BUHRMANN NV
Form F-4/A
September 07, 2004

QuickLinks -- Click here to rapidly navigate through this document

As filed with the Securities and Exchange Commission on September 7, 2004

Registration No. 333-117584

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

FORM F-4

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

BUHRMANN US INC.

(Exact name of co-registrant as specified in its charter)

Delaware	**5190**	**06-1560597**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Number)	(I.R.S. Employer Identification Number)

SEE TABLE OF ADDITIONAL REGISTRANTS BELOW

Buhrmann NV
Hoogoorddreef 62, 1101 BE Amsterdam ZO, The Netherlands, (011) 31-20-651 11 11
(Address, including zip code, and telephone number, including area code, of co-registrant's principal executive offices)

CT Corporation System
111 Eighth Avenue, New York, New York 10011, (212) 894 8400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Alexander F. Cohen
Bryant Edwards

Latham & Watkins
99 Bishopsgate, London EC2M 3XF, United Kingdom, (011) 44 20 7710 1000

Approximate date of commencement of the proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The co-registrants hereby amend this Registration Statement on the date or dates as may be necessary to delay its effective date until the co-registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on the date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Exact Name of Additional Registrant as Specified in its Charter(1)	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
Buhrmann N.V.	The Netherlands	Not applicable
Buhrmann Financieringen B.V.	The Netherlands	Not applicable
Buhrmann Fined B.V.	The Netherlands	Not applicable
Buhrmann II B.V.	The Netherlands	Not applicable
Buhrmann International B.V.	The Netherlands	Not applicable
Buhrmann Nederland B.V.	The Netherlands	Not applicable
Buhrmann Nederland Holding B.V.	The Netherlands	Not applicable
Tetterode-Nederland B.V.	The Netherlands	Not applicable
Veenman B.V.	The Netherlands	Not applicable
Buhrmann Office Products Nederland B.V.	The Netherlands	Not applicable
Buhrmann Europcenter N.V.	Belgium	Not applicable
Buhrmann Luxembourg S.A.R.L.	Luxembourg	Not applicable
ASAP Software Express, Inc.	Illinois	36-3328437
BTOP USA Corp.	Delaware	36-4265153
BTOPI Holding (U.S.)	Delaware	36-4271823
Buhrmann Swaps, Inc.	Delaware	51-0394363
Corporate Express Document & Print Management, Inc.	Nebraska	47-0445942
Corporate Express Office Products, Inc.	Delaware	84-1248716
CE Philadelphia Real Estate, Inc.	Delaware	84-1492344
Corporate Express Promotional Marketing, Inc.	Missouri	43-1540873

Corporate Express Real Estate, Inc.	Delaware	84-1326952
Corporate Express of Texas, Inc.	Delaware	74-1926921
Corporate Express, Inc.	Colorado	84-0978360
License Technologies Group, Inc.	Delaware	36-4378040
Moore Labels, Inc.	Kansas	48-0852304

(1) The address and telephone number for each of the additional registrants is Buhrmann Corporate Center, Hoogoorddreef 62, 1101 BE Amsterdam ZO, The Netherlands, (011) 31-20-651 11 11.

Subject to Completion, dated September 7, 2004

PROSPECTUS

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities nor a solicitation or an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

BUHRMANN US INC.

Offer to Exchange

$150,000,000 principal amount of its 8$^{1}/_{4}$% Senior Subordinated Notes due 2014 which have been registered under the Securities Act for any and all of its outstanding 8$^{1}/_{4}$% Senior Subordinated Notes due 2014

Buhrmann US Inc. is offering to exchange all of its outstanding 8$^{1}/_{4}$% senior subordinated notes due 2014, which we refer to as the old notes, for our registered 8$^{1}/_{4}$% senior subordinated notes due 2014, which we refer to as the exchange notes, or the Notes. The terms of the exchange notes are identical to the terms of the old notes except that the exchange notes have been registered under the Securities Act of 1933 and, therefore, are freely transferable. We will pay interest on the Notes on July 1 and January 1, commencing January 1, 2005. The Notes will mature on July 1, 2014.

We may redeem the Notes at any time on or before July 1, 2009, in whole or in part by paying a "make whole" premium. We may redeem the Notes at any time on or after July 1, 2009 by paying a specified premium. In addition, until July 1, 2007, we may redeem up to 35% of the Notes with the net proceeds of certain equity offerings. If we undergo a change of control or sell certain of our assets, we may be required to offer to purchase Notes from holders. The Notes will be unsecured and subordinated to all of Buhrmann US Inc.'s existing and future senior debt. The Notes will be guaranteed on a senior subordinated basis by Buhrmann NV and substantially all of its existing and future U.S. subsidiaries and certain of its material non-U.S. subsidiaries.

The principal features of the exchange offer are as follows:

- The exchange offer expires at 5:00 p.m., New York City time, on , 2004, unless extended.
- We will exchange all old notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer.
- You may withdraw tendered old notes at any time prior to the expiration of the exchange offer.
- The exchange of old notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes.
- We will not receive any proceeds from the exchange offer.
- We do not intend to apply for listing of the exchange notes on any securities exchange or automated quotation system.

Investing in the exchange notes involves risks. Please see "Risk Factors," beginning on page 20 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Notes to be distributed in the exchange offer, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2004.

TABLE OF CONTENTS

Each broker-dealer that receives the exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal delivered with this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of not less than 180 days following the effective date of the registration statement, of which this prospectus is a part, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus as if we had authorized it. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which it relates, nor does this prospectus constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

PROSPECTUS SUMMARY

In this prospectus, we refer to Buhrmann US Inc., the issuer of the Notes, as the "Issuer." Use in this prospectus of the terms "we," "us," "our," the "Buhrmann Group," the "Group," "Buhrmann" and the "Company" refer to Buhrmann NV and its subsidiaries on a consolidated basis except where otherwise specified or clear from the context.

The following summary contains basic information about Buhrmann, the Issuer and the exchange offer. It likely does not contain all of the information that is important to you. For a more complete understanding of us and this exchange offer, we encourage you to read this entire prospectus carefully, including the "Risk Factors" section and our consolidated financial statements and the notes to those statements included elsewhere in this prospectus.

Our Company

General

Buhrmann is an international business-to-business services and distribution group, supplying office products and graphic systems and related services for the business market. A combination of modern Internet technology and advanced logistic processes allows Buhrmann to distribute its products in an efficient way. Internet sales account for a growing proportion of our total sales.

The Issuer, a wholly-owned subsidiary of Buhrmann NV, is a holding company of certain North American subsidiaries of the Group. In addition, it operates primarily as a financing subsidiary for the Group on a global level. It does not conduct any ordinary business operations.

We believe we are a market leader based on revenue, in the business-to-business market for office products in North America and Australia. We operate in these markets under the name Corporate Express. In Europe, we believe that Corporate Express is one of the market leaders, based on revenue. Furthermore, we believe that we are one of the largest independent distributors of graphic systems in Europe, based on revenue.

Buhrmann generated sales in 2003 of €5.8 billion, excluding the divested Paper Merchanting Division. At the end of 2003, Buhrmann had approximately 18,000 employees in 18 countries after the sale of the Paper Merchanting Division.

Office Products

Buhrmann believes that it is one of the world leaders in the sale, distribution and service of office and computer products to the business market, based on revenue. Products of this type are ideally suited for Internet selling. The vast majority of our customers have Internet access. Orders can be placed more easily, efficiently and accurately via the Internet than using traditional methods such as telephone or fax where there is a greater risk of incorrect data input. The costs are also lower as the process circumvents a number of administrative tasks. Customers place e-commerce orders by accessing a web site. Buhrmann arranges next-day on-site delivery. Due to the geographical spread of its activities, Buhrmann is able to offer a high level of service to companies operating on a worldwide basis.

Graphic Systems

Buhrmann's graphic systems business is active in six European countries, supplying graphic machines, materials and related services to the graphic industry. Buhrmann is an agent for Heidelberger Druckmaschinen AG (Heidelberg). In addition to the well-known Heidelberg presses, Buhrmann sells pre-press systems, cutting, folding and binding equipment and also supplies consumables, such as ink and spare parts.

Our Strengths

We believe that we have a number of key strengths that differentiate us from our competitors:

Leading market positions

Based on our market knowledge, we believe we continue to be a leader in the U.S. business-to-business office product market. We believe we are the number two supplier of office products in Canada and the number one business-to-business supplier of office products in the fast-growing Australian market. Furthermore, we believe we have leading market shares in Germany, Benelux, Ireland and Italy. Our market leadership translates into a high level of service and delivery capabilities, cost competitiveness and improved profitability, mostly driven by advantageous pricing on supply purchases and a low-cost infrastructure system. Over the past three years we have demonstrated our ability to maintain our market leadership globally amid a challenging trading environment.

Global office products solution provider

We are focused on operating a leading global business-to-business office products supply business in the world's developed economies. Both our organic growth and add-on acquisitions have served to develop our operations into a global office products solutions provider, without any manufacturing or retail activities. Our closest competitors, both in Europe and North America, such as Boise Solutions and Office Depot are not pure business-to-business competitors but also derive a significant portion of their sales from other activities such as retail and direct mail. In addition, none of our competitors have the same geographic spread. We believe our business model allows effective client service with a lower investment level than that required by retailers. We offer our customers next-day delivery and high service quality through our broad distribution network.

Broad product range

We have a broad product line in our core Office Products business, comprising office products, computer and imaging supplies (including copiers, fax machines and printers), furniture, promotional marketing products, forms management services and, increasingly in 2002 and 2003, facility, break room and safety supplies. The catalogues for our Office Products North America and Office Products Europe Divisions provide a comprehensive selection of about 13,000 and 5,000 stock keeping units (SKUs), respectively, in their core categories of office and computer supplies. We offer brands such as 3M, Microsoft and Hewlett-Packard, as well as our own private-label brands, such as "Corporate Express." We also have access, through Electronic Data Interchange (EDI) and other ordering systems, to thousands of additional SKUs of office supplies, computer supplies and catalogue furniture. We believe that this broad product range provides our customers with a one-stop shopping solution for their office products needs.

Extensive logistics infrastructure

We have developed an extensive and advanced logistics infrastructure in our core Office Products business segment. Our North American and European Office Products Divisions receive orders through EDI, as well as by traditional telephone, fax and computer-based ordering tools. We distribute our products from several distribution centers, including our new distribution centers in New Jersey, Maryland and the Netherlands. We believe that our extensive logistics infrastructure and our large geographic spread allows us to achieve first-time fill rates of approximately 99% and 95% in North America and Europe, respectively, and to service our large-account customers on a global basis.

Sophisticated eCommerce platforms

Our investments in eCommerce and internal systems have yielded operational efficiencies benefiting our customers and we believe have helped differentiate ourselves from our competitors. Our eCommerce platforms in North America, Europe and Australia provide customers with sophisticated business-to-business capabilities that improve the customers' overall ability to fulfil and track orders as well as to reduce their supply chain expenses.

Strong cash generation

Our business has been strongly cash generative as a result of our continued focus on operational efficiency and cost control, together with our focused working capital and capital expenditure management. Through cash generation and the sale of assets, from January 1, 2002 to March 31, 2004, we reduced net debt by €1.1 billion. Efficient cost control measures implemented in our business through continued streamlining of our operations and focus on profitability on a customer by customer basis have enabled us to maintain stable margins over the last three years in spite of the challenging market environment. From the four quarters ended September 30, 2001 to the four quarters ended March 31, 2004, excluding the Paper Merchanting Division which we sold with effect from October 31, 2003, we reduced our working capital from 12.7% to 10.1% of sales. We have also reduced capital expenditure significantly from €106 million in 2001, excluding the divested Paper Merchanting Division, to €68 million for the twelve months ended March 31, 2004.

Experienced and committed management team

We have an experienced management team with a strong track record of successfully integrating businesses in the office products industry. The experience and depth of our management team has been a key factor in our developing and maintaining leadership positions in the markets in which we participate. The management team has also been successful in integrating acquisitions and carrying out divestments over the past years.

Our Strategy

Continued focus on growth

We continue to focus on growth in our existing businesses through the consolidation of our leadership in the large account segment, the penetration of the mid-market segment, the introduction of our private label product ranges and the extension of our product range across all our geographic markets. We may support the growth in our existing businesses with selective acquisitions. Over the past five years we have demonstrated the flexible and efficient nature of our business model through the successful integration of three significant acquisitions (namely Corporate Express, the office products businesses of US Office Products Company (USOP) and the office products division of Samas Groep NV (Samas)) as well as a number of smaller acquisitions. Following up on these successful experiences, Buhrmann intends to pursue this balanced strategy.

Increase sales by leveraging global service capabilities

Buhrmann intends to increase sales through continued emphasis on service quality across all of its business segments. Buhrmann believes that, in its Office Products business segment, service quality (for example fill rates, lead time, delivery reliability and a high degree of customization of ordering processes through adaptive information technology solutions) and the ability to provide a breadth of product offerings in a large number of markets are the key criteria that its customers consider when selecting preferred suppliers. Buhrmann believes that it will further strengthen its position as a preferred supplier to corporations in America, Europe and Australia, and to governments and semi-governmental entities in these regions, as these entities increasingly demand single-source suppliers for their global office product needs. Furthermore, Buhrmann is also stepping up efforts to reach out to small- and medium-sized office supplies customers who can benefit from a total supply solution. Buhrmann can help these customers fulfil their sourcing needs in addition to lowering their overall supply chain costs.

Consolidate market positions

In our core Office Products business aimed at strategic and large accounts, we will continue to consolidate our prominent market positions, while increasing our global contract business through which we provide office products sourcing coverage for global customers who operate in our North American, European and Australian and New Zealand markets.

Extend product lines

By further leveraging its distribution network through product range extensions including print (forms), promotional items, facility, break room and safety supplies, Buhrmann has expanded its product lines. We will continue to focus on broadening our product line in order to further increase growth in our existing business.

Extend our customer base

We believe that in our major geographical markets the strategic and large-accounts market segment represents approximately 80% of our total sales. Small- and medium-sized companies account for the remainder of our total office product sales. We seek to increase sales to small- and medium-sized companies with a goal of increasing our overall customer base across different market segments and utilise more fully the capacity of our distribution infrastructure.

