest rates, currency exchange rates and availability of short-term liquidity. Our financial risk policies are designed to mitigate these risks by restricting the impact of interest and currency movements on our financial position while safeguarding an adequate liquidity profile.

The financial risks are managed by the Treasury function, which does not operate with a profit objective but pursues benefits of scale and efficiency and provides in-house services in the area of financial logistics. Cash and third-party debt is concentrated in the main financing companies to ensure maximum efficiency in meeting changing business needs, while local operations are largely financed by a mix of equity and long-term inter-company loans denominated in local currencies.
Derivative financial instruments are used only to hedge against financial market risks, and not for speculative purposes. Financial instruments with third parties are primarily dealt by Corporate Express NV and Corporate Express Shared Service Center (Europe) NV. These entities also act as the main financing companies for the Group. In addition, an accounts receivable securitisation programme is being operated using Corporate Express Silver Europe BV (see Note 29).

Capital risk management
The financing policy aims to maintain a capital structure which enables us to achieve our Group strategic objectives and daily operational needs. The degree of flexibility of the capital structure, including appropriate access to capital markets, the financing of working capital fluctuations and the costs of financing (optimal weighted average cost of capital) are factors taken into consideration. After the acquisition capital risk management and the capital structure are managed by Staples Inc.

Credit risks
Our business involves risks that our customers do not pay their invoices for reasons of insolvency. In general we want to balance providing adequate service with non-payment risks and consequently set limits for delivery on credit terms or require cash on delivery. These decisions are taken on a local level according to local customs and experience. The Company's customer base is spread over many industries and sectors (including government institutions), most of these customers are large corporations or institutions. No individual customer represents 0.5% or more of the Company's total sales or trade accounts receivable balance in any year.
Management believes it has adequately provided for the collection risk (including the repurchase agreements) in the Company's accounts receivable, by recording a provision for impairment of trade receivables, which reduces such amounts to their net realisable value, taking into consideration that collection risks are to a certain extent insured. For the maximum exposure to credit risks reference is made to Note 22.
The Company has deposited its cash and deposits with reputable financial institutions with high-quality credit ratings.

Interest rate risks
During the year 2008, following the take over by Staples Inc. the Company's funding has been been changed. As such no significant interest rate risks occur for the Company. Further reference is made to Note 14 on interest rates on group receivables, whereby the Company is not exposed to interest rate risk until maturity date of the receivables.

Our interest policy is designed to restrict the short-term impact of fluctuations in interest rates while keeping the interest burden as low as possible. Treasury reviews the interest position on a frequent basis taking into regard changes in market circumstances.

Currency rate risks
A substantial proportion of Corporate Express' activities is conducted in currencies other than the euro. The position in relation to the Australian dollar is in particular relevant, as approximately 36% of Corporate Express' operating results were generated in Australian dollars in 2008. This results in foreign exchange translation exposure when our results are translated into euro in our consolidated financial statements.
A change of the exchange rate of the Australian Dollar would have the following impact on the Corporate Expres consolidated figures:

	AUD +10%	AUD-10%
Net sales	+3.0%	-3.0%
Operating result	+3.5%	-3.5%
Net result from total Group	+10.8%	-10.8%
Total equity	+.5%	-.5%

Regarding currency risk exposure on trading transactions, it is the policy to cover these risks on a transaction basis as much as possible to stabilise the operational margins in local currency terms. Currency forward contracts with terms up to one year are also used to cover these risks. The occurrence of these exposures is relatively low as operating companies generally source in local currencies and operate on local markets with local competitors.

Given the volatility of currency exchange rates, there can be no assurance that Corporate Express will be able to effectively manage its currency transaction risks or that any volatility in currency exchange rates will not have a material adverse effect on Corporate Express' financial conditions or results of operations.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

4. Financial market risks (continued)

Liquidity risk

The Company faces continuous changes in its requirements for working capital and the payment of its costs and as a consequence has a need to be able to raise liquidity. The objective is to be able to fund the expansion of its business, working capital requirements, capital expenditure and restructuring.
The Company's policy is to arrange contractual bank facilities with reputable banks to meet its needs. Treasury manages its liquidity position constantly and concentrates available liquidity.

31 December 2008	Due within 1 year	Due > 1 year < 2 years	Due > 2 years <3 years	Due > 3 years < 4 years	Due > 4 years < 5 years	Due > 5 years	Total
Borrowings[1]	36	84	-	-	-	1	121
Short term loans and bank overdrafts	29	-	-	-	-	-	29
Perpetual interest payment on Preference Shares[2]	11	11	11	11	11	11 p/yr	11 p/yr
Interest payments	7	3	0	0	0	0	10
Derivatives gross settled cash in		–	–	–	–	–	
Derivatives gross settled cash out	-	–	–	–	–	–	-
Derivatives net settled	-	-	-	–	–	–	-
Trade payables	275	–	–	–	–	–	275
Operational lease liabilities	42	37	28	21	18	80	226

31 December 2007	Due within 1 year	Due > 1 year < 2 years	Due > 2 years <3 years	Due > 3 years < 4 years	Due > 4 years < 5 years	Due > 5 years	Total
Borrowings[1]	117	37	622	2	2	205	985
Short term loans and bank overdrafts	19	-	-	-	-	-	19
Perpetual interest payment on Preference Shares[2]	11	11	11	11	11	11 p/yr	11 p/yr
Interest payments	59	56	40	21	17	49	242
Derivatives gross settled cash in		–	–	–	–	–	
Derivatives gross settled cash out	194	–	–	–	–	–	194
Derivatives net settled	0	0	0	–	–	–	0
Trade payables	547	–	–	–	–	–	547
Operational lease liabilities	99	84	67	53	43	189	535

[1] At redemption value, see Note 29.
[2] Interest on Preference Shares A will be subject to market circumstances as per 2010 after which it will be fixed for another period of 8 years.

5. Acquisitions

In 2008 Corporate Express did not acquire any business.

During 2007, Corporate Express acquired 100% of the shares of:

- Davenport Office Inc. (31 August), a contract office supply and furniture distributor in Canada;
- Raeco International (1 June), a catalogue distribution supplier of library supplies with operations in Australia and New Zealand;
- Møller & Landschultz A/S (30 November), a business-to-business office products distributor in Denmark.

The acquired businesses contributed net sales of €22 million and an operating result of €1 million to the Group for the period from acquisition date till 31 December 2007.

Details of net assets acquired and goodwill are as follows:

Total purchase considerations for Davenport, Raeco and Møller & Landschultz	
Cash paid	50
Contingent balance payables to vendors	1
Direct costs relating to the acquisition	1
Total purchase consideration	52
Fair value of net assets acquired	22
Goodwill	30

The goodwill arising on these acquisitions is attributable to the anticipated profitability of the distribution of the Corporate Express' products in the new markets and the anticipated future operating synergies from the operation.
The Company finalised the purchase price allocation in 2008, no adjustments were needed.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

5. Acquisitions (continued)

Davenport, Raeco and Møller & Landschultz	Carrying calue of net assets acquired	recognition intangible assets	Fair value
Assets:			
Customer relations	-	12	12
Other intangible non-current assets	-	2	2
Property, plant and equipment	7	-	7
Inventories	7	-	7
Trade receivables	10	-	10
Other receivables	1	-	1
Cash and cash equivalents	0	-	0
Liabilities:			
Long-term borrowings	-4	-	-4
Deferred taxes	-	-4	-4
Trade payables	-6	-	-6
Other current liabilities	-2	-	-2
Net assets acquired	13	9	22
Goodwill			30
Purchase consideration settled in cash			52
Other acquisition related payments			2
Total cash outflow on acquisition			55

6. Divestments, discontinued operations

As of 27 December 2008 (effectively as of 31 December 2008), as part of the integration of Corporate Express with Staples, Corporate Express sold its French Office Products business to a Staples affiliate for a total consideration of €75 million. After considering the impact of the related transaction expenses and the taxation, the transaction resulted in a gain of €3 million.

As of 9 October 2008, as part of the integration of Corporate Express with Staples, Corporate Express sold its North American Office Products business to Staples Inc. for a total consideration of US$1,772 million
After considering the impact of the related transaction expenses, the release of the Cumulative Translation Adjustments and the taxation, the transaction resulted in a loss of €40 million, excluding the release of a deferred tax balance. In these financial statements, the net result of Office Products North America has been reported retrospectively as the line item “Net result from discontinued operations”. Likewise, Office Products North America cash flows have been reported retrospectively on the line items “Net cash from operating / investing / financing activities discontinued operations

As of 3 June 2008 Corporate Express sold 100% of the shares of Veenman B.V. to Xerox corporation for a total consideration of €43 million. After considering the impact of the related transaction expenses the transaction resulted in a gain of €41 million which has been reported as income on a separate line item under operating result.

As of 12 November 2007, Corporate Express sold ASAP Software to Dell Computers for a total consideration of US$ 353 million. After considering the impact of the related transaction expenses and the taxation, the transaction resulted in a net gain of €97 million. In these financial statements, the net result of ASAP Software has been reported retrospectively as the line item “Net result from discontinued operations”. Likewise, ASAP Software’s cash flows have been reported retrospectively on the line items “Net cash from operating / investing / financing activities discontinued operations”.

As of 26 October 2007, Corporate Express sold 100% of the shares of Veenman Germany GmbH to Konica Minolta for a total consideration of €14.5 million. After considering the impact of the related transaction expenses the transaction resulted in a gain of €10 million which has been reported as income on a separate line item under operating result.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

6. Divestments, discontinued operations (continued)

Results from discontinued operations	2008 [1]	2007 [2]
Net sales	2,156	3,569
Purchase value trade goods sold	-1,476	-2,919
Depreciation and amortisation	-30	-60
Operating result	61	95
Refinancing expenses and redemption expenses incurred	-62	-
Other financing expenses	-83	-122
Result before taxes	-84	-27
Taxes	69	24
Net result	-12	-4
Gain on sale CE North America	56	-
Loss on refreshment CTA related to CE North America	-97	-
Gain on sale CE France	3	-
Gain on sale ASAP Software	-	97
Net result from discontinued operations	-50	93
Net cash provided by operating activities	94	116
Capital expenditure	-22	-55
Number of employees at year-end	-	10,071

1) Results of Office Products North America for the period 1 January-8 October 2008
2) Results ASAP for the period 1 January-11 November 2007

Refinancing expenses and redemption expenses incurred
Refinancing expenses and impairment of financing fees are included in the result from discontinued operations as far as they occurred in to divestments and discontinued operations.
The total amount of impairments and costs related to these issues is €62 million. It is composed of the following items.
- In April 2008, the existing outstanding loans and facilities under the Senior Facilities Agreement with a syndicate of banks led by Deutsche Bank and ABN-AMRO Bank have been fully replaced by a new credit agreement. The associated refinancing expenses were approximate €31 million. Initially, it was the intention to amortize these expenses over a life-time of 4 year, starting in April 2008. Due to the acquisition of Corporate Express by Staples and because of the repayment on 9 July 2008 of all debt under the new Senior Facilities Agreement (see note 29), the accretion – and amortization period of the financing fees has been finished. At that time, an amount of approximate €2 million has been amortized. The balance of approximate €29 million has been expensed in July. Also the balance of the financing fees related to the settled facility agreement in April have been expensed for approximate €7 million (related to: Term-Loan D €2 million, Term-Loan D1 €4 million, Revolver Facility €1 million) In addition, a prepayment penalty of €2 million has been paid
- The same occurred to the financing fees related to the 8¼% Senior Subordinated Notes due 2014 (2014 Notes) and the 7⅞% Senior Subordinated Notes due 2015 (2015 Notes). Both notes have been settled and fully paid off at 9 July 2008. At that time, the balance of the financing fees have been impaired for €3 million for the 2014 Notes and €4 million for the 2015 Notes. Additionally, an amount of €16 million has been booked as pay-off costs.
- In October 2008, the Corporate Express- €115 million Subordinated Convertible Bonds were converted into ordinary shares (see Note 29). The balance of the related financing fees have been impaired for €1 million.
- The indemnity for the early termination of the existing interest rate Swaps in July was €0,3 million.

Divestment
In 2008 Veenman BV was sold which resulted in a book gain of €41 million. As Veenman cannot be considered a discontinued operation, the result of the sale is reported as Operating income.
In 2008 a provision related to former divestments could be released, resulting in a benefit of €6 million.

In 2007 Veenman Germany was sold which resulted in a book gain of €10 million. As Veenman Germany cannot be considered a discontinued operation, the result of the sale is reported as Operating income.