Expand private brand

Buhrmann has also successfully introduced private brand product ranges, of which the "Corporate Express" brand name is the most important. The extension of the private brand range has positively impacted gross margins and operational profitability and it represents a profit growth opportunity which Buhrmann will continue to exploit.

Focus on improving operating margins

Buhrmann has identified opportunities to improve the operating margins in each of its business segments. In the Office Products Divisions, Buhrmann will try to improve operating margins by (i) engaging in targeted marketing programs to increase sales of value-added products that carry higher margins, (ii) eliminating unprofitable product lines and (iii) centralizing or regionalizing certain administrative and operational functions. In the Graphic Systems Division, Buhrmann will continue to develop its services, supplies and spare parts (which we call the 3 S's) in order to reduce the effects of the cyclicality of equipment sales on the operating margin of this Division.

Risks Associated With Our Strategy

You should also consider the risks we face that could limit our ability to implement our business strategies, including:

- a reduction in the number of white-collar workers employed by our customers or a reduction in the spending per white-collar worker could adversely affect growth in our existing businesses;

- if we do not efficiently manage our growth, whether through organic growth or as a result of acquisitions, we may not fully realize the expected growth of our revenues;

- the terms of our debt may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and may limit our ability to, among other things, make acquisitions;

- if we are unable to maintain and improve our information systems in a timely manner in order to correctly and efficiently process and distribute customers' orders on a global basis, this could adversely affect our ability to successfully leverage our global service capabilities;

- the highly competitive nature of the markets in which we operate, combined with the fact that many of our competitors offer the same or similar products could adversely affect our ability to extend our customer base and maintain our existing customers resulting in a loss of market share;

- if we are unable to introduce new products in the future as part of our private brand expansion, this could adversely affect our ability to generate additional revenue; and

- our strategy for the improvement of operating margins relies on the successful implementation of certain measures which may not be sufficiently realized.

In addition, while we may implement individual elements of our strategies, the benefits derived from such implementation may be mitigated in part, or in whole, if we suffer from one or more of the risks described in this Prospectus. As a result of these or other risks, we may decide to alter or discontinue aspects of our strategy and may adopt alternative or additional strategies. Any failure to successfully implement our strategies could adversely affect our business, results of operation or financial condition. See "Risk Factors" and "Cautionary Notice Regarding Forward-Looking Statements."

The Refinancing

The old notes were offered as part of a refinancing of our Company designed to extend the maturity profile of our outstanding indebtedness and to reduce our cost of capital.

On June 3, 2004, the Issuer commenced a tender offer with respect to all of its outstanding \$350 million 12 1/4% senior subordinated notes due 2009 (2009 Notes). Pursuant to the terms of the tender offer, the Issuer offered to acquire all of the 2009 Notes based on a price of approximately \$1,095.60 per \$1,000 principal amount of the 2009 Notes for 2009 Notes tendered on or prior to the early consent payment deadline on June 16, 2004. The total consideration included a consent payment equal to \$10 per \$1,000 principal amount of the 2009 Notes purchased, plus payment of accrued interest to but excluding the settlement date of the tender offer. The tender offer closed on June 30, 2004, and as of that date, approximately 87% of the outstanding 2009 Notes had been tendered. We may defease, redeem or purchase in the open market any 2009 Notes which remain outstanding upon completion of the tender offer. The settlement date for the tender offer was July 1, 2004.

In conjunction with the tender offer, the Issuer commenced a consent solicitation to amend the indenture governing the 2009 Notes to remove substantially all of the restrictive covenants and events of default (other than with respect to payment of principal and interest). The amendment to the indenture was approved, as of June 30, 2004 by holders of approximately 87% of the 2009 Notes. The amendment became operative upon our payment of the total consideration on the tender offer settlement date.

The tender offer was funded with net proceeds of the offering of the old notes, additional borrowings under our new senior credit facility funded on December 31, 2003 (Senior Credit Facility) and cash on hand.

Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with our refinancing plan, as of June 30, 2004, the close of the tender offer, at which date approximately 87% of outstanding 2009 Notes had been tendered.

Sources	**Amount**	**Uses**	**Amount**
	(in millions)		**(in millions)**
Cash	\$ 69	Tender offer for the 2009 Notes(1)	\$ 304
Senior Credit Facility	125	Tender premium(2)	29
Senior Subordinated Notes(3)	149	Estimated fees and expenses	10
Total sources	\$ 343	**Total uses**	\$ 343

(1) Excludes accrued interest to but excluding the settlement date of the tender offer of approximately \$6 million.

(2) Based on a price of approximately \$1,095.60 per \$1,000 principal amount of 2009 Notes. As of June 30, 2004, the close of the tender offer, approximately 87% of the 2009 Notes had been tendered.

(3) Reflects the aggregate principal amount of \$150 million of 8 1/4% senior subordinated notes due 2014 at an offering price of 99.164% of the aggregate principal amount.

You should read "Use of Proceeds," "Capitalization" and "Description of Certain Indebtedness" for a more detailed description of the expected use of proceeds, our adjusted capitalization and the Senior Credit Facility, respectively.

Our Corporate Structure

The diagram below depicts, in simplified form, our corporate and financing structure following completion of the offering of the old notes and the related transactions. The diagram does not show all of the guarantors of the Notes offered hereby or all of our non-guarantor affiliates and subsidiaries. Please refer to "Principal Shareholders," "Description of Certain Indebtedness," and "Description of the Notes," for more information.

---

(1) For a complete list of the guarantors of the Notes see "Description of the Notes Certain Definitions Guarantors."

(2) As part of the Senior Credit Facility, we have a €255 million committed revolving credit facility, of which, at June 30, 2004, approximately €150 million was available for borrowing, subject to customary borrowing conditions. Availability is reduced by outstanding letters of credit in an aggregate amount of €105 million, at June 30, 2004. We may have additional borrowings of approximately €65 million available to us under the uncommitted revolving credit facility and approximately $247 million available to us under the uncommitted term loan facility of the Senior Credit Facility.

(3) As of the completion of the offering of the old notes and the related financing transactions, the term loan borrowings under the Senior Credit Facility are comprised of a Term Loan A and a Term Loan C, with borrowings thereunder being denominated in a combination of euro and U.S. dollars. For a detailed description of the Senior Credit Facility, see "Description of Certain Indebtedness The Senior Credit Facility."

(4) As of June 30, 2004, the close of the tender offer, approximately 13% of 2009 Notes (or $46 million) had not been tendered which are obligations of the Issuer and are guaranteed by the Guarantors. We may defease, redeem or purchase in the open market any outstanding 2009 Notes.

(5) Our operating companies sell their accounts receivable to Buhrmann Silver SA and Buhrmann Silver US LLC. For a detailed description of our receivables securitization, see "Description of Certain Indebtedness Accounts Receivable Securitization Program."

The Offering of the Old Notes

On July 1, 2004, Buhrmann US Inc. completed an offering of $150 million in aggregate principal amount of 8 1/4% senior subordinated notes due 2014, which was exempt from registration under the Securities Act.

Old Notes	Buhrmann US Inc., sold the old notes to Deutsche Bank Securities Inc., BNP Paribas Securities Corp. and ING Bank N.V., the initial purchasers, on July 1, 2004. The initial purchasers subsequently resold the old notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act.
Registration Rights Agreement	In connection with the sale of the old notes, we, Buhrmann N.V. and the subsidiary guarantors, which together we refer to as the guarantors, entered into a registration rights agreement with the initial purchasers. Under the terms of that agreement, we agreed to:
	file a registration statement for the exchange offer and the exchange notes within 120 days after the date on which the old notes were purchased by the initial purchasers;
	use our reasonable best efforts to cause the exchange offer registration statement to become effective under the Securities Act within 180 days after the date on which the old notes were purchased by the initial purchasers; and
	file a shelf registration statement for the resales of the old notes or the exchange notes, as the case may be, under certain circumstances and use our reasonable best efforts to cause such shelf registration statement to be declared effective under the Securities Act.
	If we and the guarantors fail to meet any of these requirements, it will constitute a default under the registration rights agreement and we and the guarantors must pay additional interest on the Notes of up to 0.50% per annum for the first 90-day period after any such default. This interest rate will increase by an additional 0.50% per annum with respect to each subsequent 90-day period until all such defaults have been cured, up to a maximum additional interest rate of 1.0% per annum. The exchange offer is being made pursuant to the registration rights agreement and is intended to satisfy the rights granted under the registration rights agreement, which rights terminate upon completion of the exchange offer.

Summary of the Exchange Offer

The summary below describes the principal terms of the exchange offer. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section of this prospectus entitled "The Exchange Offer" contains a more detailed description of the terms and conditions of the exchange offer.

Exchange Offer	$1,000 principal amount of exchange notes will be issued in exchange for each $1,000 principal amount of old notes validly tendered.
Resale	Based upon interpretations by the staff of the SEC set forth in no-action letters issued to unrelated third parties, we believe that the exchange notes may be offered for resale, resold or otherwise transferred to you without compliance with the registration and prospectus delivery requirements of the Securities Act of 1933, unless you:
	are an "affiliate" of ours within the meaning of Rule 405 under the Securities Act of 1933;
	are a broker-dealer who purchased the old notes directly from us for resale under Rule 144A or any other available exemption under the Securities Act of 1933;
	acquired the exchange notes other than in the ordinary course of your business; or
	have an arrangement with any person to engage in the distribution of exchange notes.
	However, we have not submitted a no-action letter and there can be no assurance that the SEC will make a similar determination with respect to the exchange offer. Furthermore, in order to participate in the exchange offer, you must make the representations set forth in the letter of transmittal that we are sending you with this prospectus.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2004, which we refer to as the expiration date, unless we, in our sole discretion, extend it.
Conditions to the Exchange Offer	The exchange offer is subject to several customary conditions, some of which may be waived by us. See "The Exchange Offer Conditions to the Exchange Offer."
Procedures for Tendering Old Notes	If you wish to accept the exchange offer, you must complete, sign and date the letter of transmittal, in accordance with the instructions contained in this prospectus and in the letter of transmittal, and mail or otherwise deliver the letter of transmittal, or the copy, together with the old notes and any other required documentation, to the exchange agent at the address set forth in this prospectus and it the letter of transmittal.

	We will accept for exchange any and all old notes that are properly tendered in the exchange offer prior to the expiration date. The exchange notes issued in the exchange offer will be delivered promptly following the expiration date. See "The Exchange Offer Terms of the Exchange Offer."
Special Procedures for Beneficial Owners	If you are the beneficial owner of old notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee and wish to tender in the exchange offer, you should contact the person in whose name your old notes are registered and promptly instruct the person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your old notes and time will not permit your required documents to reach the exchange agent by the expiration date, or the procedure for book-entry transfer cannot be completed on time, you may tender your old notes according to the guaranteed delivery procedures. For additional information, you should read the discussion under "The Exchange Offer Guaranteed Delivery Procedures."
Withdrawal Rights	The tender of the old notes pursuant to the exchange offer may be withdrawn at any time prior to p.m., New York City time, on the expiration date.
Acceptance of Old Notes and Delivery of Exchange Notes	Subject to customary conditions, we will accept old notes which are properly tendered in the exchange offer and not withdrawn prior to the exchange date. The exchange notes will be delivered promptly following the expiration date.
Effect of Not Tendering	Any old notes that are not tendered or that are tendered but not accepted will remain subject to the restrictions on transfer. Since the old notes have not been registered under the federal securities laws, they bear a legend restricting their transfer absent registration or the availability of a specific exemption from registration. Upon the completion of the exchange offer, we will have no further obligations, except under limited circumstances, to provide for registration of the old notes under the U.S. federal securities laws. See "The Exchange Offer Effect of Not Tendering."
Interest on the Exchange Notes and the Old Notes	The exchange notes will bear interest from the most recent interest payment date to which interest has been paid on the notes, or, if no interest has been paid, from July 1, 2004. Interest on the old notes accepted for exchange will cease to accrue upon the issuance of the exchange notes.

Material United Stated Federal Tax Considerations	The exchange of the old notes for otherwise identical debt securities registered under the Securities Act pursuant to the exchange offer should not constitute a taxable exchange, and such holders should not recognize any taxable gain or loss or any interest income for U.S. federal income tax purposes as a result of the exchange. See "Material United Stated Federal Tax Considerations."
Use of Proceeds	We will not receive any proceeds from the issuance of exchange notes pursuant to the exchange offer.
Exchange Agent	The Bank of New York, the trustee under the indenture, is serving as exchange agent in connection with the exchange offer.

Summary of the Exchange Notes

The following is a brief summary of the terms of the exchange notes. The financial forms and convenants of the exchange notes are the same as the old notes. For a more complete description of the terms of the exchange notes, see "Description of the Notes".

Issuer	Buhrmann US Inc.
Securities Offered	$150,000,000 principal amount of 8 1/4% senior subordinated notes due 2014.
Maturity	July 1, 2014.
Interest Rate	8 1/4% per year (calculated using a 360-day year).
Interest Payment Dates	July 1 and January 1, beginning on January 1, 2005. Interest will accrue from the issue date of the Notes.
Ranking	The Notes will be unsecured senior subordinated obligations of the Issuer and will rank junior to its existing and future senior debt. The guarantees by each Guarantor will be subordinated to its existing and future senior debt. As of March 31, 2004 *pro forma* for the completion of the offering of the old notes and related transactions, the Issuer would have had €724 million of senior debt. In addition, the Issuer has:
	approximately €150 million of additional borrowings under the committed revolving credit facility portion of the Senior Credit Facility;
	approximately €65 million of additional borrowings under the uncommitted revolving credit facility portion of the Senior Credit Facility; and
	approximately $247 million of additional borrowings under the uncommitted term loan facility portion of the Senior Credit Facility.
Guarantees	Buhrmann NV, and substantially all of Buhrmann NV's existing and future U.S. subsidiaries and certain of its material non-U.S. subsidiaries, will unconditionally guarantee the Notes on a senior subordinated basis. If we create or acquire a new subsidiary and that subsidiary becomes an obligor under the Senior Credit Facility, it will guarantee the Notes unless we designate the subsidiary as an "unrestricted subsidiary" under the indenture or the subsidiary does not have significant assets.
Optional Redemption	Until July 1, 2009, the Issuer may redeem all or a part of the Notes by paying a "make whole" premium. Thereafter the Issuer may redeem some or all of the Notes at the redemption prices listed in the "Description of the Notes" section under the heading "Optional Redemption," plus accrued interest.
	At any time (which may be more than once) before the third anniversary of the issue date of the Notes, the Issuer can choose to redeem up to 35% of the outstanding Notes with money that we raise in one or more equity offerings, as long as:

	it pays 108.25% of the face amount of the Notes, plus accrued and unpaid interest, if any;
	it redeems the Notes within 60 days of completing the equity offering; and
	at least 65% of the aggregate principal amount of Notes issued remains outstanding afterwards.
	The Issuer may also redeem the Notes in whole, but not in part, at any time, upon giving proper notice, if changes in tax laws impose certain withholding taxes on amounts payable on the Notes. If the Issuer decides to do this, it must pay you a price equal to the principal amount of the Notes, plus interest and certain other amounts. See "Description of the Notes Redemption of Notes for Changes in Withholding Taxes."
Change of Control Offer	If a change of control occurs, the Issuer must give holders of the Notes the opportunity to sell it their Notes at 101% of their face amount, plus accrued interest.
	The Issuer might not be able to pay you the required price for Notes you present to it at the time of a change of control, because:
	it might not have enough funds at that time; or
	the terms of its senior debt may prevent it from paying.
Asset Sale Proceeds	Upon the consummation of an asset sale, we generally must invest the net cash proceeds from such sales in our business within a period of time, prepay senior debt or make an offer to purchase a principal amount of the Notes with the excess net cash proceeds. The purchase price of the Notes will be 100% of their principal amount, plus accrued interest.
Certain Indenture Provisions	The indenture governing the Notes will contain covenants limiting our (and most or all of our subsidiaries') ability to:
	incur additional debt;
	pay dividends or distributions on our common shares or repurchase our common shares;
	pay dividends or distributions on our preference shares or repurchase our preference shares;
	issue stock of subsidiaries;
	make certain investments;
	create liens on our assets to secure debt;
	enter into transactions with affiliates;
	merge or consolidate with another company; and
	transfer and sell assets.

	These covenants are subject to a number of important limitations and exceptions.
Risk Factors	Investing in the Notes involves substantial risks. See "Risk Factors" beginning on page 20 of this prospectus for a description of certain of the risks you should consider before investing in the Notes.

Our principal executive offices are located at Hoogoorddreef 62, 1101 BE Amsterdam ZO, the Netherlands, and our telephone number is +31-20-651-1111, and our website is www.buhrmann.com. Information included on our website does not form part of this prospectus.

Summary Consolidated Financial and Other Data

The following tables present selected financial data for Buhrmann as of and for the years ended December 31, 2001, 2002 and 2003, as of and for the three months ended March 31, 2003 and 2004. The selected consolidated financial data should be read in conjunction with our consolidated financial statements and the notes thereto, and the unaudited condensed consolidated financial statements included elsewhere in this prospectus. The selected financial data set forth below is presented in accordance with Dutch GAAP and, where specified, in accordance with U.S. GAAP. For a discussion of the material differences between Dutch GAAP and U.S. GAAP, as applicable to Buhrmann, please see Note 34 to our consolidated financial statements included elsewhere in this prospectus. Additionally, please see "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Major Events" and " Acquisitions and Divestments" for a description of major events and significant acquisitions or divestments that may affect the comparability of the results of operations presented below.

We note that under Dutch GAAP, as from January 1, 2002 the results from discontinued operations are included in operating results until the date the operations are actually sold (prior to 2002 such results were included until the moment the divestment decision was made) whereas under U.S. GAAP, the results from discontinued operations are presented separately from continuing operations. Accordingly, under U.S. GAAP the consolidated statements of income for previous years are restated for discontinuance of an operation. The Paper Merchanting Division (which was sold with effect from October 31, 2003) qualifies as a discontinued operation.

	Year ended December 31,				Three months ended March 31,	
	2001	2002	2003	2003(1)	2003	2004
	(in millions)				(in millions)	
	(audited)				(unaudited)	
Statement of Income Data:						
Amounts in accordance with Dutch GAAP						
Net sales	€ 10,408	€ 9,948	€ 8,053	$ 10,170	€ 2,154	€ 1,348
Added value	2,396	2,253	1,854	2,341	502	367
Impairment of goodwill		(573)	(53)	(67)		
Operating result	341	(301)	171	216	94	40
Result from operations before taxes	131	(500)	(86)	(109)	47	20
Total taxes	(24)	(18)	68	86	33	(2)
Total results from participations and other financial results	(3)	16	(102)	(129)	0	0
Total minority interests	(9)	(12)	(12)	(15)	(2)	(3)
Net result from operations	95	(514)	(132)	(167)	78	15
Extraordinary result (after tax)	(40)	(74)			0	0
Net result	€ 55	€ (588)	€ (132)	$ (167)	€ 78	€ 15
Amounts in accordance with U.S. GAAP						
Net sales(2)	€ 7,310	€ 6,967	€ 5,840	$ 7,376		
Operating result(2)	116	(718)	182	230		
Result from continuing operations(2)	13	(849)	(59)	(75)		
Discontinued operations(2)	22	(92)	(249)	(314)		
Net result before cumulative effect of change in accounting principles(2)	35	(941)	(308)	(389)		
Cumulative effect of change in accounting principles (after tax)(2)			(29)	(37)		
Net result(2)	€ 35	€ (941)	€ (337)	$ (426)		
Balance Sheet Data (at period end):						
Amounts in accordance with Dutch GAAP						
Working capital	€ 1,231	€ 1,103	€ 456	$ 596	€ 1,097	€ 535
Total assets	7,117	5,409	3,677	4,644	5,150	3,644
Long-term debt	2,059	1,678	949	1,199	1,620	970
Group equity	2,671	1,811	1,484	1,874	1,853	1,550
Amounts in accordance with U.S. GAAP						
Total assets(2)	€7,701	€5,607	€3,791	$ 4,788		
Long-term debt	2,059	1,678	949	1,199		
Group equity(2)	3,157	1,910	1,504	1,899		

Other Data:

	Year ended December 31,				Three months ended March 31,	
Amounts derived from Dutch GAAP						
EBITDA[3]	€ 439	€ (216)	€ 213	$ 270	€ 133	€ 68
Net financing costs	(210)	(199)	(161)	(194)	(47)	(20)
Net investments in tangible fixed assets and internally used software	(127)	(107)	(79)	(99)	(18)	(15)
Amounts derived from U.S. GAAP						
EBITDA[3]	€ 398	€ (621)	€ 37	$ 46		
Net financing costs	(200)	(203)	(262)	(331)		
Net investments in tangible fixed assets and internally used software	(127)	(107)	(79)	(99)		

(1) Certain euro amounts have been translated into United States dollars at the Noon Buying Rate at December 31, 2003 of €0.7918 to the U.S. dollar.

(2) Several U.S. GAAP adjustments have been made to operating result under Dutch GAAP to comply with U.S. GAAP. These adjustments have been made to recognize discontinuance of certain operations, goodwill on acquisitions that was

previously written off to equity, to adjust goodwill for restructuring and integration provisions that did not qualify under U.S. GAAP, to reverse these restructuring and integration provisions and other provisions not allowed under U.S. GAAP, to amortize intangible assets, to write-off capitalized software, to add extraordinary items to operating income, to record derivative instruments at fair value, to recognize additional pension assets, to reverse revenue deferred under U.S. GAAP, to reverse write-off of financing fees, to, as of 2002, reverse amortization and adjust impairment of goodwill and as of 2003 defer revenue from catalogue contributions. The extraordinary items classified as such under Dutch GAAP until 2002 mainly consist of provisions for restructuring and integration costs, losses on the sale of businesses, a provision for excess costs that will be incurred on a software development project and a repayment from the Buhrmann pension fund. Under U.S. GAAP these items did not qualify to be classified as extraordinary.

Several U.S. GAAP adjustments have been made to total assets under Dutch GAAP to comply with U.S. GAAP. These adjustments have been made to recognize goodwill on acquisitions that was written off to equity under Dutch GAAP, to adjust goodwill for restructuring and integration provisions not allowed under U.S. GAAP, to recognize intangible assets, to expense software costs which do not qualify for capitalization under U.S. GAAP, to recognize the gain (loss) on available-for-sale securities, to recognize deferred tax assets under U.S. GAAP, to recognize additional pension assets, to reverse write-off of financing fees, as of 2002 to reverse amortization and adjust impairment of goodwill and as of 2003 to defer revenue from catalogue contributions.

(3)

We define "EBITDA" as "net result before interest, taxes, depreciation of tangible fixed assets and internally used software and before amortization of goodwill." This is a non-GAAP financial measure for which the most directly comparable GAAP financial measure is "net result." In the past we defined EBITDA as operating result before depreciation of tangible fixed assets and internally used software and amortization and impairment of goodwill. Accordingly, our presentation of EBITDA in past disclosure documents cannot be compared to our presentation of EBITDA in this prospectus.

Buhrmann evaluates its operating performance based on several factors, including its primary financial measure of EBITDA. Buhrmann believes EBITDA to be an important indicator of the operational strength and performance of its business, including the ability to generate cash and to repay long-term debt. For a discussion of the reasons we use EBITDA to evaluation our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations EBITDA." For a discussion of the limitations of EBITDA, see "Non-GAAP Financial Measures."

The reconciliation between the Dutch GAAP measure of "net result" and the non-GAAP financial measure "EBITDA" is as follows (based on Dutch GAAP):

	Year ended December 31,				Three months ended March 31,	
	2001	2002	2003	2003[(1)]	2003	2004
	(in millions)					
Net result	€ 55	€ (588)	€ (132)	$ (167)	€ 78	€ 15
Interest and other financing costs	210	199	257	325	47	20
Taxes	(2)	(11)	(68)	(85)	(33)	2
Depreciation of tangible fixed assets and internally used software	109	114	104	132	28	20
Amortization of goodwill	67	70	52	65	13	11
EBITDA	€ 439	€ (216)	€ 213	$ 270	€ 133	€ 68

The reconciliation between the U.S. GAAP measure of "net result" and the non-GAAP financial measure "EBITDA" is as follows (based on U.S. GAAP):

	Year ended December 31,			
	2001	2002	2003	2003[(1)]
	(in millions)			
Net result	€ 35	€ (941)	€ (337)	$ (426)
Interest and other financing costs	200	203	262	331
Taxes	(30)	(4)	1	2

	Year ended December 31,			
Depreciation of tangible fixed assets and internally used software	111	115	105	132
Amortization of goodwill	82	6	6	7
EBITDA	€ 398	€ (621)	€ 37	$ 46

17

Summary Unaudited Pro Forma Condensed Consolidated Financial Data

The following summary pro forma condensed consolidated financial data is based on Buhrmann's consolidated financial statements and condensed consolidated financial statements included elsewhere in this prospectus, and should be read in conjunction with those financial statements and the notes thereto. The pro forma financial data set forth below is presented in accordance with Dutch GAAP. For a discussion of the material differences between Dutch GAAP and U.S. GAAP, as applicable to Buhrmann, please see Note 34 to our consolidated financial statements included elsewhere in this prospectus.

The pro forma financial information included below reflects adjustments to give effect to the sale of the Paper Merchanting Division (which was sold with effect from October 31, 2003) and the related repayment of a portion of our outstanding debt with the proceeds of the disposition; the refinancing of our old senior credit facility with the Senior Credit Facility and the issuance of the 2.0% guaranteed convertible subordinated bond due 2010 (Convertible Subordinated Bond) in December 2003; and the issuance and sale of the old notes, an increase in borrowings under the Senior Credit Facility through the issuance of a Term Loan C and repayment of the Term Loan B, and the repayment, in June 2004, of the $12^1/_4$% senior subordinated notes due 2009. The unaudited pro forma condensed consolidated statements of income for the three-month period ended March 31, 2004 and the year ended December 31, 2003, give pro forma effect to, where applicable, the above transactions as if they had occurred as of January 1, 2003.

The summary pro forma financial data is for informational purposes only and should not be considered indicative of actual results that would have been achieved had the transactions actually been consummated on the dates indicated and do not purport to be indicative of results of operations as of any future date or for any future period. The following data should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations Major Events" and " Acquisitions and

Divestments," and our consolidated financial statements and condensed consolidated financial statements and related notes thereto included elsewhere in this prospectus.

	Pro forma Year ended December 31, 2003[(1)]	Pro forma Three months ended March 31, 2004[(1)]
	(in millions, except per share amounts)	
Statement of Income Data:		
Amounts in accordance with Dutch GAAP		
Net sales	€ 5,787	€ 1,348
Cost of sales	(4,292)	(981)
Added value	1,495	367
Labor and other operating costs	(1,190)	(296)
Depreciation of tangible fixed assets and software	(87)	(20)
Amortization of goodwill	(49)	(11)
Impairment of goodwill	(53)	
Operating result	116	40
Total financing costs	(94)	(16)
Result from operations before taxes	22	24
Total taxes	30	(4)
Total results from participations and other financial results	10	(3)
Total minority interests	(12)	
Net result	€ 50	€ 17
Net result per ordinary share, basic and fully diluted	€0.13	€0.05
Ratio of earnings to fixed charges[(2)]	0.97x	1.50x

(1) The pro forma adjustments are described under "Unaudited Pro Forma Condensed Consolidated Financial Data."

(2) The calculation of the ratio of earnings to fixed charges is set forth in an exhibit to the registration statement relating to this prospectus. Earnings were insufficient to cover fixed charges for the year ended December 31, 2003 by €5 million on a pro forma basis.

RISK FACTORS

Before making an investment decision with respect to the Notes, you should carefully consider the risks related to our business and the legal structures underlying this offering described below, in addition to the other information in this prospectus. These risks are not the only ones we face; additional risks of which we are presently not aware or that we currently deem immaterial may also impair our business or our ability to make payment on the Notes.