7. Net sales

	2008	2007
Trade goods	2,401	2,568
Services	55	76
Equipment rental	2	4
Catalogue income	17	16
Total	**2,475**	**2,664**

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

8. Employee benefit expenses

	Notes	**2008**	2007
Wages and salaries		-294	-310
Social security contributions		-42	-45
Pensions		-1	-9
Stock options		-3	-4
Other		-23	-28
Sub-total		**-363**	**-396**
Less:			
Costs related to the transfer of defined contribution plans into defined benefit plans		-	5
Total		**-363**	**-391**

Pensions in 2008 includes an expense of €12 million related to defined contribution plans and an income of €12 million related to defined benefit plans. Pensions in 2007 includes an expense of €13 million related to defined contribution plans and an income of €4 million related to defined benefit plans, see Note 19
A one-off cost of EUR 5 million in 2007 related to the reclassification of two defined contribution plans in the Netherlands as defined benefit plans.

9. Other operating expenses

	Notes	**2008**	2007
Rent and maintenance expenses		-50	-53
Delivery and subcontracting expenses		-131	-130
Automation-, communication-, facility expenses and consulting fees		-64	-70
Other		-55	-60
Total		**-299**	**-313**

Other operating expenses include advertising expenses of €6 million for 2008 and €7 million for 2007

10. Reorientation, restructuring and termination expenses

2008
In 2008 we incurred €67 million of one-off costs related to the strategic reorientation and the proposed merger with Lyreco. For the reorganization of the former headquarter of Corporate Express, an amount of €10 million has been provided for.

As a result of the delisting of the Corporate Express shares per 8 August 2008 and the subsequent settlement of all outstanding option rights for employees a charge of €13 million for accelerated vesting of those plans was incurred (see Note 33).

In the business segment Office Products Europe we incurred one-off costs of €4 million for the consolidation of our German distribution centers. In the business segment Office Products Australia we incurred one-off costs of €4 million for the restructuring of the Australian headquarter and the consolidation of distribution centers.

2007
In the Office Products Europe business segment, we incurred one-off costs of €8 million, consisting of a €6 million charge for the planned consolidation of our German distribution centers, including a charge for lease obligations to be terminated. A €2 million charge incurred for the restructuring of Corporate Express Italy.

As part of Corporate expenses we recorded €5 million in relation to the termination of the contracts of Frans Koffrie, former CEO of Corporate Express NV, and Mark Hoffman, former President and CEO of Corporate Express North America.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

11. Total net financing expenses

Special financing expenses
Following the take over of Corporate Express by Staples, the senior facilities with the Deutsche Bank were terminated. This resulted in one-off expenses of €14 million.

In the year ended 31 December 2007, no refinancing expenses were incurred.

Other financing expenses

	2008	2007
Interest income on bank deposits	3	3
Interest income on receivable on the parent company	60	49
Net foreign exchange gain on financial liabilities measured at amortised cost	18	3
Financial income	81	56
Interest expense on financial liabilities measured at amortised cost	-18	-21
Dividend on preference shares	-11	-11
Amortisation of capitalised financing fees (Note 29)	-1	-1
Net foreign exchange loss on financial liabilities measured at amortised cost	-3	-15
Other	-1	-1
Financial expenses	-34	-48
Total	**47**	**7**

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

12. Income taxes

Corporate Express' operations are subject to income taxes in different jurisdictions with varying statutory tax rates.
In 2008, taxes in the Consolidated Statement of Income amount to an expense of €23 million.

In 2007, taxes in the Consolidated Statement of Income amount to an expense of €27 million. In this expense a benefit of €17 million is included as the result of further recognition of deferred tax assets and releases of deferred tax liabilities.

Corporate Express' effective tax rate on continuing operations was 38.9% in 2008 and 16.9% in 2007. The effective tax rate is determined based on the ratio of taxes to the amount of result from operations before taxes and before amortisation and impairment of goodwill as these items are predominantly exempted from taxes. For calculating the effective tax rate, certain adjustments are made to the amount of taxes in the Consolidated Statement of Income and result from operations which are shown in the following tables.

		2008		2007
Net result		**33**		**195**
Adjustments:				
Taxes		23		27
Add back non-deductible or non-taxable items:				
Interest Preference Shares A	6		11	
Translation differences on intercompany loans	-18		15	
Other non-deductible expenses	18		5	
Subsequent result from disposal of operations	-3		-93	
		3		-62
Total taxable result for calculating effective tax rate		**58**		**160**

	2008	2007
Taxes as per Consolidated Statement of Income	-23	-27
Effective tax rate	**38.9%**	**16.9%**

A reconciliation from Corporate Express' tax expenses based on its statutory tax rate to total tax expenses is as follows:

	2008	2007
Total taxable result	58	160
Netherlands statutory income tax rate	25.5%	25.5%
Income tax provision at statutory rate	-15	-41
- Foreign taxes at a rate other than the Netherlands statutory rate	-2	-7
- Loss carry forwards not expected to be realised	-2	-9
- Loss carry forwards expected to be realised	1	6
- Deferred tax liabilities	3	0
Tax incentives, tax-exempt income, non tax deductible expenses and other	-8	24
Total tax expenses	**-23**	**-27**

Due to the divestment of Office Products North America in 2008 and ASAP Software in 2007, the effective tax rates of 2007 as reported previous year was recalculated based on continuing operations.

Taxes as per Consolidated Statement of Income can be specified as follows:

		2008		2007
Current		**-18**		**-22**
Deferred:				
Benefits operating loss carry-forwards	-6		-10	
Adjustments in the valuation of deferred tax assets due to change in judgement about realisability	-		5	
Other deferred tax items	1		-	
Total deferred		**-5**		**-5**
Total income taxes		**-23**		**-27**

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

13. Total minority interest

Minority interests mainly represent the 41.2% (2007 41.2%) share of third parties in the result of Corporate Express Australia Ltd. As per 27 December 2008 the French office product activities of corporate Express were partly sold to Staples Inc. resulting in a 45% minority share of a Staples affiliate in Buhrmann ISD Groupe S.A..

	2008	2007
Balance at 1 January	**40**	64
Net result	**15**	17
Decrease minority share by dividend payment and repurchase shares	**-11**	-41
Increase minority share caused by partly divestment Corporate Express France	**23**	-
Translation differences	**-7**	-
Balance at 31 December	**59**	40

14. Financial instruments by category

Financial assets and liabilities in the tables below are split into categories in accordance with IAS 39.

Financial instruments by categories	**Note**	**Carrying amount**	**Loans and receivables**	**Available for sale financial assets**	**Financial liabilities measured at amortised costs**	**Financial liabilities held for trading**	**Fair value 1) 2)**
31 December 2008							
As per balance sheet							
Financial instruments in non-current assets							
Receivable from parent company 3)		1,054	1,054	-	-	-	1,054
Other non-current assets	21	4	-	4	-	-	4
Financial instruments in current assets							
Trade receivables	23	341	341	-	-	-	341
Cash and cash equivalents	25	37	37	-	-	-	37
Financial instruments in non-current liabilities 2)							
-Pref. Shares A	30	178	-	-	178	-	178
-NC payables total	30	88	-	-	88	-	88
Long-term borrowings	30	266	-	-	266	-	266
Financial instruments in current liabilities							
Current portion long-term borrowings	30	35	-	-	35	-	35
Bank overdrafts		29	-	-	29	-	29
Trade liabilities		275	-	-	275	-	275

Financial instruments by categories		**Carrying amount**	**Loans and receivables**	**Available for sale financial assets**	**Financial liabilities measured at amortised costs**	**Financial liabilities held for trading**	**Fair value 1) 2)**
31 December 2007							
As per balance sheet							
Financial instruments in non-current assets							
Other non-current assets	21	12	-	12	-	-	12
Financial instruments in current assets							
Trade receivables	23	700	700	-	-	-	700
Cash and cash equivalents	25	50	50	-	-	-	50
Financial instruments in non-current liabilities 2)							
-Pref. Shares A	30	178	-	-	178	-	167
-NC payables total	30	831	-	-	831	-	962
-Derivatives held-for-trading 4)		2	-	-	-	2	2
Long-term borrowings	30	1,011	-	-	1,009	2	1,131
Financial instruments in current liabilities							
Current portion long-term borrowings	30	117	-	-	117	-	117
Bank overdrafts		19	-	-	19	-	19
Financing derivatives in hedging relationship (IRS's) 5)		2	-	-	-	2	2
Trade liabilities		547	-	-	547	-	547

1) For financial assets and liabilities such as trade and other receivables, cash and cash equivalents, short-term loans, bank overdrafts and trade liabilities, the carrying value is a reasonable approximation of fair value.

2) For long-term borrowings the market value is disclosed in Note 29.
The fair values of Corporate Express' fixed rate loans have been estimated based on applicable market interest rates available to Corporate Express for instruments of a similar nature and maturity. The fair value of variable rate debt approximates the carrying value.

3) The receivable from parent company mainly consists of a 10 year receivable at an interest rate of 7.72%

4) The fair value of derivatives held for trading is recorded within "non-current liabilities: Long-term borrowings: other".

5) The fair value of derivatives in a hedging relationship is recorded in other current liabilities

14. Financial instruments by category (continued)

Derivatives such as currency swaps and forwards have zero value at the inception of the contract. The method of recognising the subsequent gain or loss depends whether a derivative is designated as a hedging instrument or not. The fair value of forward exchange contracts and currency swaps (derivatives not in a hedging relationship) is calculated using publicly available market prices at the balance sheet date for the individual components of the contracts. The estimated fair value of interest rate swaps is calculated as the present value, based on the zero coupon interest curve, of the estimated future cash flows. Changes in the fair value of all derivative financial instruments are calculated by using month-end rates (from Reuters), and are recognised in the income statement (financing costs).

15. Goodwill

The movements in goodwill are as follows:

	2008	2007
Balance at 1 January:		
Cost	1,891	2,034
Accumulated impairment	-471	-503
Book value	1,420	1,531
Divestment Group companies	-852	-68
Acquisitions through business combinations	-	30
True up acquisitions prior year	-	21
Translation difference:		
- Cost	-76	-128
- Accumulated Impairment	24	32
Total changes	-904	-111
Balance as at 31 December:		
Cost	708	1,891
Accumulated impairment	-192	-471
Book value	**516**	**1,420**

Goodwil relates to the cash generating units Office Products Europe (€291 million), Office Products Australia (€225 million) and Printing System Division (€0 million). Goodwill is tested for impairment at least once a year or when changes in circumstances indicate that impairment may have occurred.

Under the impairment test, the recoverable amount of the cash-generating unit that contains the goodwill is compared to its book value, including the goodwill. Any excess of book value over the recoverable amount is recorded as an impairment of goodwill. This recoverable amount of the cash generating unit is calculated based on discounted future cash flows for the period 2008-2012 and residual values (value in use). The method of calculation of the impairment test is the same for each cash generating unit.

The key assumptions on which Corporate Express has based its cash flow projections are based on the outcome of the Strategic plan 2008-2011. The Strategic Plan for Global Office Products resulted in an average annual organic sales growth of at least 6% for the period 2008-2010 resulting in an average EBITDA margin of at least 7% per the end of the Strategic Plan period. The cash flows are discounted using a pre-tax cost of capital. The discount rate is derived from the pre-tax estimated weighted cost of capital, reflecting the risks inherent to the cash-generating unit and a normative financing profile. A growth rate of 2% of the residual value was used. No reasonable change in the assumptions used in the goodwill impairment test would cause an impairment of goodwill.

In 2008 and 2007, no goodwill impairments were recorded

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In millions of euro, unless stated otherwise

16. Software

The movements are as follows:

	Total	In use	Prepayments /being developed
Balance as of 1 January 2007:			
Cost	369	356	13
Accumulated amortisation	-260	-260	-
Accumulated impairment	-1	-1	-
Book value	108	96	13
Net investment (excl. borrowing costs)	43	30	12
Divestments Group companies	-7	-7	-
Put into use	-	5	-5
Amortisation continuing operations and discontinued operations	-38	-38	-
Translation differences	-8	-8	-1
Total changes	-10	-17	7
Balance as of 31 December 2007:			
Cost	331	311	19
Accumulated amortisation	-232	-232	-
Accumulated impairment	-1	-1	-
Book value	98	79	19
Net investment (excl. borrowing costs)	**32**	**22**	**10**
Divestments Group companies	**-66**	**-61**	**-5**
Put into use	**-**	**12**	**-12**
Amortisation continuing operations	**-8**	**-8**	**-**
Amortisation discontinued operations	**-16**	**-16**	**-**
Translation differences	**-2**	**-2**	**0**
Total changes	**-60**	**-52**	**-8**
Balance as of 31 December 2008:			
Cost	**78**	**67**	**11**
Accumulated amortisation	**-40**	**-40**	**-**
Accumulated impairment	**-**	**-**	**-**
Book value	**38**	**27**	**11**

17. Other intangible assets

The movements are as follows:

	2008	2007
Balance at 1 January:		
Cost	**100**	88
Accumulated amortisation	**-18**	-6
Book value	**82**	82
Acquisition through business combinations	**-**	13
Amortisation	**-11**	-13
Divestments Group companies	**-17**	-
Translation differences	**-10**	-
Total changes	**-37**	-
Balance as of 31 December:		
Cost	**67**	100
Accumulated amortisation	**-22**	-18
Book value	**45**	82

Other intangibles mainly comprise Customer relationships. The estimated useful life for the other intangible assets, acquired in business combinations, are 2-10 years for brand names, 2-10 years for customer relationships and 9 years for other, comprising mainly exclusive distribution contracts. Customer relationships have been valued using the capital asset charge method, brand names with the relief from royalty method and exclusive distribution contracts with an income approach.