Risks Relating to Our Business

Buhrmann has material debt.

Buhrmann has indebtedness that is material in relation to its shareholders' equity. A substantial portion of Buhrmann's cash flow from operations is dedicated to the payment of principal and interest on Buhrmann's debt. In particular, on a *pro forma* basis, assuming completion of the offering of the old notes and the related financing transactions, as of March 31, 2004, we would have had total indebtedness of approximately €1,000 million. As a result, we are a highly leveraged company.

Buhrmann's indebtedness could have important consequences, including that:

- Buhrmann's ability to obtain additional financing for working capital, capital expenditures, acquisitions, or general corporate purposes may be impaired;
- certain of Buhrmann's borrowings are and will continue to be at variable rates of interest, which exposes Buhrmann to the risk of increasing interest rates;
- it may make it more difficult for us to satisfy our obligations with respect to these Notes;
- it may increase our vulnerability to general adverse economic and industry conditions;
- it may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- a substantial part of Buhrmann's assets has been pledged to secure Buhrmann's obligations under the Senior Credit Facility and in connection with its securitization program and will be unavailable to secure other debt; and
- Buhrmann may be more leveraged than certain of its competitors, which may place Buhrmann at a competitive disadvantage.

Buhrmann's ability to make scheduled payments or to refinance its obligations with respect to its indebtedness will depend on Buhrmann's financial and operating performance, which, in turn, is subject to prevailing economic conditions and to certain financial, business and other factors beyond its control. Buhrmann's operating performance, cash flow and capital resources may not be sufficient for payment of its debt in the future. If Buhrmann's cash flow and capital resources are insufficient to fund its debt service obligations, Buhrmann may be forced to reduce or delay scheduled expansion and capital expenditures, sell material assets or operations, obtain additional capital or restructure its debt. In the event that Buhrmann is required to dispose of material assets or operations or restructure its debt to meet its debt service and other obligations, the terms of any such transaction may not be as advantageous to Buhrmann as they otherwise might be.

Buhrmann is restricted by the terms of its debt.

The terms of such debt limit Buhrmann's flexibility in operating its business. In particular, these agreements limit Buhrmann's ability to, among other things, incur other debt, pay dividends, make investments and enter into certain corporate transactions. The Senior Credit Facility also requires Buhrmann to meet certain financial ratios and tests. Buhrmann may not be able to do so for reasons beyond its control. If Buhrmann fails to comply with the obligations in the Senior Credit Facility, there

20

could be an event of default under the Senior Credit Facility. This may cause Buhrmann to renegotiate the terms of the Senior Credit Facility which may lead to an increase of interest expenses and may further restrict Buhrmann's ability to operate its business, including making acquisitions and paying dividends. In addition, if an event of default occurs, the lender under the Senior Credit Facility could declare the debt under that agreement immediately due and payable, and seek to foreclose on Buhrmann's assets that secure the Senior Credit Facility. If there is a default under the Senior Credit Facility, Buhrmann may not have sufficient assets to repay the debt under that facility and other debt.

In addition, other funding instruments such as the Accounts Receivable Securitization Program, the Subordinated Convertible Bond, the Notes offered hereby and the Preference Shares C have certain restrictions attached. Failure to comply with the restrictions of the Accounts Receivable Securitization Program or the Notes offered hereby could result in a default under those agreements.

Buhrmann may not be able to manage its growth effectively.

Challenges which may result from organic growth as well as growth through acquisitions include Buhrmann's ability to:

- improve the efficiency of growing operations;
- manage efficiently the operations and employees of expanding businesses;
- hire and retain enough qualified personnel to staff new or expanded operations;
- maintain its existing customer base and the amount of sales to these customers;
- assess the value, strength and weaknesses of acquisition candidates.

Buhrmann cannot ensure that it will be able to adequately address these concerns. Buhrmann's failure to address these concerns could lead to a material adverse effect on its business, financial condition and results of operations.

Adverse developments in equity and bond markets may require Buhrmann to make additional contributions to its pension funds.

Buhrmann has a number of defined benefit plans which are maintained in separate trusts (pension funds). Local law or specific arrangements with these pension funds require a minimum funding level of benefit obligations of these pension funds. The funding levels are calculated based on certain assumptions, including expected return on plan assets. Declining returns on equity and bond markets may require Buhrmann to make additional contributions to these pension funds in order to meet the minimum funding levels which may adversely affect Buhrmann's business, financial condition and results of operations.

Buhrmann may be required to indemnify purchasers of the businesses that Buhrmann sold for pre-sale liabilities.

Buhrmann has divested various subsidiaries and divisions, some of which were substantial. In connection with these divestments, Buhrmann has agreed to indemnify the purchasers against various potential liabilities, such as liabilities related to legal and regulatory proceedings, environmental liabilities and liabilities related to taxes. Buhrmann has established reserves for such potential liabilities that Buhrmann believes are adequate. However, Buhrmann cannot assure that these reserves will in fact be sufficient to cover these potential liabilities. The lack of adequate reserves could have a material adverse effect on Buhrmann's business, financial condition and results of operations.

Buhrmann's exposure to exchange rate fluctuations may affect its reported results of operations and financial condition.

A significant portion of Buhrmann's subsidiaries conduct their activities in currencies other than the euro which is Buhrmann's reporting currency. The position in relation to the U.S. dollar is in particular relevant. Excluding the Paper Merchanting Division which was sold in the course of 2003, approximately two-thirds of Buhrmann's revenues and more than two-thirds of Buhrmann's operating results were generated in U.S. dollars. This results in foreign exchange translation exposure when results of these subsidiaries are translated into euro in Buhrmann's consolidated financial statements included elsewhere in this prospectus. Under the Company's foreign exchange policy, translation risks in these subsidiaries are, in general, not hedged. This means that fluctuations in exchange rates may positively or negatively affect results of operations reported in euro. For example, net sales reported in euro for the total Buhrmann Group decreased by 19.0% in 2003 compared to 2002 whereas the decrease was 10.8% excluding the effect of fluctuations in exchange rates.

Of Buhrmann's external long-term debt at December 31, 2003, 70% was denominated in U.S. dollars and 30% in euro. Buhrmann finances its subsidiaries predominantly through internal debt denominated in local currencies. Exchange rate fluctuations may lead to currency translation adjustments which may have a direct negative impact on the Buhrmann Group's equity and may negatively affect net result reported in euro.

Inability to maintain and improve its information systems effectively could disrupt Buhrmann's business processes.

Buhrmann needs to maintain and consistently improve sophisticated information systems to grow its businesses and achieve operating efficiencies. If Buhrmann fails to do so, its information systems may not function correctly or efficiently, which could have an adverse effect on Buhrmann's ability to perform administrative functions and process and distribute customer orders. This in turn would have an adverse impact on Buhrmann's results of operations. If Buhrmann fails to implement information technology improvements within the anticipated time frame, such failure could have a material adverse effect on Buhrmann's business, financial condition and results of operations.

If Buhrmann's contract with Heidelberg were to be terminated, or Heidelberg were to cease operations, Buhrmann could lose most of its Graphic Systems Division's revenues.

Buhrmann's Graphics Systems Division is the exclusive distributor of printing equipment manufactured by Heidelberg in a number of countries. The Graphic Systems Division derives most of its revenues from the sale of that equipment. The exclusive distribution agreement runs until June 30, 2008 but may be terminated earlier by either party for cause. If Heidelberg were to terminate the distribution agreement or cease operations (without a successor), Buhrmann's business, financial condition and results of operations could be adversely affected.

Our restructuring programs may not achieve expected benefits.

From time to time, Buhrmann implements restructuring programs, including reductions in the number of staff. Buhrmann expects that these programs will result in structural cost savings and will improve Buhrmann's operating results. However, this expectation involves a number of assumptions and uncertainties, and as a result, Buhrmann may not achieve the expected benefits. The savings expected from these programs are often significant and need to be realized on a timely basis. Buhrmann recorded reserves in 2002 and 2003 for these restructuring programs. Buhrmann cannot assure you that additional reserves for restructuring programs will not be required in the future as well. In addition, these restructuring programs absorb management time and can interrupt normal business operations.

Volatility of the market for our Ordinary Shares, the Notes and the Subordinated Convertible Bond.

The market price of Buhrmann's Ordinary Shares, the Notes offered hereby and the Subordinated Convertible Bond could be subject to wide fluctuations in response to numerous factors, many of which are beyond the control of Buhrmann. These factors include, among other things, actual or anticipated variations in operating results, earnings releases by the Buhrmann Group and its competitors, changes in financial estimates by securities analysts, market conditions in the industry and the general state of the securities market, governmental legislation or regulation, currency and exchange rate fluctuations, as well as general economic and market conditions, such as recessions.

Risks Relating to Our Industry

The demand for Buhrmann's products and services relates to the number of white collar workers employed by Buhrmann's customers.

Buhrmann's Office Products business is concentrated in North America, Western Europe and Australia. The demand for Buhrmann's products and services, most notably in office products, relates to the number of white collar workers employed by Buhrmann's customers in these markets. An interruption of growth in these markets or a reduction of white collar workers employed by Buhrmann's customers may adversely affect Buhrmann's operating results. In addition, Buhrmann's customers may, on short term notice, postpone or reduce spending on Buhrmann's products and services per white collar worker. Customers may also, on short term notice, substitute certain of Buhrmann's products and services for its other lower margin products and services. Any such postponement, reduction or substitution may also adversely affect Buhrmann's business, financial condition and results of operations.

For example, in the last few years, the U.S. and other western economies have been in a downturn. This has had an adverse impact on a number of our customers, resulting in some cases in cutbacks in the employment of white collar workers and the related cutbacks in expenditures for office supplies and other products and services that we sell to them. Any continuation of the general economic downturn, together with the negative effect this has on the number of white collar workers employed, may adversely affect Buhrmann's business, financial condition and results of operations.

Buhrmann could lose market share and profit margins due to increased competitive pressures.

Each of Buhrmann's divisions operates in a highly competitive market. Many of Buhrmann's competitors offer the same or similar products that Buhrmann offers to the same customers or potential customers. Some of Buhrmann's competitors may have advantages over Buhrmann, including greater financial resources, better technical capabilities, better marketing capabilities, the ability to adapt more quickly to changing customer requirements, greater name recognition and the ability to devote greater resources to developing, promoting and selling their products. Also, new entrants in Buhrmann's markets such as new Internet based businesses, may alter the competitive landscape to Buhrmann's disadvantage. If Buhrmann's competitors successfully exploit these advantages, they could force Buhrmann to lower its prices or may cause Buhrmann to sell fewer of its products, either of which could adversely affect Buhrmann's business, financial condition and results of operations.

Revenues in Buhrmann's Graphic Systems Division are cyclical.

A substantial part of the Graphic Systems Division's revenues derives 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 macro-economic circumstances and innovation of technology at the Graphic Systems Division's main suppliers. As a result, the Graphic Systems Division experiences cyclicity in its revenues which could adversely affect Buhrmann's business, financial condition and results of operations.

Forward-Looking Statements.

This document contains certain forward-looking statements concerning Buhrmann's future operations, economic performances, financial conditions and financing plans, including such things as business strategy and measures to implement strategy, competitive strengths, goals, expansion and Buhrmann's business and operations and references to future success. These statements are based on certain assumptions and analyses made by Buhrmann in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate under the circumstances. However, whether actual results and developments will conform with Buhrmann's expectations and predictions is subject to a number of risks and uncertainties, including, among other things, the risk factors discussed above. Consequently, all of the forward-looking statements made in this document are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Buhrmann will be realized or, even if substantially realized, that they will have the expected consequences for or effects on Buhrmann and its subsidiaries or their business or operations.

Risks Relating to the Notes

Despite our substantial indebtedness, we may still incur significantly more debt. This could exacerbate the risks posed by our indebtedness.

Although covenants under the Senior Credit Facility, the indenture governing the Notes and the Subordinated Convertible Bond limit our ability and the ability of our present and future restricted subsidiaries to incur additional indebtedness, the terms of the Senior Credit Facility, the indentures and the Subordinated Convertible Bond permit us to incur significant additional indebtedness in the future if certain conditions are satisfied.

Subject to the restrictions in the Senior Credit Facility, the indenture governing the Notes offered hereby and the terms of the Subordinated Convertible Bond, we may incur significant additional indebtedness, which may be secured from time to time. In addition, as of March 31, 2004 on a *pro forma* basis after giving effect to the offering of the old notes and the related financing transactions, we would have had €150 million of additional borrowing available under the committed revolving credit facility portion of the Senior Credit Facility, subject to customary borrowing conditions, approximately €65 million that would have been available for borrowing as additional senior debt under the uncommitted revolving credit facility and approximately $247 million that would have been available as additional senior debt under the uncommitted term loan facility of the Senior Credit Facility. In addition, we may securitize up to an additional $15 million under our accounts receivables securitization program. All borrowings under the Senior Credit Facility and our accounts receivable securitization program will be effectively senior (to the extent of the value of the collateral securing the borrowings) to the Notes and the Note guarantees. See "Description of Certain Indebtedness The Senior Credit Facility" and " Accounts Receivable Securitization Facility."

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the Notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Based on our current level of operations, we believe our cash flow from operations, available cash and available borrowings under the Senior Credit Facility and our accounts receivable securitization program will be adequate to meet our future liquidity needs for at least the next year. We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under the Senior Credit Facility and our accounts receivable securitization program or otherwise in an amount sufficient to enable us to pay our indebtedness, including the Notes, or to fund our other liquidity needs including capital expenditure requirements. If we consummate an acquisition, our debt service requirements could increase. We may need to refinance or restructure all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including the Senior Credit Facility, our accounts receivable securitization program, the Subordinated Convertible Bond and the Notes, on commercially reasonable terms or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. We cannot assure you that any such actions, if necessary, could be effected on commercially reasonable terms, or at all.

The Notes will be structurally subordinated to the creditors and preference shareholders (if any) of our non-Guarantor subsidiaries.