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In millions of euro, unless stated otherwise

18. Property, plant and Equipment

The movements in tangible fixed assets are as follows:

	Total	Land and buildings	Machinery and equipment	Other equipment
Balance as of 1 January 2007:				
Cost	515	187	215	113
Accumulated depreciation	-299	-81	-143	-74
Book value	216	106	71	37
Net investment	41	11	18	12
Acquisitions through business combinations	6	5	1	1
Divestment Group companies	-10	-5	-5	0
Depreciation	-46	-9	-22	-16
Translation differences	-11	-7	-2	-1
Total changes	-19	-5	-11	-2
Balance as of 31 December 2007:				
Cost	466	176	183	107
Accumulated depreciation	-271	-75	-124	-71
Book value	196	101	59	36
Net investment	**44**	**12**	**16**	**16**
Divestment Group companies	**-102**	**-66**	**-32**	**-4**
Reclassification	**-**	**-**	**6**	**-6**
Depreciation continuing operations	**-20**	**-3**	**-7**	**-10**
Depreciation discontinued operations	**-14**	**-5**	**-7**	**-2**
Translation differences	**-10**	**-2**	**-4**	**-4**
Total changes	**-102**	**-64**	**-28**	**-10**
Balance as of 31 December 2008:				
Cost	**220**	**74**	**76**	**70**
Accumulated depreciation	**-126**	**-37**	**-45**	**-44**
Book value	**94**	**37**	**31**	**26**

19. Pensions

Corporate Express sponsors pension plans in accordance with legal requirements and local customs. For most of its employees in the United States, Canada and Australia, Corporate Express sponsors defined contribution plans. In the United States, these contributions are paid into a 401K plan of the individual employees. Contributions for defined contribution plans are recognised as an expense when incurred. The total cost of the defined contribution plans is disclosed in Note 8.

Most employees in Europe are covered by defined benefit plans. In addition, Corporate Express has some, relatively small, defined benefit plans in the United States in which the benefits of the participants are no longer increased.

The defined benefit plans in the Netherlands ('domestic') and some foreign defined benefit plans are funded with plan assets which have been segregated in trusts. Contributions are made by Corporate Express, as necessary, to provide assets sufficient to meet benefit obligations in accordance with, among others, legal requirements and financing agreements with these trusts.

The information below includes the funded and unfunded defined benefit plans.

	Domestic plans		Foreign plans		Total	
	2008	2007	**2008**	2007	**2008**	2007
Current service cost	(7)	(9)	(2)	(2)	(9)	(11)
Interest cost on benefit obligation	(31)	(29	(5)	(5)	(36)	(34)
Expected return on plan assets	52	50	5	5	57	55
Past service cost	-	(5)	-	-	-	(5)
Net periodic pension expenses	**14**	7	**(2)**	(3)	**12**	5

	Domestic plans		Foreign plans		Total	
	2008	2007	**2008**	2007	**2008**	2007
Change in projected benefit obligation						
Benefit obligation at 1 January	593	647	94	103	687	750
Service cost	7	9	2	2	9	11
Interest cost	31	29	5	5	36	34
Actuarial (gain)/loss [1]	(43)	(84)	(4)	(6)	(47)	(90)
Benefits paid	(36)	(34)	(4)	(5)	(39)	(39)
Settlement	(14)	-	-	-	(14)	-
Transfer from defined contribution plans	-	20	-	-	-	20
Past service cost	-	5	-	-	-	5
Included in discontinued operations	-	-	(22)	-	(22)	
Currency translation adjustments	-	-	(9)	(5)	(9)	(5)
Other	-	-	-	-	-	-
Projected benefit obligation at 31 December	**538**	593	**62**	94	**600**	687

	Domestic plans		Foreign plans		Total	
	2008	2007	**2008**	2007	**2008**	2007
Change in plan assets						
Fair value of plan assets at 1 January	782	776	74	74	856	851
Estimated return on plan assets	52	50	5	5	57	55
Actuarial gains/(losses) [1]	(212)	(33)	(10)	(0)	(222)	(34)
Total actual return on plan assets	(160)	17	(5)	4	(165)	22
Employer's contribution	3	2	3	5	6	7
Benefits paid	(35)	(34)	(3)	(5)	(38)	(39)
Settlement	(7)	-	-	-	(7)	-
Transfer from defined contribution plans	-	20	-	-	-	20
Included in discontinued operations	-	-	(18)	-	(18)	-
Currency translation adjustments	-	-	(9)	(4)	(9)	(4)
Other	-	-	-	-	-	-
Fair value of plan assets at 31 December	**583**	782	**42**	74	**625**	856

	Domestic plans		Foreign plans		Total	
	2008	2007	**2008**	2007	**2008**	2007
Funded Status/ Prepaid/(accrued) benefit cost	46	188	(21)	(20)	24	168
Unrecognised past service costs	1	1	-	-	1	1
Prepaid / (accrued) benefit cost	**47**	189	**(21)**	(20)	**25**	169

[1] *The accumulated actuarial loss since the implementation of IFRS as per 31 December 2008 is a loss of €151 (loss of €109, net of tax).*

19. Pensions (continued)

Movement in the amounts recognised in the balance sheet:

	2008				2007			
	Net assets for funded plans	Net pension provisions			Net assets for funded plans	Net pension provisions		
		Funded plans	Unfunded plans	Total		Funded plans	Unfunded plans	Total
1 January	190	(8)	(13)	(20)	132	(14)	(15)	(30)
Net period pension expenses	14	(1)	(1)	(2)	12	(2)	(1)	(3)
Contributions	3	2	-	2	2	3	-	3
Benefits paid	-	0	1	2	-	0	1	2
Recognised actuarial gains/(losses)	(169)	(7)	1	(6)	50	6	0	6
Settlement	7	-	-	-	-	-	-	-
Transfer from defined contribution plan	-	-	-	-	(5)	-	-	-
Discontinued operations	-	4	-	4				
Currency translation adjustments	(1)	0	0	0	-	0	0	0
Other	2	(2)	0	(2)	-	0	2	1
31 December	**45**	**(11)**	**(11)**	**(21)**	**190**	**(8)**	**(13)**	**(20)**

Actuarial losses of €175 million in 2008 and actuarial gain of €56 million in 2007 were recorded directly in equity attributable to equity holders of the Company. These actuarial gains and losses are mainly due to changes in the assumptions (discount rate, expected wage and pension increase) for the calculation of the projected benefit obligation and due to differences between the expected return on plan assets and the actual result on plan assets. The accumulative amount of actuarial losses recorded directly in equity attributable to equity holders of the Company at 31 December 2008 was €151 million (before tax). At 31 December 2007 the accumulative amount of actuarial losses recorded directly in equity attributable to equity holders of the Company was €24 million (before tax).

Funded and unfunded defined benefit pension plans and experience results:

	2008	2007	2006	2005	2004
Projected defined obligation	600	687	750	813	714
Fair value of plan assets	623	856	851	864	777
Funded status	24	169	101	51	63
Experience result	1	21	0	6	5

The pension benefits expected to be paid in each of the next five years and in the aggregate for the five years thereafter are as follows :

	Domestic plans	Foreign plans	Total
2009	33	4	37
2010	35	4	38
2011	35	4	39
2012	34	6	40
2013	34	5	40
2014-2018	174	30	205

The employer's contributions expected to be paid in each of the next five years and in the aggregate for the five years thereafter are as follows:

	Domestic plans	Foreign plans	Total
2009	4	2	6
2010	4	3	7
2011	4	3	7
2012	4	3	7
2013	5	3	8
2014-2018	25	14	38

Corporate Express' future contributions to the Dutch pension fund have been estimated based on recent changes in Dutch law, these contributions depend on statutory funding levels and certain solvency requirements.

19. Pensions (continued)

The weighted average asset allocation of the funded defined benefit plans at 31 December 2008 and 2007 and target allocation for the year 2009 are as follows:

	Domestic plans			Foreign plans		
	Target 2009	Allocation 2008	Allocation 2007	Target 2009	Allocation 2008	Allocation 2007
Asset category:						
Equity Securities	30%	25%	36%	38%	36%	43%
Debt Securities	55%	62%	50%	43%	43%	39%
Real Estate	10%	9%	8%	3%	4%	3%
Cash	0%	0%	1%	0%	1%	1%
Other (including commodities and insurance contracts)	5%	4%	5%	16%	16%	14%

The weighted average assumptions used to measure net periodic pension expenses were as follows:

	Domestic plans		Foreign Plans	
	2008	2007	2008	2007
Discount rate for the year	5.4%	4.5%	5.5%	4.9%
Expected return on plan assets:				
Equity Securities	8.0%	8.0%	8.0%	8.0%
Debt Securities	5.0%	5.5%	6.0%	6.0%
Real Estate	8.0%	8.0%	8.0%	8.0%
Other	8.0%	8.0%	8.0%	8.0%
Average	6.6%	6.7%	6.8%	7.2%
Rate of compensation increase	3.0%	2.8%	3.6%	3.5%
Increase of state pension	2.0%	2.0%	2.4%	2.0%
Pension increases	2.0%	2.0%	2.4%	2.0%

For the defined benefit obligation recent local mortality tables have been used.

The weighted average assumptions used to measure the Projected Benefit Obligation were as follows:

	Domestic plans			Foreign Plans		
	2008	2007	2006	2008	2007	2006
Discount rate per 31 December	5.7%	5.4%	4.5%	5.8%	5.5%	4.9%
Rate of compensation increase	3.0%	3.0%	2.8%	3.5%	3.6%	3.5%
Increase of state pension	2.0%	2.0%	2.0%	2.2%	2.2%	2.0%
Pension increases	2.0%	2.0%	2.0%	2.2%	2.2%	2.0%

The discount rate used is the interest on high quality (AA rated) corporate bonds that have a maturity approximating the terms of the related obligations. In estimating expected return on plan assets, appropriate consideration is taken into account of historical performance for the major asset classes held or anticipated to be held by the applicable pension funds and of current forecasts of future rates of return for those asset classes.

The following table shows the effect on **result before taxes** (for domestic and foreign plans) in 2008 of a change in discount rate and a change in other assumptions.

		Change in discount rate		
		-0.25%	-	+0.25%
Change in rate of compensation increase	-0.25%	<1	<1	<1
	-	<1		<-1
	+0.25%	<-1	<-1	<-1
Change in pension increase	-0.25%	+1	+1	+1
	-	<1		<-1
	+0.25%	-1	-1	-1
Change in expected return on plan assets	-0.25%	-2	-2	-2
	-	<1		<-1
	+0.25%	2	2	+2

19. Pensions (continued)

The following table shows the increase in **pension obligations** on 31 December 2008 (for domestic and foreign plans) of a change in discount rate and a change in other assumptions.

		Change in discount rate		
		-0.25%	-	+0.25%
Change in rate of compensation increase	-0.25%	+17	-3	-16
	-	+17	-	-16
	+0.25%	+18	+3	-15
Change in pension increase	-0.25%	+3	-13	-28
	-	+17	-	-16
	+0.25%	+33	+14	-3

The ambition of the Dutch pension trust's investment policies is to reach an optimum between maximising return on plan assets in the long term while keeping contributions stable with the aim to be able to grant, with a high likelihood, indexation for consumer price inflation of the benefits. In order to achieve this stability, a sufficient funding level is being maintained. Investments in debt securities are mostly made when they bear fixed interest. The policy is to hedge up to 50% of US dollar risks and 50% of other currency risks related to investments in equity securities and in real estate. Currency risks related to investments in debt securities are in principle completely hedged. Pension plan assets of the Dutch pension trust do not include Corporate Express shares. Due to participation in an index fund, Staples Inc shares for an amount of €110 thousand are held by the Dutch pension fund.