The Notes are structurally subordinated to the obligations of our non-guarantor subsidiaries. Generally, claims of creditors of our non-guarantor subsidiaries, including trade creditors and claims of preference shareholders (if any) of each such non-guarantor subsidiary, will have priority with respect to the assets and earnings of such non-guarantor subsidiary over claims of creditors of its parent entity. In the event of an insolvency, liquidation or other reorganisation of any of our non-guarantor subsidiaries, holders of their debt and their trade creditors will typically be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us and any guarantor of the Notes.

As of March 31, 2004, on a *pro forma* basis after giving effect to the offering of the old notes and the related financing transactions, our non-guarantor subsidiaries would have had €91 million of other liabilities together with €206 million of trade payables outstanding, all of which would have ranked effectively senior to the Notes. Our non-guarantor subsidiaries generated 35% of our consolidated revenues (excluding the Paper Merchanting Division which we sold with effect from October 31, 2003) in the fiscal year ended December 31, 2003 and held 29% of our consolidated assets as of December 31, 2003. See footnote 37 to our consolidated financial statements included elsewhere in this prospectus.

Your right to receive payments on the Notes is junior to our existing and future senior debt.

The Notes and the guarantees rank behind all of our and the guarantors' existing senior indebtedness, including the Senior Credit Facility, and all of our and their future senior indebtedness. As a result, upon any distribution to our creditors or the creditors of the guarantors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors or our or their property, the holders of our senior debt and the guarantors will be entitled to be paid in full and in cash before any payment may be made with respect to the Notes or the guarantees.

In addition, all payments on the Notes and the guarantees will be blocked in the event of a payment default on senior debt and may be blocked for up to 179 of 360 consecutive days in the event of certain non-payment defaults on senior debt.

In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors, holders of the Notes will participate with trade creditors and all other holders of our and the guarantor subordinated indebtedness in the assets remaining after we and the subsidiary guarantors have paid all of our senior debt. However, because the indenture requires that amounts otherwise payable to holders of the Notes in a bankruptcy or similar proceeding be paid to holders of senior debt instead, holders of the Notes may receive less, rateably, than holders of trade payables in any such proceeding. In any of these cases, we and the guarantors may not have sufficient funds to pay all of our creditors and holders of Notes may receive less, rateably, than the holders of our senior debt.

Assuming completion of the offering of the old notes and the related financing transactions on March 31, 2004, the Notes and the guarantees would have been subordinated to €724 million of senior debt, approximately €150 million of additional senior debt that would have been available for borrowing under the committed revolving credit facility portion of the Senior Credit Facility, approximately €65 million of additional senior debt that would have been available for borrowing under the uncommitted revolving credit facility and approximately $247 million of additional senior debt that would have been available under the uncommitted term loan facility of the Senior Credit Facility. We will be permitted to borrow substantial additional indebtedness, including senior debt, in the future under the terms of the indenture.

We may not have access to the cash flow and other assets of our subsidiaries that may be needed to make payment on the Notes.

Although much of our business is conducted through our subsidiaries, none of our subsidiaries is obligated to make funds available to the issuer for payment on the Notes. Accordingly, the Issuer's ability to make payments on the Notes is dependent on the earnings and the distribution of funds from our subsidiaries. The terms of the Senior Credit Facility significantly restrict our subsidiaries from paying dividends and otherwise transferring assets to us. Furthermore, our subsidiaries will be permitted under the terms of the indenture to incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to us. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the Notes when due. In particular, none of the subsidiaries in our Office Products Australia Division will be guarantors of the Notes offered hereby. See "Description of Certain Indebtedness."

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture.

Upon the occurrence of certain specific kinds of change of control events, the Issuer will be required to offer to repurchase all outstanding Notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that restrictions in the Senior Credit Facility will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a "Change of Control" under the indenture. See "Description of Notes Repurchase at the Option of Holders."

You cannot be sure an active trading market for the Notes will develop.

The exchange notes are new issues of securities for which there is no established public market. We do not intend to have the exchange notes listed on a national securities exchange or included in any automated quotation system, although application will be made to make the exchange notes eligible for trading in the PORTAL^{SM} Market. Although each initial purchaser informed us that it was its intention to make a market in the old notes and, if issued, the exchange notes, it has no obligation to do so and may discontinue making a market at any time without notice.

The liquidity of any market for the Notes will depend upon the number of holders of the Notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the Notes and other factors. A liquid trading market may not develop for the Notes. If a market develops, the Notes could trade at prices that may be lower than the initial offering price of the Notes. See "Plan of Distribution."

If you do not properly tender your old notes, your ability to transfer your old notes will be adversely affected.

We will only issue exchange notes in exchange for old notes that are timely received by the exchange agent, together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the old notes. If you do not tender your old notes or if we do not accept your old notes because you did not tender your old notes properly, then, after we consummate the exchange offer, you may continue to hold old notes that are subject to the existing transfer restrictions. In addition, if you tender your old notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes. If you are a broker-dealer that receives exchange notes for your own account in exchange for old notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of such exchange notes. After the exchange offer is consummated, if you continue to hold any old notes, you may have difficulty selling them because there will be fewer old notes outstanding. In addition, if a large amount of old notes are not tendered or are tendered improperly, the limited amount of exchange notes that would be issued and outstanding after we consummate the exchange offer could lower the market price of the exchange notes.

U.S. federal, U.S. state, Dutch, Belgian and Luxembourg statutes allow courts, under specific circumstances, to void guarantees and require note holders to return payments received from guarantors.

U.S. federal and state

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; and
- was insolvent or rendered insolvent by reason of such incurrence; or
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets; or
- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that each guarantor, after giving effect to its guarantee of the Notes, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard.

The Netherlands

Guarantors of the Notes organized under the laws of the Netherlands (Dutch Guarantors) may invoke the nullity of any legal act (*rechtshandeling*) if that legal act was outside their corporate purpose (objects) and the other party to that legal act was or should without investigation have been aware of this; the determination of whether a legal act is within the objects of a company may not be based solely on the description of the articles of association, but must take into account all relevant circumstances, including in particular the question whether the interests of that company are served by the relevant legal act. If the issue of the Notes, in the light of the benefits, if any, derived by the Dutch Guarantors from the issue of the Notes, would have a disproportionate adverse effect on the interests of the Dutch Guarantors, these transactions may be found to be outside the objects of the Dutch Guarantors and the trustee under the indenture may be held to have been aware of this. To the extent a Dutch Guarantor successfully invoked the nullity of the Guarantee, the Guarantee would be limited to the extent any portion of it is nullified. In the event it is nullified in full, you would no longer be a creditor of that Dutch Guarantor and would be a creditor of the Issuer and the remaining guarantors of the Notes.

Belgium

The guarantee of the Notes by Buhrmann Europcenter N.V., a company incorporated in Belgium, provides the holders of the Notes with a direct claim against the assets of Buhrmann Europcenter N.V. Enforcement of this guarantee would be subject to certain defences available to Belgian guarantors generally. These laws and defences include those that relate to fraudulent conveyance, corporate purpose or benefit and regulations or defences affecting the rights of creditors generally. If these laws and defences are applicable, Buhrmann Europcenter N.V. may have no liability under its guarantee.

In particular, Belgian law requires that a guarantee by a Belgian company of third-party obligations satisfy the following conditions: (i) it must be part of the corporate purpose of the guarantor, as provided in its by-laws (*statuten/statuts*); (ii) the guarantor must derive an actual corporate benefit, consideration or advantage from the transaction secured by the guarantee; and (iii) the guarantee must not be in an amount which is not commensurate with the financial capabilities of the company or its assets. The presence of an actual corporate benefit to a Belgian guarantor is a matter of fact and Belgian case law provides no clear definition of what constitutes an actual corporate benefit. If a court in Belgium determined that actual corporate benefit is not established as to a guarantor, then the guarantee given by that guarantor could be declared void upon request of the guarantor (or its bankruptcy trustee). In addition, enforcement in Belgium of the guarantee is subject to authorisation by the Belgian courts.

It is possible that a guarantor, a creditor of a guarantor or the bankruptcy trustee in the case of a bankruptcy of a guarantor, may contest the validity and enforceability of the guarantor's guarantee and that the applicable court may determine that the guarantee should be voided or declared unenforceable. For a description of the enforceability of obligations, including guarantees, in bankruptcy and judicial composition proceedings, see " Relevant local insolvency laws may not be as favorable to you as U.S. bankruptcy laws Belgium."

Luxembourg

There are no provisions under Luxembourg law and, in particular, under the Luxembourg act dated 10 August 1915 concerning commercial companies, as amended (the Companies Act 1915), that govern the ability of a Luxembourg private limited liability company (and Buhrmann Luxembourg S.à.r.l. is a private limited liability company) to guarantee the indebtedness of another entity. Under Luxembourg company law, a company may issue a guarantee provided that such issuing (i) does not infringe the company's corporate purpose (objects) and (ii) is in the best interest (and for the corporate benefit) of the company. Consequently, for a group guarantee to be valid, it must comply with both the principle of speciality (the *principe de spécialité* test) and company law (the corporate interest/benefit test).

As regards the principle of speciality, the granting of guarantees does not always fall within the scope of a company's corporate objects. A group guarantee is voidable if it is an act that is contrary to the company's statutory activity.

As regards company law, there is a general principle that the managers of a company must act in the best interest of the company. Luxembourg case law has held that the granting of a guarantee in support of a third party's indebtedness is not necessarily *ultra vires* if the transaction furthers, even indirectly, the corporate purpose of the guarantor. The test is whether the company which provides the guarantee receives some consideration in return (such as an economic or commercial benefit) from the transaction and whether such benefit is proportionate to the burden of the assistance.

It follows that a Luxembourg company may in principle provide guarantees to other group companies if it can be demonstrated that:

- the company belongs to a group of companies that has a real structure and is organised in the view of a common economic, industrial and commercial policy;

- the company derives a benefit from granting the guarantee; and

- the guarantee amount is not disproportionate to the company's financial means and the benefits derived from the granting of such guarantee are real.

Even though it is not unusual in the case of downstream guarantees given by Luxembourg guarantors to have no limitation (that is, an unlimited guarantee), guarantee limitation language is in principle used in the case of upstream guarantees.

It is possible that a guarantor, a creditor of a guarantor or the bankruptcy trustee/receiver (*curateur*) in the case of a bankruptcy of a guarantor, may contest the validity and enforceability of the guarantor's guarantee and that the applicable court may determine that the guarantee should be voided or declared unenforceable. For a description of the enforceability of obligations, including guarantees, in bankruptcy and judicial composition proceedings, see "Relevant local insolvency laws may not be as favourable to you as U.S. bankruptcy laws Luxembourg."

You may find it more difficult to enforce your rights against certain of the non-U.S. guarantors than if they were U.S. corporations.

Certain of guarantors of the Notes, including Buhrmann NV, are organized in jurisdictions other than the United States and non-U.S. corporate laws govern their formation documents and corporate affairs. The rights of our shareholders and the responsibilities of our management that directs our affairs are different from those established under the statutes and judicial precedents of the United States. You may find it more difficult to protect your interests against actions by our shareholders, management and our board members than you would if all of the guarantors were U.S. corporations.

Service of process upon individuals or firms that are not resident in the United States may be difficult to obtain within the United States. Certain individual members of our boards and our management may reside outside the United States. Because the assets of certain of our subsidiaries and the assets of certain directors and managers are outside the United States, any judgment obtained in the United States against us or such persons may not be collectible within the United States. We have appointed CT Corporation System as our agent to receive service of process in any action against us in any federal court or court in the State of New York arising out of this offering. We have not given consent for such agent to accept service of process in connection with any other claim.

There is doubt as to the enforceability in foreign jurisdictions, including Belgium, Luxembourg, and the Netherlands, of liabilities predicated solely upon United States federal or state securities law against us, our directors, controlling persons and management and the experts named in this prospectus who are not residents of the United States, in original actions or in actions for enforcements of judgments of United States courts. See "Service of Process and Enforcement of Civil Liabilities."

Relevant local insolvency laws may not be as favorable to you as U.S. bankruptcy laws.

Buhrmann Luxembourg S.à.r.l., a guarantor of the Notes, is organized in Luxembourg, Buhrmann Europcenter N.V., a guarantor of the Notes, is organized in Belgium, and Buhrmann NV and certain of its subsidiaries, each of which are guarantors of the Notes, are organized in the Netherlands. Many of the Issuer's other subsidiaries are organized in jurisdictions other than the United States. The insolvency laws of the Netherlands and some of these other jurisdictions where these companies are organized may not be as favourable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of insolvency law in Belgium, the Netherlands and Luxembourg. In the event that any one or more of the guarantors, the Issuer or any of the Company's other subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

The Netherlands

Dutch insolvency laws differ significantly from the insolvency laws of the United States and may make it more difficult for holders of the Notes to recover amounts from any of the guarantors of the Notes incorporated in the Netherlands than in a liquidation or bankruptcy proceeding in the United States. These laws may also affect any recovery made by the issuer from any of the guarantors of the Notes incorporated in the Netherlands under their guarantees of the Notes. There are two corporate insolvency regimes under Dutch law: moratorium of payment (*surséance van betaling*), which is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern, and bankruptcy (*faillissement*), which is primarily designed to liquidate and distribute the assets of a debtor to its creditors.