20. Other non-current assets

The movements in other non-current assets are as follows:

	Total	**Financial receivables**	**Capitalised financing fees**
Book value 1 January 2007	10	7	3
Investments/capitalised fees	6	4	1
Divestment of Group companies	-1	-1	-
Amortisation of financing fees	-2	-	-2
Translation differences	-1	-0	-0
Book value 31 December 2007	12	10	2
Investments/capitalised fees	**5**	**-**	**5**
Divestment of Group companies	**-5**	**-5**	**-**
Amortisation of financing fees	**-8**	**-**	**-8**
Translation differences	**-1**	**-1**	**-**
Book value 31 December 2008	**4**	**4**	**-**

Capitalised financing fees reflect the transaction expenses related to long-term borrowing facilities with variable outstanding amounts. Therefore the capitalised financing fees were amortised on a straight-line basis over the expected useful life of the related financial instruments.

21. Inventories

	31 December 2008	31 December 2007
Trade goods	**248**	533
Provision for impairment	**-23**	-35
Book value	**225**	498

The following table shows the development of the provision for impairment on inventories.

	2008	2007
Balance at 1 January	**-35**	-35
Recognised impairment losses in the income statement	**-8**	-13
Utilisation	**8**	10
Divestment of Group companies	**12**	1
Translation differences	**1**	1
Balance at 31 December	**-23**	-35

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In millions of euro, unless stated otherwise

22. Trade receivables

	31 December 2008	31 December 2007
Gross amount	**344**	722
Provision for impairment of trade receivable	**-16**	-22
Book value	**327**	700

The following table shows the development of the provision for impairment on trade receivables.

	2008	2007
Balance at 1 January	**-22**	-23
Recognised impairment losses in the income statement	**-2**	-6
Utilisation	**3**	6
Acquisitions through business combinations	**-**	0
Divestment of Group companies	**4**	1
Translation differences	**1**	0
Balance at 31 December	**-16**	-22

Trade receivables as per	Carrying amount	Of which: neither impaired nor past due on the reporting date	Of which: not impaired on the reporting date and past due in the following periods			
			Less than 1 month	Between1 and 2 months	Between 2 and 3 months	More than 3 months
31 December, 2008	**327**	**235**	**51**	**22**	**8**	**5**
31 December, 2007	700	463	155	43	16	17

Regarding trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations. An outstanding amount on trade receivables of €23 million (2007: €28 million) is regarded impaired, an allowance of €16 million (2007; €22 million) has been formed to reflect the expected recoverable amount.

As per 31 December 2008, an amount of €50 million (2007; €63million) of trade receivables were pledged under the trade receivables securitisation programme in Europe (see Note 29). These receivables and borrowings related to this programme are included in the Consolidated Balance Sheet. The trade receivables pledged under the receivables securitisation programme in the US (2007; €177 million) make no further part of the Corporate Express Consolidated Balance Sheet at 31 December 2008, because of the sale of the US-participation in October 2008. The maximum credit risk is €400 million reflecting the collection risk on trade receivables, cash and cash equivalents and the repurchase commitments.

23. Prepaid expenses and accrued income

	31 December 2008	31 December 2007
Accrued income	**42**	124
Prepaid expenses	**13**	59
Total	**56**	183

Accrued income consists mainly of supplier rebates. Prepaid expenses include prepayments for operating costs (such as rent and insurance premiums).

24. Cash and cash equivalents

The Company has deposited its cash and deposits with, and has obtained its loans from, reputable financial institutions with high-quality credit ratings.

25. Non-current assets held for sale

	31 December 2008	31 December 2007
Balance at 1 January	**3**	4
Assets sold	**-2**	-1
Divestment of Group companies	**-1**	-
Balance at 31 December	**-**	3

Per 31 December 2007: houses bought from employees under relocation plans in Office Products North America were classified as held for sale and the carrying amount has been recovered through a sale transaction in 2008.

26. Ordinary Shares and Preference Shares A and B

Under IFRS, Corporate Express NV's Ordinary Shares are recorded as equity attributable to equity holders of the Company. Corporate Express NV's Preference Shares A are recorded as liabilities. No Preference Shares B were issued.
Under Dutch Law, Corporate Express NV's Ordinary Shares, Preference Shares A and B are part of equity attributable to equity holders of the Company.

Share capital
As of 31 December 2008, our authorised share capital amounted to €1,080,000,000, divided into 395,000,000 Ordinary Shares, 55,000,000 Preference Shares A, and 450,000,000 Preference Shares B, with a nominal value of €1.20 per share each. The Ordinary Shares may, at the option of the Corporate Express shareholders, be bearer shares or registered shares. The issued bearer Ordinary Shares are represented by one single share certificate, the Necigef Global Certificate. The Preference Shares A and B are registered shares.
As of 31 December 2008, the issued share capital was divided into 185,950,356 Ordinary Shares, of which 184,534,522 (99.24%) are held by Staples, and 53,281,979 Preference Shares A, of which 53,256,186 are held by Staples, all of which have been fully paid up. No Preference Shares B were issued as of 31 December 2008.

	Number of outstanding ordinary shares
Balance at 1 January 2007	180,904,970
Changes for 2007:	
Stock dividend 2006	1,662,868
Options exercised	280.009
Balance at 31 December 2007	**182,847,847**
Changes for 2008:	
Stock dividend 2007	**2,878,742**
Options exercised	**223,767**
Balance at 31 December 2008	**185,950,356**

27. Equity attributable to equity holders of the Company

			Other reserves					
	Issued and fully paid-up capital	Additional paid in capital	Conversion option bonds [1]	Option reserve	Cumulative translation adjustment	Hedge reserve	Retained earnings	Equity attributable to equity holders of the Company
Balance at 1 January 2007	217	1,729	25	20	-34	-2	-493	1,463
Changes for 2007:								
Total recognised income and expense	-	-	-	-	-98	1	215	118
Dividend 2006	2	15	-	-	-	-	-38	-21
Repurchase shares CE Australia 2)	-	-	-	-	-	-	-26	-26
Options exercised	-	1	-	-1	-	-	-	1
Options forfeited	-	-	-	-9	-	-	9	-
Addition option reserve share based payments	-	-	-	8	-	-	1	8
Balance at 31 December 2007	219	1,745	25	17	-132	-1	-331	1,543
Changes for 2008:								
Total recognised income and expense	**-**	**-**	**-**	**-**	**-20**	**1**	**-103**	**-122**
Exchange differences related to the disposal of the North American office products activities recognised in the income statement	**-**	**-**	**-**	**-**	**97**	**-**	**-**	**97**
Dividend 2007	**3**	**17**	**-**	**-**	**-**	**-**	**-38**	**-18**
Conversion bonds by parent company	**-**	**115**	**-25**	**-**	**-**	**-**	**7**	**97**
Options exercised	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**1**
Settlement outstanding option rights	**-**	**-**	**-**	**-33**	**-**	**-**	**29**	**-4**
Addition option reserve share based payments	**-**	**-**	**-**	**16**	**-**	**-**	**-**	**16**
Balance at 31 December 2008	**223**	**1,878**	**-**	**-**	**-55**	**-**	**-436**	**1,611**

1) Net of tax
2) In accordance with the economic entity model the dilution loss on the repurchase of shares by CE Australia has been recorded in equity.

The ‘option reserve’ reflects the amount of expenses recognised in connection with the employee share options. When the options are exercised reclassification from option reserve to share premium reserve takes place. When the options have lapsed, a reclassification from the option reserve to retained earnings takes place.

The ‘cumulative translation adjustments’ reflects the euro translation of assets and liabilities of Group companies whose functional currency is not the euro. When a Group company is sold or otherwise disposed of, the cumulative translation adjustments, if any, are recognised in the income statement as part of the result on the sale or disposal. Also, cumulative translation adjustments with respect to long-term loans that are designated as permanent investments (quasi equity, see ‘Transactions in foreign currencies’) are recognised in the income statement when these loans are reduced.

The hedge reserve reflects changes in the fair value of the interest rate swaps for which hedge accounting is applied. The amounts recorded in the hedge reserve are recognised in the income statement, as other financing expenses, when the hedged item affects the income statement.

28. Deferred taxes

	Tax loss carry-forwards	Other	Total
Deferred tax assets			
Balance at 1 January 2007	**346**	**70**	**416**
(Charged)/credited to income statement	28	-	28
(Charged)/credited to equity	-	1	1
Included in discontinued operations	-68	-1	-69
Reclassifications from deferred tax liabilities	8	-	8
Transfers to current tax	-	2	2
Translation differences	-30	-6	-36
Balance at 31 December 2007	**284**	**66**	**350**
(Charged)/credited to income statement	-7	-	-7
Included in discontinued operations	-244	-39	-283
Charged)/credited to equity	-	1	1
Acquisitions/divestments through business combinations	-2	-	-2
Transfers to current tax	-4	8	4
Translation differences	-3	-3	-6
Balance at 31 December 2008	**24**	**33**	**57**

Of the amounts included in the deferred tax assets at 31 December 2008 €15 million (31 December 2007 €41 million) is expected to be utilised within 1 year.
Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available. The amount of estimated future taxable profit for this purpose is based on the budget for the succeeding year and there after multi-year forecasts.

	Accelerated depreciation and amortisation	Pensions	Fair value gains	Other	Total
Deferred tax liabilities					
Balance at 1 January 2007	**33**	**35**	**6**	**51**	**125**
Charged/(credited) to income statement	32	2	-1	-2	31
Included in discontinued operations	-34	-	-	-	-34
Charged/(credited) to equity	-	13	-	-	13
Reclassifications from deferred tax assets	8	-	-	-	8
Acquisitions through business combinations	1	-	-	-	1
Translation differences	-3	-	-	-4	-7
Balance at 31 December 2007	**36**	**50**	**5**	**45**	**136**
Charged/(credited) to income statement	-6	5	-1	-1	-3
Included in discontinued operations	-14	-	-	-40	-54
Charged/(credited) to equity	-	-45	-4	-	-49
Acquisitions/divestments through business combinations	-	2	-	-2	0
Transfer to current tax	4	-	-	-	4
Translation differences	-2	-	-	2	0
Balance at 31 December 2008	**18**	**12**	**-**	**4**	**34**

Of the amounts included in the deferred tax liabilities at 31 December 2008 €12 million (31 December 2007 €5 million) is expected to be utilised within 1 year.

Corporate Express has operating loss carry-forwards at 31 December 2008 of approximately €765 million (2007: €1,882 million). Expiration is approximately as follows:

Operating losses carry-forwards at 31 December 2008	
2009 to 2013	476
2014 to 2019	62
2020 to 2025	-
Unlimited	228
Total	**765**

For an amount of €687 million (2007 €1,005 million) of these operating loss carry forwards no deferred tax assets were recognised in the balance sheet as at 31 December 2008 due to the fact that future realisation is not probable.
Due to the change of control in 2008 operating losses carry-forwards have decreased with €411 million.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

29. Long-term borrowings

	Preference Shares A *	Convertible Bond	High Yield Bonds due 2014	High Yield Bonds due 2015	Term Loans A	Term Loans C/D	Securitised notes	Other	Total
Balance as at 31 December 2007									
Redemption value	181	115	102	102	40	355	118	153	1,166
Accretion/option value	-	(19)	-	-	-	-	-	-	(19)
Financing fees	(3)	(1)	(4)	(4)	-	(6)	-	-	(19)
Net (amortised cost)	178	94	98	98	40	349	118	153	1,128
Current	-	-	-	-	13	-	50	54	117
Long-term	178	94	98	98	27	349	68	99	1,011
Balance as at 31 December 2008									
Redemption value	181	-	-	-	-	-	35	88	304
Accretion/option value	-	-	-	-	-	-	-	-	-
Financing fees	(3)	-	-	-	-	-	-	-	(3)
Net (amortised cost)	178	-	-	-	-	-	35	88	301
Current	-	-	-	-	-	-	35	-	35
Long-term	178	-	-	-	-	-	-	88	266

- The Preference Shares A are perpetual and do not have a redemption date.

Preference Shares A

Details about the Preference Shares A are given in Note 26. The financing fees related to the Preference Shares A are not amortised as the Preference Shares A are non-redeemable. The annual dividend is recorded as an expense.

Convertible Bond

In December 2003, Corporate Express issued its €115 million Subordinated Convertible Bonds, which were listed on the Amsterdam Stock Exchange. The Subordinated Convertible Bonds have a coupon of 2% which is payable annually on 18 June and is convertible into Corporate Express ordinary shares. The conversion price was initially €8.40 per ordinary share and was adjusted annually, among others, for cash dividend. In October 2008, all outstanding bonds were capital contributions as additional paid in capital. The conversion price was €7.53 per ordinary share.

The conversion option was measured at issue of this bond using the residual method after deduction of the liability component (measured at fair value) and recorded directly in equity attributable to equity holders of the Company. The liability component was stated at amortised cost using an effective interest rate of 9.25%.

8¼% Senior Subordinated Notes due 2014

In June 2004, Corporate Express US Finance Inc. issued USD150 million in aggregate principal amount of 8¼% Senior Subordinated Notes due 2014 (2014 Notes) in a private placement. These bonds are unsecured obligations of Corporate Express US Finance Inc., and are guaranteed by Corporate Express and certain of its subsidiaries. In September 2004, Corporate Express US Finance Inc. filed a registration statement on Form F-4 with the SEC for USD150 million in aggregate principal amount of the 2014 Notes, the terms of which were substantially identical to the unregistered bonds issued in June. The registration statement filed by Corporate Express US Finance Inc. was an offer to exchange all of its outstanding unregistered 2014 Notes for the newly registered 2014 Notes. Pursuant to this exchange offer, which closed in October 2004, registered bonds were issued to certain existing holders in exchange for their unregistered bonds.

The 2014 Notes were stated at amortized cost using an effective interest rate of 9.02%.

The 2014 Notes documentation provided that upon the occurrence of a change of control Corporate Express was obliged to offer to purchase all outstanding 2014 Notes.

As a result of and due to the acquisition of Corporate Express by Staples, the 8¼% Senior Subordinated Notes due 2014, have been settled and fully paid off in July 2008.

7⅞% Senior Subordinated Notes due 2015

On 31 March 2005, Corporate Express US Finance Inc. issued USD150 million in aggregate principal amount of 7⅞% Senior Subordinated Notes due 2015 (2015 Notes) in a private placement. These bonds are unsecured obligations of Corporate Express US Finance Inc., and are guaranteed by Corporate Express and certain of its subsidiaries. In August 2005, Corporate Express US Finance Inc. filed a registration statement on Form F-4 with the SEC for USD150 million in aggregate principal amount of the 2015 Notes, the terms of which were substantially identical to the unregistered bonds issued on 31 March 2005. The registration statement filed by Corporate Express US Finance Inc. was an offer to exchange all of its outstanding unregistered 2015 Notes for the newly registered 2015 Notes Pursuant to this exchange offer, registered bonds were issued to certain existing holders in exchange for their unregistered bonds.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

29. Long-term borrowings (continued)

The 2015 Notes were stated at amortized cost using an effective interest rate of 8.65%.

The 2015 Notes documentation provided that upon the occurrence of a change of control Corporate Express was obliged to offer to purchase all outstanding 2015 Notes.

As a result of and due to the acquisition of Corporate Express by Staples, the $7^{7/8}$% Senior Subordinated Notes due 2015, have been settled and fully paid off in July 2008.

Senior Facilities Agreement (Term loans A, B and D and Revolver)
On 23 December 2003, Corporate Express entered into a Senior Facilities Agreement replacing the existing Senior Credit Agreement entered into in 1999. The Senior Facilities Agreement arranged with a syndicate of banks led by Deutsche Bank and ABN AMRO, consists at the end of 2007 of 'Term Loans A' of €120 million, 'Term Loans D' with tranches of €50 million and USD728 million and a working capital facility (Revolver) of €255 million and has been amended over time. The latest amendment to the Senior Facilities Agreement was made in April 2008. At 7 April 2008, the existing outstanding loans and facilities have been repaid and replaced by two facilities in a new credit agreement arranged with a syndicate of banks led by Deutsche Bank. The new Facility A consisted of a term loan of €200 million, repayable in quarterly installments till April 2013, and a revolver / swingline facility of €175 million. The new Facility B consisted of a term loan of USD300 million, repayable in quarterly installments till April 2014. The security provided for the Senior Facilities Agreement was a pledge on assets of Corporate Express NV, all its material existing and future operating companies in the United States and the Netherlands. Borrowings under the new Senior Facilities Agreement bear interest at floating rates related to LIBOR for the relevant currency for varying fixed interest periods.

The interest rate margins for the Term Loan A varies with the leverage ratio (pricing grid). The initial margin for the Term Loan A was is 2.75%, and for the revolver / swingline facility 1.75% for drawings in USD and 0,75% for drawings in Euro. The margin for the Term Loan B was 3.50%. Note that the interest of Term Loan B was composed of the base rate with a minimum of 4% plus margin). The working capital facility carries a fee of 0.75% for the undrawn balance. The documentation of the Senior Facilities Agreement provides for increases in the working capital facility and term loans subject to meeting certain conditions such as a maximum senior leverage ratio.

The Senior Facilities Agreement imposed certain restrictions on Corporate Express and certain of its subsidiaries, including restrictions on the ability to incur additional indebtedness. Corporate Express also was required to apply a percentage of the proceeds of any equity offering (other than certain exempted equity offerings) and sale of assets to the prepayment of debt under the facility. Under the Senior Facilities Agreement, Corporate Express must comply with certain financial covenants. Corporate Express was in compliance with these financial covenants as of 31 December 2007.
The Senior Facilities Agreement provides that a change of control constitutes an event of default. An event of default may result, among others, in an acceleration of the maturity of the facilities and early repayment. An event of default under our Senior Facilities Agreement and early repayment of the facilities may also trigger early termination of our other financing arrangements. A change of control event as defined in the Senior Facilities Agreement includes among others acquisition of beneficial ownership of 35% or more on a fully diluted basis of the voting and/or economic interest in Corporate Express (excluding acquisition of Preference Shares A and/or B, provided certain conditions are met).
That happened in July 2008, as a result of the acquisition of Corporate Express by Staples. On 9 July 2008, all outstanding amounts of the Term Loans and facilities under the new Senior Facilities Agreement of April 2008, have been settled and fully paid.

The interest rates in effect in July 2008 and at 31 December 2007 were as follows:

	2008	2007
Term loan A EUR	7,00%	7.45%
Term Loan B USD	7,50%	-
Term loan D EUR	-	6.70%
Term loan D USD	-	6.97%-7.01%

The market value of the Senior Facilities Agreement was primarily determined by credit status. Interest rate developments have a limited influence since these loans have a floating interest. Although these loans were not traded publicly.

The Term Loans A was stated at amortised cost using an average effective interest rate of 8.9%. The Revolver is stated at its redemption value and the related financing fees were recorded as capitalised financing fees under 'other non-current assets'. The Term Loans B was stated at amortised cost using an average effective interest of 8.8%. Term Loan D (repaid in April 2008) was stated at amortised cost using an average interest of 6.8% (EUR) and 5.2% (USD)

After the termination of all the facilities of the agreement of April 2008, the Deutsche Bank Amsterdam has granted a guarantee facility of €75 million to Corporate Express NV for the purpose of refinancing the existing guarantee portfolio. This facility is available for issuing trade related guarantee bonds or stand-by letters of credit and letters of credit (L/C) with a tenor up to a maximum of three years.

Notes to Consolidated Financial Statements
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29. Long-term borrowings (continued)

Securitised Notes

US securitisation programme

In July 2002 several Corporate Express companies entered into an accounts receivable securitisation programme under which funds are raised by pledging accounts receivable from operating companies in the United States as security for short-term and medium-term borrowings. As per 27 July 2007, all medium-term borrowings have been redeemed and the amount of short term borrowings has been increased. The US operating companies, Corporate Express Office Products and Corporate Express Document and Print Management (and previously ASAP) sell their accounts receivable to Corporate Express Silver US LLC, which in turn pledges the accounts receivable to third-party dedicated entities as security for borrowings in the form of short-term notes of €129.5 million outstanding at 31 December 2008 (€78 million 2007).
The Short Term Notes in the US programme are issued in US dollars reflecting the currency of the pledged receivables.
As a consequence of the acquisition of Corporate Express by Staples, Corporate Express International BV has sold its participation in the Corporate Express US-entities in October 2008. As a result, the entities related to the US Securitisation programme make no further part of the Corporate Express "Consolidated Balance Sheet" at 31 December 2008.

European securitisation programme

In November 2006, Corporate Express UK, Corporate Express Germany and Corporate Express Netherlands started selling their accounts receivable to Corporate Express Silver Europe BV, which in turn pledges the accounts receivable to a third party as security for short-term borrowings in the form of short-term notes. As per 31 December 2008, under the European programme €35 million was outstanding (€40 million 2007). The average interest on the European securitisation program during 2008 was 4.68%.

Outstanding short-term notes under the European programme

The total amount of Short Term Notes outstanding against the receivables pledged fluctuates as a result of liquidity requirements, advance rates calculated and invoices outstanding. To ensure availability of refinancing for the notes, a back-up liquidity facility has been arranged.
On 31 December 2008, Short Term Notes for €35 million were outstanding (in EUR and GBP) 2007; €118 million (in EUR, GBP and USD). The Securitised Notes are stated at their redemption value and the related financing fees are recorded as capitalised financing fees under 'other non-current assets'.

The receivables and liabilities in connection with the accounts receivable securitisation programme in Europe are included in Corporate Express' Consolidated Balance Sheet. The transactions under this programme are treated as collaterised borrowings.
At 31 December 2008, accounts receivables of €62.3 million were pledged under the European securitisation programmes. This programme delivers funding at attractive rates and at the same time diversifies sources of capital and increases financial flexibility.
The securitisation programmes' documentation provides that a change of control constitutes an event of default or a termination event, as a result of which the programme may be terminated and/or the maturity of the advances or borrowings may be accelerated. An event of default or a termination event under the programme and the consequences thereof may also trigger early termination of our other financing arrangements. A change of control event as defined in the securitisation documentation includes among others acquisition of beneficial ownership of 35% or more on a fully diluted basis of the voting and/or economic interest in Corporate Express (excluding acquisition of Preference Shares A and/or B, provided certain conditions are met).
Therefore, the existing securitisation programme with Rabobank is expected to end in March 2009. The outstanding amount at 31 December 2008 is classified as a current portion of long-term borrowings in the Consolidated Balance Sheet at 31 December 2008.

Other

Corporate Express previously had commitments related to finance leases amounting to approximately €4 million, related to leasehold improvements made to its distribution and office facilities in the Office Products North America segment. These leasehold improvements were reported under Property, Plant & Equipment. As a consequence of sale of the US participation by Corporate Express International in October 2008, these finance leases make no further part of the Corporate Express "Consolidated Balance Sheet" at 31 December 2008.

Hedging

Corporate Express previously entered into a series of interest rate hedging agreements, the purpose of which is to limit Corporate Express' interest cost with respect to its long-term debt. As a result of the repayment of all term loans under the Senior Facilities Agreement, all interest rate hedging agreements have been cancelled in July 2008. For more information about our financial market risk policies, we refer to Note 4.

29. Long-term borrowings (continued)

Repayment schedule for long-term borrowings

	2009	2010	2011	2012	>2012	Perpetual	Total	Fair Value
Fixed rate debt:								
Preference Shares A	-	-	-	-	-	181	181	181
Total redemption value fixed rate debt	-	-	-	-	-	181	181	181
Variable rate debt:								
Account receivables securitisation	35	-	-	-	-	-	35	35
Other	1	87			1		88	88
Total redemption value variable rate debt	36	87	-	-	1	-	123	123
Total redemption value	36	87	-	-	1	-	304	304

The fair value of variable rate debt approximates the carrying value. For cash, trade receivables, other short-term assets, trade payables, accrued liabilities and other short-term liabilities, the carrying value of these financial instruments approximates their fair value owing to the short-term maturities of these assets and liabilities.

30. Provisions

The movements in provisions are as follows:

	Total	Integration and restructuring	Other
Balance as at 1 January 2007:			
Non-current	51	7	44
Current	30	17	13
Total	81	24	57
Payments	-16	-10	-6
Additions charged to result	16	13	3
Releases to result	-5	-0	-5
Divestments Group companies	-3	-1	-2
Transfers	-7	-3	-4
Translation differences	-2	-1	-1
Total changes	**-17**	**-2**	**-14**
Balance as at 31 December 2007:			
Non-current	41	9	32
Current	23	12	11
Total	64	22	43
Payments	-16	-14	-2
Additions charged to result	11	10	1
Releases to result	-9	-	-9
Divestments Group companies	-9	-2	-7
Transfers	3	-	3
Translation differences	-1	-0	-0
Total changes	**-20**	**-6**	**-14**
Balance as at 31 December 2008:			
Non-current	25	4	21
Current	19	12	7
Total	44	16	28

The non-current balance at December 31 reflects amounts payable after more than one year. Amounts payable within one year are recorded as current provisions.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

30. Provisions (continued)

Integration and restructuring

Provisions for integration and restructuring mainly relate to the streamlining, centralisation and restructuring measures in the Office Products operations in Europe and the integration resulting from the take over by Staples. Timing of utilization of the provisions is expected within 2 to 4 years.