Upon commencement of moratorium of payment proceedings, a Dutch court will grant a provisional moratorium and appoint a trustee administrator (*bewindvoerder*) who, jointly with the company's management, will be in charge of the company and its business undertakings. Before the court will decide on whether to grant a definitive moratorium, a creditors' vote will take place before the court. A definitive moratorium will generally be granted unless there is an objection by creditors with claims in excess of one-fourth of the amount of unsecured non-preferential claims admitted to the creditors vote or by one-third of the unsecured non-preferential creditors admitted to the vote. During both a definitive and a provisional moratorium, ordinary, non-preferential creditors will be precluded from attempting to recover their claims from the assets of the debtor. A moratorium is, however, subject to exceptions, the most important of which excludes secured and preferred creditors from the protection of the moratorium. Secured creditors include the holders of a right of pledge (*pandrecht*) and right of mortgage (*hypotheek*), preferred creditors include tax and social security authorities. Generally, debts arising after the date of the moratorium are excluded from the moratorium. A provisional or definitive moratorium of payment will be withdrawn and in most cases converted into a bankruptcy if, among other things, the assets or financial condition of the debtor is such that continuation of the moratorium is no longer desirable or the prospect that the debtor may eventually satisfy its creditors does not exist. Unlike Chapter 11 proceedings under U.S. bankruptcy law, during which both secured and unsecured creditors are generally barred from seeking to recover on their claims, during Dutch moratorium of payment proceedings, certain secured creditors (including the senior lenders as secured creditors under the Senior Credit Facility) and preferential creditors may seek to satisfy their claims by proceeding against the assets that secure their claims or to which they have preferential rights. Therefore, a recovery under Dutch law could involve a sale of the assets of the debtor in a manner that does not reflect its going concern value. Consequently, Dutch insolvency laws could preclude or inhibit a restructuring and could reduce any recovery you might obtain in an insolvency proceeding. At the request of the debtor or the administrator, the court may order a freeze for a period of one month, which can be extended once by court order for another month, during which no recourse can be taken by some or all of the secured and/or preferential creditors against assets of the debtor.

In Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on the basis of the relative priority of the claims of those creditors and, to the extent claims of certain creditors have equal priority, in proportion to the amount of such claims. Certain parties, such as secured creditors (including the senior lenders as secured creditors under the Senior Credit Facility), will benefit from special rights. Except during a freeze (which may be ordered in bankruptcy proceedings for the same periods as this is possible in moratorium of payment proceedings) secured creditors such as pledgees and mortgagees may enforce their rights separately from bankruptcy. As a result, if the issuer becomes subject to these proceedings, you are likely to recover less under the Notes from the issuer than the principal amount of your Notes and may recover less than you would have recovered in an equivalent U.S. liquidation proceeding. In addition, any claims you may have may be limited depending on the date they become due and payable. All unsecured, pre-bankruptcy claims must be submitted to the receiver for verification. Verification means that the creditor sends a letter to the receiver setting out the relevant claim to enable the receiver to take a view as to the existence, ranking and value of the claim and whether and to what extent it should be admitted in the bankruptcy proceedings. Three methods of establishing the value of a claim for verification purposes may be applied:

- the value of a claim that becomes payable at an undetermined point in time will be calculated at its net present value on the date of the bankruptcy;

- the value of a claim that becomes payable within one year of the date of the bankruptcy will be calculated as if such claim were payable as of the date of the bankruptcy; and

- the value of a claim that becomes payable after one year from the date of the bankruptcy will be calculated at its net present value on the date which is one year after the date of the bankruptcy.

Creditors that wish to dispute the verification of their claims by the receiver will need to commence a court proceeding.

Although no interest is payable in respect of unsecured claims as of the date of a bankruptcy, if the net present value of a claim of a holder needs to be determined, such determination will be made by taking into account the agreed payment date and interest rate.

Luxembourg

Under Luxembourg insolvency laws, your ability to receive payment on the Buhrmann Luxembourg S.à.r.l. guarantee may be more limited than would be the case under U.S. bankruptcy laws. Under Luxembourg law, the following types of proceedings (altogether referred to as insolvency proceedings) may be opened against an entity having its registered office or centre of main interest in Luxembourg:

- Bankruptcy proceedings (*faillite*), the opening of which may be requested by the company or by any of its creditors. Following such a request, the courts having jurisdiction may open bankruptcy proceedings if the company (i) is in a state of cessation of payments (*cessation des paiements*) and (ii) has lost its commercial creditworthiness. If a court finds that these conditions are satisfied, it may also open bankruptcy proceedings, absent a request made by the company or a creditor. The main effect of such proceedings is the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of the secured creditors in accordance with their rank upon realization of the assets.

Controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the company and not by its creditors. The court's decision to admit a company to the controlled management proceedings triggers a provisional stay on enforcement of claims by creditors, including secured creditors.

Composition proceedings (*concordat préventif de faillite*), which may be requested only by the company and not by its creditors. The court's decision to admit a company to the composition proceedings triggers a provisional stay on enforcement of claims by creditors.

In addition to these proceedings, your ability to receive payment on the Buhrmann Luxembourg S.à.r.l. guarantee may be affected by a decision of a court to grant a stay on payments (*sursis de paiements*) or to put Buhrmann Luxembourg S.à.r.l. into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in violation of the commercial code or of the laws governing commercial companies. The management of such liquidation proceedings will generally follow the rules of bankruptcy proceedings.

Buhrmann Luxembourg S.à.r.l.'s liabilities in respect of its guarantee will, in the event of a liquidation of Buhrmann Luxembourg S.à.r.l. following bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those of Buhrmann Luxembourg S.à.r.l.'s debts that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include:

certain amounts owed to the Luxembourg Revenue;

value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;

social security contributions; and

remuneration owed to employees.

Assets over which a security interest has been granted will not, in principle, be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized).

During such insolvency proceedings, all enforcement measures by unsecured creditors are suspended. The ability of secured creditors to enforce their security interest may also be limited, in particular in the event of controlled management proceedings providing expressly that the rights of secured creditors are frozen until a final decision has been taken by the court as to the petition for controlled management, and may be affected thereafter by a reorganization order given by the court.

Furthermore, you should note that declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) will not be enforceable during controlled management proceedings.

Under Luxembourg insolvency law, the costs and expenses of the administration of the bankruptcy estate are paid before the other creditors, whether privileged or not (subject to certain exceptions). Certain claims benefit from a right of priority (*privilège*) which fall into two categories: (i) general rights of priority (*privilèges généraux*) which carry the right to be paid out in priority the proceeds of the realization of the whole of the assets of bankruptcy estate, including: money owed to the Luxembourg Revenue (*Administration des contributions directes*) in respect of, for example, income tax deducted at source; value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise (*Administration de l'Enregistrement et des Domaines*); social security contributions;

renumeration owed to employees; and (ii) special rights of priority (*privilèges spéciaux*) which carry the right to be paid in priority out of the proceeds of the sale of a specific asset by reason of a claim associated to that asset (e.g., the costs of preservation of a specific asset incurred by a creditor, the claims of mortgagees and pledgees or those of a vendor of real estate benefit from special priority rights on the relevant assets).

On the basis of the principle of *pari passu* ranking of creditors in accordance to which all non privileged creditors (*créanciers chirographaires*) rank equally, any balance remaining after the proceeds of the bankrupt estate have been distributed to the secured and/or privileged creditors in order of priority, are then distributed to the non privileged creditors in proportion to their claims.

Payments made, as well as other transactions concluded or performed, during the pre-bankruptcy called suspect period (*période suspecte*) which is fixed by the Luxembourg court and dates back (not more than) six months as from the date on which the Luxembourg court formally adjudicates a person bankrupt, and, as for specific payments and transactions, during ten days before the commencement of such period, are subject to cancellation by the Luxembourg court upon proceedings instituted by the Luxembourg insolvency receiver (*curateur*).

In particular,

- article 445 of the code of commerce sets out an additional period of ten days preceding the suspect period fixed by the court during which specified transactions (such as, in particular, the granting of a new security interest or an additional security interest for antecedent debts; the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any other means than in cash or by bill of exchange; the sale of assets without consideration or for materially inadequate consideration) must be set aside or declared null and void, as the case may be, if so requested by the insolvency receiver;

- article 446 of the code of commerce states that payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt's cessation of payments; and

- regardless of the suspect period, article 448 of the code of commerce and article 1167 of the civil code (*actio pauliana*) give the creditor the right to challenge any fraudulent payments and transactions made prior to the bankruptcy, without limitation of time.

Further, according to article 495 of the code of commerce, the bankruptcy of a company can be extended to its director. A legal or shadow director (either an individual or a corporate entity) of a bankrupt company may be declared personally bankrupt (together with the company in order to constitute one single bankruptcy estate) if:

- acting under the corporate veil, he, she or it has entered into commercial transactions for his, her or its sole benefit; or

- he, she or it has disposed of the company's assets as if these were his, her or its own; or

- he, she or it has pursued, in his, her or its own interest and in an abusive manner, a loss making business which was predestined to lead to insolvency.

Further, according to article 495-1 of the code of commerce, legal or shadow directors can be held liable in the event of bankruptcy if the liabilities of the company exceed the assets and if it is shown that one, several or all of the directors have perpetrated severe faults which contributed to the company's bankruptcy. In such case, directors can be held liable, either severally or jointly and severally, for all or part of the difference between the assets and the liabilities. A claim on this basis can only be made by the bankruptcy receivers.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to Council Regulation (EC) No 1346/200 of 29 May 2000 on insolvency proceedings.

Belgium

Buhrmann Europcenter N.V., one of the guarantors of the Notes, is incorporated in Belgium and, consequently, may be subject to insolvency laws and proceedings in Belgium.

There are two types of insolvency procedures under Belgian law:

- the judicial composition (*concordat judiciaire*) procedure, and
- the bankruptcy (*faillite*) procedure.

A proceeding for a judicial composition may be commenced if either:

- the debtor is temporarily unable to meet is payment obligations; or
- if certain difficulties jeopardise the continuation of the debtor's business which could lead to cessation of payments in the short run. The continuation of the debtor's business is in any event deemed to be jeopardized if, as a result of losses, the debtor's net assets have declined to less than 50% of its stated capital.

A debtor is only eligible for judicial composition if its financial position can be restructured and if economic recovery (i.e., a continuation of the business in the long term) is possible. A request for a judicial composition can be filed either on the initiative of the debtor (by a petition) or on the initiative of the public prosecutor. During an initial request period, the debtor cannot be dissolved and cannot be adjudicated into bankruptcy. The court can consider a preliminary suspension of payments during an initial period of six months, which can be extended by up to a maximum period of three months. As a rule, creditors cannot enforce their rights against the debtor's assets during the period of preliminary suspension of payments, except in the following circumstances:

- failure by the debtor to pay interest or charges falling due in the course of the preliminary suspension period; and
- failure by the debtor to pay any new debts (*i.e.,* debts which have arisen after the date of the judicial composition).

Creditors have to file their claims within the period indicated in the judgment.

During the preliminary suspension period, the debtor must draw up an instalment plan or a reorganisation plan which must be approved by a majority of its creditors (having filed their claims), who were present at a meeting of creditors and represent over half of the amount of the debts of the debtor. The court can then award a final suspension of payments for a maximum period of 24 months as from the date of the judgment. This term can be extended by up to a maximum of 12 months.

A company which, on a sustained basis, ceases to make payments and whose credit is impaired, will be deemed to be in a state of bankruptcy. Within one month after the cessation of payments, the company must file for bankruptcy. If the company is late in filing for bankruptcy, its directors could be held liable for damages to creditors as a result thereof. The procedure may also be initiated on the request of unpaid creditors or on the initiative of the public prosecutor.

Once the court decides that the requirements for bankruptcy are met, the court will establish a date before which claims for all unpaid debts must be filed by creditors. A bankruptcy trustee will be appointed to assume the operation of the business and to organize a sale of the debtor's assets, the distribution of the proceeds thereof to creditors and the liquidation of the debtor.

The court may determine the date of commencement and the duration of the suspect period (*i.e.*, *la période suspecte*). This period starts on the date of sustained cessation of payment of debts by

the debtor. The court will establish this date in the bankruptcy judgment, but this date cannot be earlier than six months before the date of the bankruptcy judgment, unless a decision to dissolve the company was made more than six months before the date of the bankruptcy judgment, in which case the date could be the date of such decision to dissolve the company. The bankruptcy trustee and any interested third party can challenge the court decision on the suspect period during a period of six months following the bankruptcy judgment.

The rules on transactions which can be voided in the event of bankruptcy can be briefly summarized as follows:

Under the Belgian bankruptcy procedure, any transaction entered into by a Belgian company during the suspect period is ineffective against such creditors if entered into without consideration or if the value given to such creditors significantly exceeded the value the company received in consideration.

Any transaction entered into by a company which has stopped making payments may be voided upon the subsequent bankruptcy of such company if the counterparty to the transaction was aware of the suspension of payments.

Security interests granted during the suspect period may be declared ineffective if they intend to secure a debt which existed prior to the date on which the security interest was granted.

Any payments (in whatever form, i.e., money or in kind or by way of set-off) made during the suspect period of any debt which was not yet due as well as all payments made during the suspect period other than with money or monetary instruments (cheques, promissory notes, etc.) can be voided.

Any transaction or payment effected with fraudulent intent can be set aside irrespective of its date.

Following a judgment commencing the bankruptcy proceeding, enforcement rights of individual creditors are suspended, except for those held by secured creditors and the owners of assets held by the bankrupt debtor, and only the bankruptcy trustee will from then on be able to proceed against the debtor and to liquidate its assets.

Provisions of a contract which provide that a contract will be automatically terminated as a result of the mere consequence of the bankruptcy of the other party are in principle valid and effective under existing Belgian bankruptcy legislation.

Finally, international aspects of a Belgian bankruptcy or judicial composition proceedings may be subject to Council Regulations (EC) No 1346/200 of 29 May 2000 on insolvency proceedings.

We have not prepared separate IFRS information; separate IFRS information may not be available for periods prior to our 2005 financial year.

We prepare our financial statements in accordance with Dutch GAAP. We have not presented a reconciliation of our financial statements to IFRS in this prospectus. There may be substantial differences between the results of operations, cash flows and financial condition we report under Dutch GAAP from the equivalent data we would report if we used IFRS. In particular, we expect that our Preference Shares A and Preference Shares C, which are accounted for as equity under Dutch GAAP, will be accounted for as a debt under IFRS.