Other

Other provisions include primarily warranties regarding indemnifications with respect to divested businesses and various other contractual risks. The release to results in 2008 includes the favourable settlement of a number of outstanding contractual risks.
Also included is the provision for vacant leases and product warranties relating to liabilities in the event products delivered or services rendered do not meet the agreed qualities, in those cases that the guarantee period has not expired yet.

31. Current provisions

Short-term provisions	**31 December 2008**	31 December 2007
Short-term restructuring provisions	12	12
Other short-term provisions	7	11
Total	**19**	**23**

32. Other current liabilities

Other current liabilities	**31 December 2008**	31 December 2007
Taxes and social security contributions	22	30
Employee benefits other than pensions	37	114
Advance payments on orders	5	7
Deferred income	7	9
Accrued interest	16	25
Other accrued liabilities	33	102
Total	**121**	**286**

33. Share based payments

Share options were outstanding under two different arrangements; the Corporate Express Incentive Plan up to 2003 and the Corporate Express Incentive Plan from 2004 (New Corporate Express Incentive Plan). As a result of the delisting of the Corporate Express shares per 7 August 2008, following the takeover of Corporate Express by Staples Inc., all outstanding option rights were settled.

The movements in the outstanding number of options and weighted average exercise price are shown in the table below. Each option of the Corporate Express Incentive Plan and New Corporate Express Incentive Plan gives right to one Corporate Express ordinary share.

	Plan up to 2003		Plan from 2004	
	Number of options	Weighted average exercise price per option in EUR	Number of options	Weighted average exercise price per option in EUR
Balance at 31 December 2006	**1,559,248**	**9.02**	**5,159,717**	**10.03**
Options granted [1)]	-	-	1,922,400	10.08
Performance adjustment	-	-	-720,339	7.37
Options exercised	-183,176	2.70	-106,294	7.37
Options expired	-873,074	13.04	-	-
Options forfeited	-101,361	10.83	-1,179,740	10.72
Balance at 31 December 2007	**401,637**	**2.70**	**5,075,744**	**10.32**
Options granted [1)]	-	-	1,887,900	7,21
Performance adjustment	-	-	-1,306,417	7.40
Options exercised	-119,445	2.71	-63,419	7.37
Options forfeited	-26,774	2.70	-333,870	10.02
Balance at 9 July 2008	**255,418**	**2.70**	**5,259,938**	**9.99**
Settlement and forfeiture subsequent to delisting of Corporate Express ordinary shares as per 8 August 2008	-255,418	2.70	-5,259,938	9.99
Balance at 31 December 2008	**-**	**-**	**-**	**-**

[1)] The weighted average fair value of options granted in 2008 is €3.62 per option (2007; €4.40)

The total pre-tax intrinsic value of stock options exercised in 2008 was €4 million (2007; €1 million). The total fair value of option rights that have vested in 2008 was €16 million (2007; €7 million)

Notes to Consolidated Financial Statements

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33. Share based payments (continued)

Options granted are in principle hedged by purchasing the shares required on or close to the grant date. Options may not be hedged if the financial position of the Group gives rise to a decision not to purchase the shares required. Considerations for evaluating the financial position are the growth prospects and its required financing, as well as its capital structure (e.g. leverage ratio). On the basis thereof, it was decided not to purchase shares for this purpose in 2008, and 2007.

The total of options exercisable at the end of the year are:

	Corporate Express Incentive Plans	
	Number of options	**Weighted average exercise price per option in EUR**
31 December 2007	1,000,807	5.50
31 December 2008	**-**	**-**

At 31 December 2007, a total number 5,075,744 options were outstanding under the New Corporate Express Incentive Plan at a weighted average exercise price of €10.32 and a remaining weighted average contractual life 5.0 years, of which 599,170 options at a weighted average exercise price of €7.37 and a remaining weighted average contractual life 3.3 years were exercisable at that date.

The fair value of the options granted up to 2003 were estimated on the basis of the Black & Scholes option model. Due to the performance hurdle in the New Corporate Express Incentive Plan, the fair value of the options granted after 2004 were estimated on the basis of a binomial model in combination with a Monte Carlo simulation taking into account the number of options that will vest based on the performance-related vesting conditions of the option programme. The following assumptions were used in 2008 and 2007.

	2008	2007
Expected dividend yield	2.6%	1.5%
Expected share price volatility	35%	30%
Risk-free interest rate	4.2%	4.3%
Expected term	5 years	5 years
Exercise price	€7.21	€10.08

The fair value of the option rights is estimated by using an expected dividend yield and share price volatility based on historic track records at the grant date of the options. These values do not constitute the market value. The expected term of 5 years is based on the adjusted historic assumption that options will be exercised 2 years after vesting. The assumptions were used exclusively for this calculation and do not provide an indication of expectations of management regarding developments in the future.

The remuneration cost of all the option rights assigned is €16 million for 2008 (€7 million for 2007) and is included in the statements of income. The fair value of the options is measured at grant date and recognised as cost on a linear basis during the vesting period, with a corresponding increase in equity attributable to equity holders of the Company as "option reserve". When the options are exercised or forfeited, a reclassification from the option reserve to retained earnings within equity attributable to equity holders of the Company takes place. This policy is applied to all options that on the date of transition to IFRS on 1 January 2004 had not been exercised, vested or forfeited.

Option plans Corporate Express Australia Limited

Corporate Express Australia Limited (in which Corporate Express has a 58.8% share) has its own separate share based payment plans, based on the listing of the shares on the Australian stock exchange. The remuneration cost rights assigned under these plans was AUD 617,000 for 2008 (including minority interest) and is included in the statements of income.

The main plan is the Long Term Incentive Plan ("LTIP"). The main features are:

- Senior executives of Corporate Express Australia may be offered an entitlement to ordinary shares in Corporate Express Australia, in the form of performance rights, that is, a right to acquire shares in Corporate Express Australia at a future date at no cost (in other words, a share option with a zero exercise price), or priced options.

- The entitlement is generally conditional upon the satisfaction of performance hurdles measured over a period of 3 years. The actual number of performance share rights able to be exercised by a participant will depend on the extent to which the performance conditions have been satisfied. No performance share rights will be provided prior to the final date of the relevant measurement period except in special circumstances (such as redundancy), and then will only be granted if the performance conditions have been met.

- The performance measure applied to entitlements granted under the LTIP in 2004 and 2005 is relative TSR (for a definition see also Corporate Express Incentive Plan from 2004 above). The TSR of all the companies in the peer group, being the ASX 200 Index, and Corporate Express Australia, will be ranked at the end of a three year performance period. Vesting of performance share rights depends on where the company's performance sits within this ranking. Participants do not have an entitlement to the shares unless the company's TSR is at or above the 50th percentile ranking. If the ranking above the 50th percentile is not achieved at all within the initial measurement period, the measurement is retested at the end of year four or potentially year five.

- Performance share rights granted in 2007 and 2006 are subject to a relative TSR performance condition in respect of 50% of the entitlement, and an earnings per share condition in respect of the remaining 50% of the entitlement.

33. Share based payments continued

- Performance share rights granted in 2008 are subject to a relative TSR performance condition in respect of one third of the entitlement, an earnings per share condition in respect of one third of the entitlement and employee retention for the remaining third of the entitlement.

In addition, the company has an Exempt Employee Share Plan ("EESP") and a Deferred Employee Share Plan ("DESP") in place. EESP is open to all eligible employees of the company and limited to AUD1,000 per employee. DESP is designed to enable key employees to acquire company shares using their pre-tax remuneration.

The movements in the number of shares to which the outstanding options assigned under the LTIP give right and weighted average exercise price are as follows:

	Number of shares	Weighted average exercise price per share in AUD
Balance at 1 January 2007	**1,912,680**	**4.05**
Options granted	474,138	-
Options exercised	(212,020)	3.98
Options expired	-	-
Options forfeited	(80,267)	4.28
Balance at December 31, 2007	2,094,531	4.13
Options granted	303,114	-
Options exercised	(133,438)	3.46
Options expired	-	-
Options forfeited	(38,409)	-
Balance at December 31, 2008	2,225,798	4.27

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

34. Commitments not included in the balance sheet

	31 December 2008	31 December 2007
Rental and operational lease		
The commitments are as follows:		
less than 1 year	42	99
between 1 and 2 years	37	84
between 2 and 3 years	28	67
between 3 and 4 years	21	53
between 4 and 5 years	18	43
More than 5 years	80	189
Subtotal	**226**	**535**
Repurchase guarantees		
These lapse as follows:		
less than 1 year	3	3
between 1 and 2 years	6	4
between 2 and 3 years	9	8
between 3 and 4 years	2	9
between 4 and 5 years	1	3
More than 5 years	1	1
Subtotal	**22**	**28**
Purchase contract obligations:		
These lapse as follows:		
less than 1 year	57	-
between 1 and 2 years	2	-
between 2 and 3 years	1	-
between 3 and 4 years	1	-
between 4 and 5 years	-	-
More than 5 years	-	-
Subtotal	**61**	**-**
Other		
These lapse as follows:		
less than 1 year	1	5
between 1 and 2 years	1	0
between 2 and 3 years	-	-
between 3 and 4 years	-	-
between 4 and 5 years	-	-
More than 5 years	-	-
Subtotal	**2**	**6**
Total commitments	**311**	**569**

Rental and operating lease

The Company leases certain distribution facilities, logistic and IT equipment, offices and vehicles under non-cancellable operating leases. The amounts in the table above are the future minimum lease payments under all non-cancellable operating leases. Certain of these distribution facilities and offices are subleased by the Company. Income to be received from these subleases is deducted from the amounts in the table. Lease expenses for non-cancellable operating leases for distribution facilities, equipment and offices charged to the income statement during the periods ended 31 December 2008 and 2007 were €50 million and €53 million respectively.

Repurchase guarantees

Repurchase guarantees amounted to €22 million at 31 December 2008 (2007: €28 million), and relate mainly to repurchase guarantees concerning graphic machines sold to customers and financed by external financing companies. Should the customer be declared in default, the respective financing company has a right of recourse against Corporate Express, which, in general, will be lower than market value of the machine. The amount included in the table is the maximum exposure under these guarantees.

Purchase contract obligations

Purchase contract obligations amounted to €61 million) at 31 December 2008 and relate toPress machinery ordered and under production with the supplier Heidelberg.

Other

Other commitments not included in the balance sheet include investment commitments relating to expenditure on projects, such as the development of IT systems. Until September 2007 Corporate Express had issued certain performance guarantees to an estimated maximum amount of €6million.

35. Related Party Transactions

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Remuneration of the Members of the Executive Board and Supervisory Board

The total remuneration of members of the Executive Board during the year was as follows:

in thousands of euro	**2008**	**2007**
Short-term benefits	1,825	2,397
Post-employment benefits	404.	430
Other long-term benefits	550	383
Termination benefits	2,136	4,450
Share-based payments	2,476	1,428

in thousands of euro	Base salary		Annual bonus		Other incentives		Deferred income		Termination benefits	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
P.J. Ventress	600	346	244	229	300	300	128	46	-	-
F.F. Waller	500	464	150	70	250	41	177	168	2,136	-
Subtotal	1,100	810	394	299	550	341	305	214	2,136	-
G. Dean	207	462	124	187	-	42	99	88	-	-
F.H.J. Koffrie	-	461	-	46	-	-	-	128	-	2,842
M.S. Hoffman	-	132	-	n/a	-	-	-	-	-	1,608
	1,307	1,865	518	532	550	383	404	430	2,136	4,450

Short-term benefits in the table above includes base salary and annual bonus. Termination benefits include the change of control payment to Mr F. Waller. Share-based payments of the Executive Board Members can be specified as : P.J. Ventress €626 (2007: €70); F.F. Waller €1,048 (2007: €304); G. Dean €802 (2007:€260); F.H.J. Koffrie €0 (2007: €793) and M.S. Hoffman €0 (2007: €0). These costs include accelerated vesting of stock options in 2008 and 2007.

The total remuneration of the members of the Supervisory Board was €192 thousand in 2008 and €396 thousand in 2007. T.W.C.M. van Brandenburg, R.L. Sargent and J.J. Mahoney did not receive any remuneration as Supervisory Board Members of Corporate Express N.V.

Besides the receivable on the parent Corporate Express NV (see Note 14) there have been no other material related parties transactions between Corporate Express and other Staples companies in 2008.

A list of the significant subsidiaries of Corporate Express as per 31 December 2008 have been included on page 65.