We will be required to prepare our consolidated financial statements in accordance with IFRS starting with our financial year 2005. While we are currently implementing systems and procedures which may permit us to begin reporting under IFRS in advance of the statutory reporting deadline, we cannot assure you that any such reports will be available for any periods prior to our financial year 2005.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. All statements other than statements of historical fact included in this prospectus regarding our business, financial condition, results of operations and certain of our plans, objectives, assumptions, expectations or beliefs with respect to these items and statements regarding other future events or prospects, are forward-looking statements. These statements include, without limitation, those concerning: our strategy and our ability to achieve it; expectations regarding sales, profitability and growth; our possible or assumed future results of operations; capital expenditure and investment plans; adequacy of capital; and financing plans. The words "aim," "may," "expect," "anticipate," "believe," "future," "continue," "help," "estimate," "plan," "intend," "should," "could," "would," "shall" or the negative or other variations thereof as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements. In addition, this prospectus includes forward-looking statements relating to our potential exposure to various types of market risks, such as foreign exchange rate risk, interest rate risks and other risks related to financial assets and liabilities. We have based these forward-looking statements on our management's current view with respect to future events and financial performance. These views reflect the best judgment of our management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in our forward-looking statements and from past results, performance or achievements. Although we believe that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from these expressed or implied by these forward-looking statements. These factors include, among other things:

- risks related to Buhrmann's material debt;
- risks related to the restrictions posed by the terms of Buhrmann's debt;
- risks related to Buhrmann's ability to manage its growth;
- risks related to adverse developments in equity and debt markets;
- risks related to potential indemnification of purchasers for pre-sale liabilities of businesses Buhrmann sold;
- risks related to Buhrmann's exposure to exchange rate fluctuations;
- Buhrmann's inability to maintain and improve its information systems effectively;
- risks associated with Buhrmann's material contracts for its Graphic Systems Division;
- risks related to Buhrmann's restructuring programs;
- volatility of the market for our debt and equity securities;
- risks associated with a decline in the number of white-collar workers employed by Buhrmann's customers;
- increased competition and its impact on Buhrmann's market share and profit margins;
- the cyclical nature of Buhrmann's Graphic Systems Division;

risks associated with our structure, the Notes, the guarantees and our other indebtedness; and

other risks, uncertainties and factors inherent in our business.

These risks are not exhaustive. For further discussion of these factors and other risks, see the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

MARKET SHARE, RANKING AND OTHER DATA

The market share, ranking and other data contained in this prospectus are based on management's own estimates and are believed by management to be reasonable estimates. However, market share data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market shares. In addition, consumption patterns and consumer preferences can and do change. As a result, you should be aware that market share, ranking and other similar data set forth herein, and estimates and beliefs based on such data, may not be reliable.

PRESENTATION OF OUR FINANCIAL INFORMATION

Unless otherwise indicated, financial data in this prospectus has been prepared in accordance with Dutch GAAP, which differs in certain significant respects from U.S. GAAP. For a discussion of the most significant differences between Dutch GAAP and U.S. GAAP, see Note 34 to our consolidated financial statements included elsewhere in this prospectus.

From January 1, 2005, all European publicly listed companies are required to report on the basis of International Financial Reporting Standards (IFRS). Buhrmann started preparing for the transition in 2003, aiming to begin external reporting on the basis of IFRS from the 2005 reporting periods onwards. In addition, we strive towards the maximum of convergence with U.S. GAAP. Although some of the accounting standards under IFRS are still not finalized, it is expected that our reporting will be influenced especially in the areas of pensions, goodwill and financial instruments including equity components such as preference shares and options. In particular, we believe that our Preference Shares A and Preference Shares C, which are currently classified as equity on our balance sheet under Dutch GAAP, will be recharacterized as debt under IFRS. See "Risk Factors We have not prepared separate IFRS information; separate IFRS information may not be available for periods prior to our 2005 financial year." As of the date of this prospectus, no firm indications of the full effects on the reported performance can be provided. Accordingly, we have not attempted to explain those differences or to quantify their impact on the financial data included herein and we urge you to consult your own advisers regarding such differences and their impact on our historical and pro forma financial data.

Some financial information has been rounded and, as a result, the numerical figures shown as totals in this prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

NON-GAAP FINANCIAL MEASURES

EBITDA

EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, Dutch GAAP or U.S. GAAP. EBITDA is not a measure of our financial performance under Dutch GAAP or U.S. GAAP and should not be considered as alternative to net result, operating result or any other performance measures derived in accordance with Dutch GAAP or U.S. GAAP, or as an alternative to cash flow from operating activities or as a measure of our operating liquidity. See "Management's Discussion and Analysis of Financial Condition and Results of Operations EBITDA" for a description of the calculation of EBITDA and footnote 3 included in "Prospectus Summary Summary Consolidated Financial and Other Data" and "Selected Consolidated Financial Data" for a description of the calculation of EBITDA.

We define "EBITDA" as "net results before interest, taxes, depreciation of tangible fixed assets and internally used software and before amortization of goodwill." This is a non-GAAP financial measure for which the most directly comparable GAAP financial measure is "net result." We present EBITDA because we consider it, and we believe that our equity investors and lenders consider it, to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We believe issuers of "high yield" securities also present EBITDA because investors, lenders, analysts and rating agencies consider it useful in measuring the ability of those issuers to meet debt service obligations. We believe EBITDA is an appropriate supplemental measure of debt service capacity, because cash expenditures on interest are, by definition, available to pay interest, and tax expense is inversely correlated to interest expense because tax expense goes down as deductible interest expense goes up; depreciation and amortization are non-cash charges.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitutes for analysis of our results as reported under Dutch GAAP or U.S. GAAP. Some of these limitations are;

EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

EBITDA does not reflect changes in tax;

EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and

Other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our Dutch GAAP results and using EBITDA only as a supplementary measure. See the statements of cash flow included in our consolidated financial statements.

Constant Exchange Rates

We present our results in euro. Results of subsidiaries denominated in currencies other than the euro are translated into euro at an average exchange rate for the period. In the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus, we include discussions on the performance of our business based on constant exchange rates. We use constant exchange rate analysis to give a year-on-year measure of change which excludes the effect of fluctuations in currency exchange rates, because fluctuations in currency exchange rates are outside of our control and may distort our underlying performance and result.

Changes of results at constant rates can be materially different to changes based on our reported results because prior year average exchange rates can be significantly different from current year average exchange rates.

"Organic" Analysis

The "organic" analysis presented in this prospectus eliminates all factors that disturb a like-for-like comparison in our relevant business Divisions. These factors include such items as currency exchange rate movements, acquisitions, divestitures, variations in the number of working days, and with respect to our Office Products North America Division, the change to a commission-based model at our subsidiary ASAP Software Inc. We use "organic" analysis, in conjunction with constant exchange rates to give a measure of the underlying growth year-on-year. The factors mentioned above can have a significant impact on a Division's reported results. Their exclusion provides a useful insight into the underlying performance of the Division and enables us to monitor the performance of both the underlying businesses and acquired businesses. Organic performance can be materially different to the Division's reported performance.

EXCHANGE RATE INFORMATION

Amounts expressed in this prospectus in "euro," "EUR" or "€" relate to the single currency of the member states of the European Union that have adopted such currency in accordance with legislation of the European Union relating to European Economic and Monetary Union. Amounts expressed in "GBP" relate to the British pound, amounts in "AUD" relate to Australian dollars and amounts expressed in "USD," "$" or "U.S. dollar" relate to dollars of the United States of America.

In January 1999, Buhrmann started reporting in euro. We prepare our accounts in euro. On June 30, 2004 the Noon Buying Rate for euros for cable transfers in U.S. dollars was 1.2179.

The following table sets forth, for the periods indicated, certain information regarding the Noon Buying Rate for the euro for the period 1999-2003. The term "Noon Buying Rate" means the noon buying rate in New York City for cable transfers into foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York:

	U.S. dollar per euro			
	Year end	**Average**	**High**	**Low**
Year				
1999	1.0070	1.0588	1.1812	1.0016
2000	0.9388	0.9207	1.0335	0.8270
2001	0.8901	0.8909	0.9535	0.8370
2002	1.0485	0.9495	1.0485	0.8594
2003	1.2597	1.1315	1.2597	1.0361

The average Noon Buying Rate for each year is calculated by using the average of the Noon Buying Rates on the last day of each month during the year.

In determining earnings originally stated in foreign currencies, Buhrmann used an average of daily exchange rates of the respective currency versus the euro. For the balance sheet, Buhrmann used the exchange rates of the last business day of the reported period. The following table shows the applicable rates used for such purposes for the periods indicated:

	Balance sheet as of December 31, 2001	**Income statement year ended December 31, 2001**
Australian dollar per euro	1.7270	1.7325
Canadian dollar per euro	1.4077	1.3868
British pound per euro	0.6080	0.6218
U.S. dollar per euro	0.8813	0.8955

	Balance sheet as of December 31, 2002	Income statement year ended December 31, 2002
Australian dollar per euro	1.8556	1.7365
Canadian dollar per euro	1.6550	1.4828
British pound per euro	0.6505	0.6287
U.S. dollar per euro	1.0487	0.9448

	Balance sheet as of December 31, 2003	Income statement year ended December 31, 2003
Australian dollar per euro	1.6802	1.7384
Canadian dollar per euro	1.6234	1.5821
British pound per euro	0.7048	0.6918
U.S. dollar per euro	1.2630	1.1307

	Balance sheet as of March 31, 2003	Income statement three months ended March 31, 2003
Australian dollar per euro	1.8076	1.8093
Canadian dollar per euro	1.6037	1.6199
British pound per euro	0.6896	0.6696
U.S. dollar per euro	1.0895	1.0730

	Balance sheet as of March 31, 2004	Income statement three months ended March 31, 2004
Australian dollar per euro	1.6052	1.6335
Canadian dollar per euro	1.5979	1.6493
British pound per euro	0.6659	0.6801
U.S. dollar per euro	1.2224	1.2507

The following table sets forth the high and low Noon Buying Rate for the euro of each of the monthly periods indicated (U.S. dollar per euro):

	High	Low
Month		
December 2003	1.2597	1.1956
January 2004	1.2853	1.2389
February 2004	1.2848	1.2426
March 2004	1.2431	1.2088
April 2004	1.2358	1.1802
May 2004	1.2274	1.1801
June 2004	1.2320	1.2006

As of June 30, 2004, the exchange rate of the euro to the U.S. dollar based on the Noon Buying Rate of the Federal Reserve Bank of New York was €1.00 = $1.2179.

USE OF PROCEEDS

This exchange offer is intended to satisfy certain of our obligations under the registration rights agreement dated July 1, 2004 by and among us, the guarantors party thereto, and the initial purchasers of the old notes. We will not receive any proceeds from the issuance of the exchange notes in the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive, in exchange, an equal number of old notes in like principal amount. We will retire or cancel all of the old notes tendered in the exchange offer.

On July 1, 2004, Buhrmann US Inc. issued and sold the old notes. Buhrmann US Inc. used the proceeds from the offering of the old notes, together with borrowings from the Senior Credit Facility and cash on hand, to fund payment of the principal amount of 2009 Notes tendered in the tender offer.

CAPITALIZATION

The following table gives an overview of our unaudited cash and cash equivalents and capitalization, in accordance with Dutch GAAP, as of March 31, 2004 on an actual basis and as adjusted to give effect to the offering of the old notes, the closing of the tender offer and the related financing transactions.

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

	As of March 31, 2004		
	Actual	As Adjusted(1)	As Adjusted(1)(2)
	(in millions)		
Cash and cash equivalents	€ 130	€ 73(3)	$ 90(3)
Total debt:			
Senior Credit Facility			
Term loan facilities	478(4)	580(5)	708(5)
Account receivables securitization	82	82	100
Other debt	62	62	76
Total senior debt	622	724	884
2009 Notes	286	38(6)	46(6)
Senior Subordinated Notes		123	150
Subordinated Convertible Bond	115	115	140
Total debt	€ 1,023	€ 1,000	$ 1,220
Shareholders funds:			
Preference Shares A(7)	173	173	211
Preference Shares C(8)	339	339	414
Ordinary shares(9)	1,005	1,005	1,226
Total shareholders funds	1,517	1,517	1,851
Total capitalization	€ 2,540	€ 2,517	$ 3,071

(1) Excludes the payment of accrued interest to but excluding the settlement of the tender offer of approximately $6 million.

(2) Certain euro amounts have been translated into U.S. dollars at the Noon Buying Rate at March 31, 2004 of $1.22 to the euro.

(3) As of June 30, 2004, the close of the tender offer, approximately 87% of the 2009 Notes were tendered. Cash and cash equivalents as adjusted may be used to defease, redeem or purchase in the open market any 2009 Notes which remain outstanding.

(4) Term loan borrowings under the Senior Credit Facility were comprised of a Term Loan A in an amount of €118 million and a Term Loan B in an amount of €360 million. For a detailed description of the Senior Credit Facility, see "Description of Certain Indebtedness The Senior Credit Facility."

(5) Term loan borrowings under the Senior Credit Facility are comprised of a Term Loan A in an amount of €118 million ($144 million) and a Term Loan C in an amount of €462 million ($564 million).

For a detailed description of the Senior Credit Facility, see "Description of Certain Indebtedness The Senior Credit Facility."

(6) As of June 30, 2004, the close of the tender offer, approximately 13%, or €38 million ($46 million), of the 2009 Notes had not been tendered.

(7) Based on 53,281,979 Preference Shares A with a price of €3.25 as of March 31, 2004.

(8) Based on 41,396 Preference Shares C with a nominal value of $10,000.

(9) Based on 136,691,918 Ordinary Shares with a price of €7.35 as of March 31, 2004.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present selected consolidated financial data for Buhrmann as of and for the years ended December 31, 1999, 2000, 2001, 2002 and 2003, as of and for the three months ended March 31, 2003 and 2004 and as of and for the twelve months ended March 31, 2004. The selected consolidated financial data should be read in conjunction with our consolidated financial statements and the notes thereto and the unaudited condensed consolidated financial statements included elsewhere in this prospectus. The selected financial data set forth below is presented in accordance with Dutch GAAP, and where specified, in accordance with U.S. GAAP. For a discussion of the material differences between Dutch GAAP and U.S. GAAP, as applicable to Buhrmann, please see and Note 34 to our consolidated financial statements. Additionally, please see "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Major Events" and " Acquisitions and Divestments" for a description of major events and significant acquisitions or divestments that may affect the comparability of the results of operations presented below.