36. Legal proceedings

Corporate Express is involved in various routine legal proceedings incidental to the conduct of its business. Corporate Express does not believe that any of these legal or regulatory proceedings will have a material adverse effect on its financial condition, results of operations or cash flows other than the proceedings disclosed below.

Paper Merchanting Germany: Anti-trust

In April 2000, the German competition authorities (the Bundeskartellamt or 'BKA') launched an investigation against a number of German paper merchants, among which is Corporate Express' former subsidiary Deutsche Papier Vertriebs GmbH, alleging a violation of anti-trust rules in Germany in a number of regions. In 2004 the BKA imposed a fine of €7.6 million on Deutsche Papier Vertriebs GmbH and fines on 11 other paper merchants in Germany. The fine relates to the period between 1995 and 2000 and covers Deutsche Papier's business in the whole of Germany with the exception of the south. Deutsche Papier and the accused individuals do not agree with the amount of the fine, which is partly based on alleged surplus profits generated, and have appealed against this fine. A third-party investigation into the alleged surplus profit in a number of regions and a third party investigation into the calculation of the surplus profit used by the BKA substantiated Corporate Express' position that the fine reflects an overestimation of any surplus profit. In the procedure of one of the other paper merchants, the German Supreme Court has decided that the surplus profit has not been calculated in the correct way and has referred the case to a lower court for re-calculation. This court issued a request to all involved parties (BKA, prosecution office, lawyers of all parties) to participate in an informal hearing, to discuss how to structure the further proceedings. This hearing took place in April 2008. On the basis of the discussions in the hearing, the court formulated a settlement proposal, by which Deutsche Papier would need to pay a fine of €3,300,000 (which amount has been fully provided). Corporate Express has given an indemnity to PaperlinX Limited, the buyer of the paper merchanting division, which covers this matter. Corporate Express confirmed its support of this settlement and so did the other parties. The settlement is expected to be finalized in the first quarter of 2009.

Breakage Fee: Corely S.C. - Corporate Express N.V.

In a merger agreement between Corely S.C. and Corporate Express N.V., it was agreed that Corporate Express would pay a breakage fee of €30 million, if the merger did not close. Corporate Express paid such fee to Corely upon Staples's acquisition of Corporate Express. Corely is disputing the payment, claiming that the fee should have been paid net of taxes and as a result is owed approximately an additional €16 million. The proceedings will take place before an arbitration panel and are expected to continue throughout 2009. The Company did not provide for this claim.

Notes to Consolidated Financial Statements
In millions of euro, unless stated otherwise

Information Systems France: Agena S.A. - Béfec
In 1994 Corporate Express issued arbitration proceedings against the sellers of the French company Agena S.A., which it acquired in 1991. Corporate Express' claim for damages was based on a misrepresentation of the financial position of the company in the acquisition balance sheet. These proceedings resulted in an arbitral award in 2003 adjudicating damages to the amount of €79 million. In 1995 proceedings had also started against Béfec (a predecessor of PricewaterhouseCoopers, France), the accountants who in 1991 had certified the acquisition balance sheet.

These proceedings were adjourned in anticipation of the outcome of the arbitration proceedings against sellers. The matter against Béfec was resumed after the arbitral award. Béfec raised preliminary defence against the claim which was rejected in final instance by the French Supreme Court. The claim itself and the amount of damages are being judged in proceedings before the Commercial Court. These proceedings are expected to continue throughout 2009. Corporate Express is claiming damages to the amount of €134 million plus interest and costs.
Under IFRS (IAS 37) a contingent asset is disclosed when it is probable that an inflow of an economic benefit will be realised and the amount is estimable. In practice, contingent assets are not disclosed until the amount and timing of the inflow is known (e.g. there is a firm commitment from the counterparty). Accordingly, the above contingent assets may be judged to be a non-disclosure in accordance with IAS 37, given the uncertainty as to its realisation and if so, the timing and amount of realisation.

37. New accounting pronouncements

Accounting standards applied for the first time in 2008
In 2008, the following accounting standards and interpretations were applied for the first time. None of the new standards had a material impact on the presentation of the Group's financial position or results of operations.

In October and November 2008 the IASB published amendments to IAS 39 (Financial Instruments: Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures). The purpose of these amendments is to permit companies to reclassify certain financial assets that are held for trading from the "fair value through profit or loss" category to a different category in exceptional circumstances, and also to allow available-for-sale financial assets to be reclassified to loans and receivables if they meet the applicable recognition criteria. Corporate Express did not reclassify any assets as a result of these amendments in 2008

IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions), endorsed by the European Union in June 2007, states that share-based payment for goods or services received (as from employees) must be accounted for as equity-settled regardless of whether the enterprise acquires the necessary equity instruments voluntarily or is forced to do so. IFRIC 11 also specifies the accounting treatment of the issuance of equity instruments in the parent company to employees of a subsidiary.

In July 2007, the IFRIC issued IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) dealing with accounting for plan assets that exceed pension obligations. This interpretation provides details of how to determine the economic benefit of such assets to the enterprise. It also sets out specific rules on accounting for plan assets in light of statutory minimum funding requirements.

Standards amended in 2008
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 January 1, 2009. The amendments no longer require the application of the 'cost' method for accounting an investment in a subsidiary, jointly controlled entity or associate.

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 January 1, 2009. The amendment provides clarification of the definition of vesting conditions and the treatment of all-non vesting conditions.

Published accounting standards that have not yet been applied
In November 2006, the IASB published IFRS 8 (Operating Segments), which will replace IAS 14 (Segment Reporting), the existing standard in this field. Under IFRS 8, segment reporting must be based on the information used internally by management to identify operating segments and to evaluate their performance. IFRS 8 is to be applied for the first time for annual periods beginning on or after January 1, 2009. The application of IFRS 8 will not have an impact on our reporting.

In March 2007, the IASB issued amendments to IAS 23 (Borrowing Costs) requiring the capitalization of interest on borrowings made to acquire, construct or produce a qualifying asset. The amendments are to be applied for annual periods beginning on or after January 1, 2009. Since the option to capitalize interest on borrowed capital that is directly attributable to qualifying assets was already utilized in the past, the amendments will have no impact on the consolidated financial statements of the Group.

In September 2007, the IASB issued amendments to IAS 1 (Presentation of Financial Statements). Apart from proposing the renaming of certain sections of the financial statements, these amendments mandate that in certain circumstances an opening balance sheet for the previous financial year be published along with a separate presentation of changes in equity arising from transactions with owners and with non-owners, and that the income tax effects of such transactions also be disclosed separately by component in the statement of recognized income and expense. The amendments are to be applied for the first time for annual periods beginning on or after January 1, 2009. They will not have a material impact on the presentation of the Group's financial position or results of operations.

Notes to Consolidated Financial Statements

In millions of euro, unless stated otherwise

37. New accounting pronouncements continued

In January 2008, the IASB published the revised standards IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements). Significant changes required by IFRS 3 (revised 2008) include:
In future, a non-controlling interest may be measured either at fair value (i.e. including goodwill) or at the proportionate share of the identifiable net assets of the entity in which the non-controlling interest is held.
In the case of a step acquisition, the acquirer must remeasure its previously held interest at fair value on the date on which it gains control of the acquiree and recognize the resulting gain or loss in income.
The difference between the (remeasured) carrying amount of the interest in the subsidiary and the acquirer's remeasured proportionate share of the net assets of the subsidiary must be recognized as goodwill.
Liabilities recognized as of the acquisition date for the purpose of future purchase price adjustments in light of future events can no longer be offset against goodwill in subsequent periods.
Ancillary acquisition costs must be recognized in income.

The principal changes required by IAS 27 (revised 2008) are:
A reduction in the equity interest held in a subsidiary that does not result in a loss of control by the parent is now to be accounted for as an equity transaction.
If a reduction in the equity interest held in a subsidiary involves a loss of control, the assets and liabilities of the subsidiary must be derecognized in their entirety. The remaining interest in the company is to be recognized at fair value. The difference between the remaining carrying amounts and the fair values must be recognized in income.
Non-controlling interests that become negative due to incurred losses must be recognized at their net negative amounts.
IFRS 3 (revised 2008) and IAS 27 (revised 2008) are applicable prospectively for annual periods beginning on or after July 1, 2009. Earlier application is permitted provided that both revised standards are applied simultaneously. The impact on the presentation of the Group's financial position and results of operations will depend on the scale of future business combinations or divestments. The revised standards have not yet been endorsed by the European Union.

In February 2008, the IASB issued amendments to IAS 32 (Financial Instruments: Presentation) and IAS 1 (Presentation of Financial Statements). These refer particularly to the distinction between equity and debt in accounting for company capital to which cancellation rights are attached (puttable financial instruments). Puttable financial instruments previously had to be classified as a liability, whereas in the future such cancellable instruments are to be classified as equity in certain circumstances. The amendments are to be applied for the first time for annual periods beginning on or after January 1, 2009. Their application will not have a material impact on the presentation of the Group's financial position or results of operations.

In May 2008 the IASB published amendments – mainly of a terminological or editorial nature – to a number of International Financial Reporting Standards as part of its "Annual Improvements" project. The amendments are to be applied for the first time for annual periods beginning on or after January 1, 2009. They are expected to have an immaterial impact on the Group's results of operations.

In July 2008 the IASB published amendments to IAS 39 (Financial Instruments: Recognition and Measurement) to clarify the circumstances in which a hedged risk or portion of cash flows is eligible for hedge accounting. It deals with one-sided risk hedging using options and with inflation hedging. The amendments are to be applied for the first time for annual periods beginning on or after July 1, 2009. They have not yet been endorsed by the European Union.

In June 2007 the IFRIC issued IFRIC 13 (Customer Loyalty Programmes), which addresses both revenue and expense recognition relating to "award credits" that are provided to customers as purchase incentives and can be exchanged for free or discounted goods or services in the future. This interpretation is to be applied for annual periods beginning on or after July 1, 2008. The application of IFRIC 13 to customer loyalty programs is not expected to have a material impact since Corporate express makes little use of such programs.

In July 2008 the IFRIC adopted IFRIC 15 (Agreements for the Construction of Real Estate), which addresses revenue recognition for real estate sold before completion. The interpretation defines the criteria for deciding whether IAS 11 (Construction Contracts) or IAS 18 (Revenue) is applicable. It is applicable for annual periods beginning on or after January 1, 2009. It has not yet been endorsed by the European Union. As Corporate Express is not a real estate constructor IFRIC 15 is not relevant for the Company.

In July 2008 IFRIC 16 (Hedges of a Net Investment in a Foreign Operation) was issued. It defines the risk to which hedge accounting may be applied in this context and which entity or entities within a group may hold the respective hedging instrument. This interpretation is to be applied for annual periods beginning on or after October 1, 2008. It has not yet been endorsed by the European Union. IFRIC 16 is not expected to have a material impact on the presentation of the Group's financial position or results of operations as the Group so far has not hedged net investments in foreign operations.

In November 2008 IFRIC 17 (Distributions of Non-cash Assets to Owners) was published. This interpretation defines when an obligation to distribute a non-cash dividend is to be recognized, that it must be measured at fair value, and that the difference between the dividend paid and the carrying amount of the net assets distributed must be recognized in profit or loss at the distribution date. This interpretation, which is to be applied prospectively for annual periods beginning on or after July 1, 2009, has not yet been endorsed by the European Union. Corporate Express does not distribute assets other than cash when it pays dividends to its shareholders. IFRIC 17 is therefore not relevant to Corporate Express

In January 2009 the IFRIC issued IFRIC 18 (Transfers of Assets from Customers). This interpretation relates to agreements in which an entity receives from a customer an item of property, plant and equipment – or cash earmarked exclusively for its acquisition or construction – that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The interpretation specifies the circumstances and timing of asset recognition by the receiving entity and how the asset is to be measured. It also clarifies how to determine the receiving entity's obligation to render one or more separately identifiable services in exchange for the transferred asset and sets forth the conditions for revenue recognition. IFRIC 18 is to be applied prospectively to transfers of assets from customers on or after July 1, 2009. Earlier application is permitted on certain conditions. It has not yet been endorsed by the European Union. IFRIC 18 is not expected to have a material impact on the presentation of the Group's financial position or results of operations.

Company Balance Sheets (before appropriation of net result) as of 31 December 2008 and 2007

In millions of euro

	Notes	**31 December 2008**		31 December 2007	
ASSETS					
Non-current assets					
Deferred tax assets			1		2
Financial fixed assets	2		1,809		1,841
Total assets			**1,811**		**1,843**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Issued and paid-in capital	3	223		219	
Additional paid in capital	3	1,878		1,745	
Conversion option bonds	3	-		25	
Option reserve	3	-		17	
Cumulative translation adjustments	3	-55		-132	
Hedge reserve		-		-1	
Retained earnings	3	-453		-509	
Result for the year	3	18		178	
Total equity attributable to equity holders of the Company	3		1,611		1,543
Non-current liabilities					
Preference Shares A	Note26,29 of the consolidated financial statements	178		178	
Convertible Subordinated Bonds		-		94	
			178		272
Current liabilities					
Other current liabilities			22		27
Total equity and liabilities			**1,811**		**1,843**

Company Statements of Income for the years ended 31 December 2008 and 2007

In millions of euro

	2008	**2007**
Result of Group companies and participations (after tax)	-27	154
Other results (after tax)	46	24
Net result	**18**	**178**

NOTES TO COMPANY BALANCE SHEETS AND STATEMENTS OF INCOME

in millions of euro, unless stated otherwise

1 Summary of significant accounting policies

The Company financial statements were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code. The Company uses the possibility of article 2:362, paragraph 8, to apply for its company financial statements the principles of measurement and determination of assets, liabilities and result of the consolidated financial statements (see Note 2) with the exception of financial fixed assets.

Financial fixed assets

Group companies have been valued at their net asset value (or the proportional part thereof). In case a negative net asset value occurs, a provision equal to the negative net asset value is charged to receivables of these Group companies, when the Company is liable for these losses.

Equity attributable to equity holders of the Company, Ordinary Shares, Preference Shares

Corporate Express' Ordinary Shares are classified as equity attributable to equity holders of the Company. External costs directly attributable to the issue of new ordinary shares, other than in connection with business combinations, are deducted from equity attributable to equity holders of the Company, net of tax.

Corporate Express' Preference Shares A are classified as a financial liability and stated at fair value (proceeds received net of transaction costs incurred). Under IFRS, the critical feature in differentiating a financial liability from an equity instrument is the existence of a contractual obligation on one party (the issuer) to deliver cash or another financial asset to the other party (the holder) or to exchange another financial instrument with the holder under conditions that are potentially unfavorable to the issuer. When such a contractual obligation exists, that instrument meets the definition of a financial liability regardless of the manner in which the contractual obligation will be settled.

The 'option reserve' in equity attributable to equity holders of the Company is the amount of expenses recognised in connection with the employee share options. When the options are exercised or lapsed, a reclassification from the option reserve to retained earnings within equity attributable to equity holders of the Company takes place.

The 'cumulative translation adjustments' in equity attributable to equity holders of the Company relates to the translation into euro of the net asset value of Group companies whose functional currency is not the euro. When a Group company is sold or otherwise disposed of, the cumulative translation adjustments, if any, are recognised in the income statement as part of the result on the sale or disposal. Also, cumulative translation adjustments with respect to long-term loans that are designated as permanent investments (quasi equity, see 'Principles of consolidation') are recognised in the income statement when these loans are repaid.

The hedge reserve relates to changes in the fair value of the interest rate swaps for which hedge accounting is applied. The amounts recorded in the hedge reserve are recognised in the income statement, as other financing expenses, when the hedged item affects the income statement.

NOTES TO COMPANY BALANCE SHEETS AND STATEMENTS OF INCOME
in millions of euro, unless stated otherwise

1 Summary of significant accounting policies continued

Subordinated Convertible Bonds
In December 2003, Corporate Express issued its €115 million Subordinated Convertible Bonds, which were listed on the Amsterdam Stock Exchange. The Subordinated Convertible Bonds had a coupon of 2% which was payable annually on 18 June and were convertible into Corporate Express ordinary shares. The conversion price was initially €8.40 per ordinary share and was adjusted annually, among others, for cash dividend. In October 2008, all outstanding bonds were converted into Corporate Express additional paid in capital. The conversion price was €7.53 per ordinary share.

The conversion option was measured at issue of this bond using the residual method after deduction of the liability component (measured at fair value) and recorded directly in equity attributable to equity holders of the Company. The liability component was stated at amortised cost using an effective interest rate of 9.25%.

2 Financial fixed assets

The changes in the financial fixed assets are as follows:

	Total	Participations in Group companies	Receivables from Group companies
Book value at 31 December 2006	**1,800**	**508**	**1,292**
Proceeds collected from Group companies	-15	-	-15
Result from Group companies	154	154	-
Translation differences	-98	-98	-
Book value at 31 December 2007	1,841	564	1,277
Provision for negative equity	-	235	-235
Book value at 31 December 2006	**1,841**	**799**	**1,042**
Proceeds collected by Group companies	**3**	**-**	**3**
Result from Group companies	**-27**	**-27**	**-**
Translation differences	**-7**	**-7**	**-**
Book value at 31 December 2008	**1,1809**	**765**	**1,045**
Provision for negative equity		**130**	**-130**
Book value at 31 December 2008	**1,809**	**895**	**915**

Group companies have been valued at their net asset value (or the proportional part thereof). Certain Group companies have a negative net asset value. At 31 December 2008 a provision equal to the negative net asset value has been deducted from receivables.

NOTES TO COMPANY BALANCE SHEETS AND STATEMENTS OF INCOME
in millions of euro, unless stated otherwise

3. Equity attributable to equity holders of the Company

			Other reserves					
	Issued and fully paid-up capital	Additional paid in capital	Conversion option bonds [1]	Option reserve	Cumulative translation adjustment [3]	Hedge reserve	Retained earnings	Equity attributable to equity holders of the Company
Balance at 31 December 2006	217	1,729	25	20	-34	-2	-493	1,463
Changes for 2007:								
Total recognised income and expense	-	-	-	-	-98	1	215	118
Dividend 2006	2	15	-	-	-	-	-38	-21
Repurchase shares CE Australia 2)	-	-	-	-	-	-	-26	-26
Options exercised	-	1	-	-1	-	-	-	1
Options forfeited	-	-	-	-9	-	-	9	-
Addition option reserve share based payments	-	-	-	8	-	-	1	8
Balance at 31 December 2007	219	1,745	25	17	-132	-1	-331	1,543
Changes for 2008:								
Total recognised income and expense	**-**	**-**	**-**	**-**	**-20**	**1**	**-103**	**-122**
Exchange differences related to the disposal of the North American office products activities recognised in the income statement	**-**	**-**	**-**	**-**	**97**	**-**	**-**	**97**
Dividend 2007	**3**	**17**	**-**	**-**	**-**	**-**	**-38**	**-18**
Conversion bonds by parent company	**-**	**115**	**-25**	**-**	**-**	**-**	**7**	**97**
Options exercised	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**1**
Settlement outstanding option rights	**-**	**-**	**-**	**-33**	**-**	**-**	**29**	**-4**
Addition option reserve share based payments	**-**	**-**	**-**	**16**	**-**	**-**	**-**	**16**
Balance at 31 December 2008	**223**	**1,878**	**-**	**-**	**-55**	**-**	**-436**	**1,611**

1) Net of tax
2) In accordance with the economic entity model the dilution loss on the repurchase of shares by CE Australia has been recorded in equity
3) Legal reserve

Since the inception of IFRS (1 January 2004) an aggregated amount for taxes amount of €38 million has been brought in benefit of equity attributable to equity holders of the Company.

4 Commitments not included in the Balance Sheet

Corporate Express NV acts as guarantor for loans taken by Group companies (see Note 29 to the Consolidated Balance Sheet) amounting to €80 million in 2008. In addition, Corporate Express NV acts as guarantor in certain legal acts of a number of Group companies in the Netherlands and abroad, including entering into lease contracts and interest rate and currency swap contracts.
Furthermore, declarations of joint and several liability (as referred to in Article 403, Title 9, Book 2 of the Dutch Civil Code) have been filed for debts resulting from legal acts of a number of Group companies established in the Netherlands.

5 Audit fees

The audit fee charged by the external auditor to the Dutch legal entities in 2008 in connection with the statutory financial statements of these Dutch legal entities amount to €0.6 million. Non audit fees invoiced to these Dutch legal entities in 2008 amount to €0.0 million.

Amsterdam, 29 May 2009

Supervisory Board

Ron Sargent

John Mahoney

Executive Board

Peter Ventress

Theo van Brandenburg

Chapter 6 – Other Information

SIGNIFICANT SUBSIDIARIES (AS PER 31 DECEMBER 2008)
Corporate Express NV is the parent company of a group of companies (the Group), of which the ultimate parent is Staples, Inc. The significant subsidiaries of the Group are listed below. The direct or indirect equity interest of Corporate Express in these subsidiaries is 100% unless stated otherwise. The full list containing the information referred to in article 379 and 414 of book 2 of the Dutch civil code is filed at the office of the Chamber of Commerce in Amsterdam.

Office Products Europe
Division headquarters in Amsterdam, the Netherlands
Corporate Express Europe BV - Amsterdam, the Netherlands
Corporate Express Europe Import BV – Amsterdam, the Netherlands
Corporate Express GmbH & Co – Wels, Austria
Corporate Express Belgium NV- Wemmel (Brussels) , Belgium
Corporate Express Deutschland GmbH & Co. Vertriebs KG – Stuttgart, Germany
Corporate Express Hungaria Kereskedelmi Kft – Budapest, Hungary
Corporate Express (Ireland) Ltd – Dublin, Ireland
Corporate Express SpA - Cusago (Milan), Italy
Corporate Express Luxembourg Sarl- Howald (Hesperange), Luxembourg
Corporate Express Nederland BV– Almere, the Netherlands
Corporate Express Nordic AS– Oslo, Norway
Corporate Express Danmark A/S - Helsingor, Denmark
Corporate Express Polska Sp.zoo – Gdynia, Poland
Corporate Express Svenska AB - Borås (Goteborg), Sweden
Corporate Express Sverige AB – Växjö, Sweden
Corporate Express España SA – Madrid, Spain
Corporate Express UK Ltd - Birmingham, United Kingdom

Office Products Australia
Division headquarters in Sydney, Australia
Corporate Express Australia Ltd (58,8%) – Alexandria, Sydney, NSW, Australia
Corporate Express New Zealand Ltd (58,8%) – Auckland, New Zealand

Printing Systems Division headquarters in Amsterdam, the Netherlands
Plantin NV - Brussels (Evere), Belgium
BTI-Hellas AEE - Metamorphosis (Athens), Greece
Macchingraf SpA - Ospiate di Bollate (Milan), Italy
Tetterode-Nederland BV – Amsterdam, the Netherlands
Maquinaria Artes Gráficas Hartmann, SA - Cornellà de Llobregat (Barcelona), Spain

Other
Corporate Express International BV - Amsterdam, the Netherlands
Corporate Express Nederland Holding BV – Amsterdam, the Netherlands
Corporate Express Shared Service Center (Europe) NV – Hasselt, Belgium
Corporate Express Silver SA - Luxembourg
Corporate Express Silver Europe BV – Amsterdam, the Netherlands
Corporate Express Spain Holding SL y Compania SC – Cornella de Llobregat, Spain
Corporate Express Spain Holding BV – Amsterdam, the Netherlands

Chapter 6 – Other Information (continued)

Subsequent events

No significant subsequent events occurred after balance sheet date that require disclosure.

Dividend Proposal

As stipulated in the articles of association, a dividend of €0.21 will be paid to the holders of (depositary receipts of) Preference Shares A. The net result available after payment of the dividend on the (depositary receipts of) Preference Shares A will be added to the reserves as proposed by the Executive Board and approved by the Supervisory Board. As a result thereof there will be no net result available for the general meeting of shareholders to declare a dividend on the ordinary shares.

Dividend on (depositary receipts of) Preference Shares A

An amount of €11 million will be paid to holders of (depositary receipts of) Preference Shares A (representing a statutory dividend of €0.21 per share).

Relevant dates for dividend on (depositary receipts of) Preference Shares A:

AGM	18 June 2009
Record date for dividend payment	19 June 2009
Payment of dividend	23 June 2009

To: General Meeting of Shareholders of Corporate Express N.V.

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying 2008 financial statements of Corporate Express N.V., Amsterdam, set out on pages 16 to 63. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2008, the consolidated statement of income, consolidated statement of recognized income and expense and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at December 31, 2008, the company statement of income for the year then ended and the notes.

Management's responsibility
The Executive Board 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 directors' report set out on pages 2 to 6 and pages 9 to 14 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.

Auditor's 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 auditor's 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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, set out on pages 16 to 58, give a true and fair view of the financial position of Corporate Express N.V. as at December 31, 2008, and of its result and its cash flows for the year then ended 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 company financial statements
In our opinion, the company financial statements, set out on pages 59 to 63, give a true and fair view of the financial position of Corporate Express N.V. as at December 31, 2008, and of its result for the year then ended 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 directors' report set out on pages 2 to 6 and pages 9 to 14 is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, May 29, 2009

for Ernst & Young Accountants LLP

O.E.D. Jonker