We note that under Dutch GAAP as from January 1, 2002, the results from discontinued operations are included in operating results until the date the operations are actually sold (prior to 2002 such results were included until the moment the divestment decision was made) whereas under U.S. GAAP, the results from discontinued operations are presented separately from continuing operations. Accordingly, under U.S. GAAP the consolidated statements of income for previous years are restated for discontinuance of an operation. The Paper Merchanting Division (which was sold with effect from October 31, 2003) and the Information Systems Division (which was deconsolidated as from July 1, 1999 as a result of the decision to sell the business) qualify as discontinued operations.

	Year ended December 31,						Three months ended March 31,	
	1999	2000	2001	2002	2003	2003[1]	2003	2004
	(in millions) (audited)						(in millions) (unaudited)	
Statement of Income Data:								
Amounts in accordance with Dutch GAAP								
Net sales	€ 5,834	€ 9,603	€ 10,408	€ 9,948	€ 8,053	$ 10,170	€ 2,154	€ 1,348
Added value	1,258	2,341	2,396	2,253	1,854	2,341	502	367
Impairment of Goodwill				(573)	(53)	(67)		
Operating result	199	491	341	(301)	171	216	94	40
Result from operations before taxes	150	270	131	(500)	(86)	(109)	47	20
Total taxes on result from operations	(32)	(55)	(24)	(18)	68	86	33	(2)
Total results from participations and other financial results	21	5	(3)	16	(102)	(129)	0	0
Total minority interests	(1)	(9)	(9)	(12)	(12)	(15)	(2)	(3)
Net result from operations	138	211	95	(514)	(132)	(167)	78	15
Extraordinary result (after tax)	(55)	10	(40)	(74)			0	0
Net result	€ 83	€ 221	€ 55	€ (588)	€ (132)	$ (167)	€ 78	€ 15
Amounts in accordance with U.S. GAAP								
Net sales[2]	€ 2,874	€ 6,581	€ 7,310	€ 6,967	€ 5,840	$ 7,376		
Operating result[2]	69	250	116	(718)	182	231		
Result from continuing operations[2]	162	57	13	(849)	(59)	(75)		
Discontinued operations[2]	(133)	30	22	(92)	(249)	(314)		
Net result before cumulative effect of change in accounting principles[2]	25	87	35	(941)	(308)	(389)		
Cumulative effect of change in accounting principles (after tax)[2]					(29)	(37)		
Net result[2]	€ 25	€ 87	€ 35	€ (941)	€ (337)	$ (426)		

Balance Sheet Data (at period end):								
Amounts in accordance with Dutch GAAP								
Working capital	€ 995	€ 1,366	€ 1,231	€ 1,103	€ 456	$ 596	€ 1,097	€ 535
Total assets	5,508	6,418	7,117	5,409	3,677	4,644	5,150	3,644
Long-term debt	1,898	2,070	2,059	1,678	949	1,199	1,620	970
Group equity	1,543	1,948	2,671	1,811	1,484	1,874	1,853	1,550
Amounts in accordance with U.S. GAAP								
Total assets(2)	€ 6,130	€ 7,127	€ 7,701	€ 5,607	€ 3,791	$ 4,788		
Long-term debt	1,898	2,070	2,059	1,678	949	1,199		
Group equity(2)	2,374	2,513	3,157	1,910	1,504	$ 1,899		
Other Data:								
Amounts derived from Dutch GAAP								
EBITDA(3)	€ 204	€ 672	€ 439	€ (216)	€ 213	$ 270	€ 133	€ 68
Net financing costs	(49)	(221)	(210)	(199)	(161)	(194)	(47)	(20)
Net investments in tangible fixed assets and internally used software	(80)	(122)	(127)	(107)	(79)	(99)	(18)	(15)
Ratio of earnings to fixed charges(4)	1.34x	1.85x	1.06x		0.18x	0.18x	1.60x	1.32x
Amounts derived from U.S. GAAP								
EBITDA(3)			€ 398	€ (621)	€ 37	$ 46		
Net financing costs			(200)	(203)	(262)	(331)		
Net investments in tangible fixed assets and internally used software			(127)	(107)	(79)	(99)		
Ratio of earnings to fixed charges(4)	1.83x	1.04x	0.74x		0.69x	0.69x		

(1) Certain euro amounts have been translated into United States dollars at the rate at December 31, 2003 of €0.7918 to the United States dollar. Such translations should not be construed as a representation that the euro amounts represent, or have been or could be converted into, United States dollars at that or any other rate.

(2) Several U.S. GAAP adjustments have been made to operating result under Dutch GAAP to comply with U.S. GAAP. These adjustments have been made to recognize discontinuance of certain operations, goodwill on acquisitions that was previously written off to equity, to adjust goodwill for restructuring and integration provisions that did not qualify under U.S. GAAP, to reverse those restructuring and integration provisions and other provisions not allowed under U.S. GAAP, to amortize intangible assets, to write-off capitalized software, to add extraordinary items to operating income, to record derivative instruments at fair value, to recognize additional pension assets, to reverse revenue deferred under U.S. GAAP, to reverse write-off of financing fees, to, as of 2002, reverse amortization and adjust impairment of goodwill and as of 2003 defer revenue from catalogue contributions. The extraordinary items classified as such under Dutch GAAP until 2002 mainly consist of provisions for restructuring and integration costs, losses on the sale of businesses, a provision for excess costs that will be incurred on a software development project and a repayment from the Buhrmann pension fund. Under U.S. GAAP these items did not qualify to be classified as extraordinary.

Several U.S. GAAP adjustments have been made to total assets under Dutch GAAP to comply with U.S. GAAP. These adjustments have been made to recognize goodwill on acquisitions that was written off to equity under Dutch GAAP, to adjust goodwill for restructuring and integration provisions not allowed under U.S. GAAP, to recognize intangible assets, to expense software costs which do not qualify for capitalization under U.S. GAAP, to recognize the gain (loss) on available-for-sale securities, to recognize deferred tax assets under U.S. GAAP, to recognize additional pension assets, to reverse write-off of financing fees, as of 2002 to reverse amortization and adjust impairment of goodwill and as of 2003 to defer revenue from catalogue contributions.

(3) We define "EBITDA" as "net result before interest, taxes, depreciation of tangible fixed assets and internally used software and before amortization of goodwill." This is a non-GAAP financial measure for which the most directly comparable GAAP financial measure is "net result." In the past we defined EBITDA as operating result before depreciation of tangible fixed assets and internally used software and amortization and impairment of goodwill. Accordingly, our presentation of EBITDA in past disclosure documents cannot be compared to our presentation of EBITDA in this prospectus.

Buhrmann evaluates its operating performance based on several factors, including its primary financial measure of EBITDA. Buhrmann believes EBITDA to be an important indicator of the operational strength and performance of its business, including the ability to generate cash and to repay long-term debt. For a discussion of the reasons we use EBITDA to evaluation our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures EBITDA." For a discussion of the limitations of EBITDA, see "Non-GAAP Financial Measures."

The reconciliation between the Dutch GAAP measure of "net result" and the non-GAAP financial measure "EBITDA" is as follows (based on Dutch GAAP):

	Year ended December 31,				Three months ended March 31,	
	2001	2002	2003	2003(1)	2003	2004
	(in millions)					
Net result	€ 55	€ (588)	€ (132)	$ (167)	€ 78	€ 15
Interest and other financing costs	210	199	257	325	47	20
Taxes	(2)	(11)	(68)	(85)	(33)	2
Depreciation of tangible fixed assets and internally used software	109	114	104	132	28	20
Amortization of goodwill	67	70	52	65	13	11
EBITDA	€ 439	€ (216)	€ 213	$ 270	€ 133	€ 68

The reconciliation between the U.S. GAAP measure of "net result" and the non-GAAP financial measure "EBITDA" is as follows (based on U.S. GAAP):

	Year ended December 31,			
	2001	2002	2003	2003(1)
	(in millions)			
Net result	€ 35	€ (941)	€ (337)	$ (426)
Interest and other financing costs	200	203	262	331
Taxes	(30)	(4)	1	2
Depreciation of tangible fixed assets and internally used software	111	115	105	132
Amortization of goodwill	82	6	6	7
EBITDA	€ 398	€ (621)	€ 37	$ 46

(4) The calculation of the ratio of earnings to fixed charges is set forth in an exhibit to the registration statement relating to this prospectus. Under Dutch GAAP, earnings were insufficient to cover fixed charges for the year ended December 31, 2002 by €632 million, and for the year ended December 31, 2003 by €226 million. Under US GAAP, earnings were insufficient to cover fixed charges for the years ended December 31, 2001, 2002 and 2003 by €63 million, €894 million and €79 million, respectively.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma financial information of Buhrmann has been derived by the application of pro forma adjustments to the historical consolidated financial statements and condensed consolidated financial statements of Buhrmann included elsewhere in this prospectus. The pro forma financial data set forth below is presented in accordance with Dutch GAAP. For a discussion of the material differences between Dutch GAAP and U.S. GAAP, as applicable to Buhrmann, please see Note 34 to our consolidated financial statements included elsewhere in this prospectus.

The pro forma financial information included below reflects adjustments to give effect to the following transactions:

- the sale of the Paper Merchanting Division (which was sold with effect from October 31, 2003) and the related repayment of a portion of our outstanding debt with the proceeds of the disposition;

- the refinancing of our old senior credit facility with the Senior Credit Facility and the issuance of the Convertible Subordinated Bond due 2010 in December 2003;

- the issuance and sale of the old notes, an increase in borrowings under the Senior Credit Facility through the issuance of a Term Loan C and repayment of the Term Loan B, and the repayment, in June 2004, of the $12^1/_4$% senior subordinated notes due 2009.

The unaudited pro forma condensed consolidated statements of income for the three-month period ended March 31, 2004 and the year ended December 31, 2003 give pro forma effect to, where applicable, the above transactions as if they had occurred as of January 1, 2003. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2004 gives pro forma effect to, where applicable, the above transactions as if they had occurred as of March 31, 2004.

The pro forma financial data is for informational purposes only and should not be considered indicative of actual results that would have been achieved had the transactions actually been consummated on the dates indicated and do not purport to be indicative of results of operations as of any future date or for any future period. The following data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and condensed consolidated financial statements and related notes thereto included elsewhere in this prospectus.

Unaudited Pro Forma Condensed Consolidated Statement of Income for the three months ended March 31, 2004

Amounts in accordance with Dutch GAAP:	Historical	Issuance of Notes and Term Loan C and repayment of 2009 Notes and Term Loan B	Pro Forma
		(in millions of euro)	
Net sales	1,348		1,348
Costs of sales	(981)		(981)
Added value	367		367
Labor and other operating costs	(296)		(296)
Depreciation of tangible fixed assets and software	(20)		(20)
Amortization of goodwill	(11)		(11)
Operating result	40		40
Total financing costs	(20)	4(1)	(16)
Result from operations before taxes	20	4	24
Total taxes	(2)	(2)(2)	(4)
Total results from participations and other financial results	(3)		(3)
Net result	15	2	17
Weighted average number of ordinary shares outstanding (in thousands)	136,166		136,166
Net result per ordinary share, basic and fully diluted	0.04		0.05

(1) Reflects interest on the Notes of $3 million (€3 million) and Term Loan C of $1 million (€1 million) and a reduction of interest on the 2009 Notes of $9 million (€8 million) based on approximately 87% of the 2009 Notes having been tendered as of June 30, 2004, the close of the tender offer.

(2) Comprises taxes on adjustment of total financing costs at the statutory tax rates in the countries in which these costs are tax deductible.

Unaudited Pro Forma Condensed Consolidated Statement of Income for the year ended December 31, 2003

Amounts in accordance with Dutch GAAP:	Historical	Sale of Paper Merchanting Division and related debt payments(1)	Issuance of Senior Credit Facility and Subordinated Convertible Bond due 2010	Issuance of Notes and Term Loan C and repayment of 2009 Notes and Term Loan B	Pro Forma
			(in millions of euro)		
Net sales	8,053	(2,266)			5,787
Costs of sales	(6,199)	1,907			(4,292)
Added value	1,854	(359)			1,495
Labor and other operating costs	(1,474)	284			(1,190)
Depreciation of tangible fixed assets and software	(104)	17			(87)
Amortization of goodwill	(52)	3			(49)
Impairment of goodwill	(53)	0			(53)
Operating result	171	(55)			116
Total financing costs	(257)	113(2)	34(4)	17(5)	(93)
Result from operations before taxes	(86)	58	34	17	23
Total taxes	68	(20)(3)	(12)(6)	(7)(6)	29
Total results from participations and other financial results	(102)	112			10
Total minority interests	(12)	0			(12)
Net result	(132)	150	22	10	50
Weighted average number of ordinary shares outstanding (in thousands)	134,653				134,653
Net result per ordinary share, basic and fully diluted	(1.23)				0.13

(1) Under Dutch GAAP, the results and cash flows from a discontinued operation are included in operating results and cash flows until the date the operations are actually sold. These adjustments, except for the adjustments described in (2) and (3) below, eliminate the results of the Paper Merchanting Division from the historical net result and the result on the sale of this Division.

(2) Reflects adjustments to record the impact of the repayment of the Term Loans A and B and Medium Term Notes denominated in British Pound Sterling with the proceeds from the sale of the Paper Merchanting Division, including a reduction in interest expense of €46 million, a reduction in amortization and impairment of capitalized financing fees of €27 million and the elimination of €40 million of the loss on settlement of interest rate swaps that were settled as a result of the debt repayment.

(3) Comprises taxes on adjustments of total financing costs at the statutory tax rates in the countries in which these costs are tax deductible and taxes on result from operations of the Paper Merchanting Division which are calculated as if the companies of the Division were separated into separate fiscal entities.

(4) Reflects adjustments for a reduction in interest expense of €2 million, a reduction in amortization and impairment of capitalized financing fees of €31 million and advisory fees of €4 million related to the refinancing of our old senior credit facility and increased interest expense of €2 million and amortization of capitalized financing fees of €1 million related to the Subordinated Convertible Bond due 2010.

(5)

Reflects adjustments for a reduction in interest expense of €1 million related to the issuances of a Term Loan C and repayment of the Term Loan B and a reduction in interest expense of €15 million and a decrease in amortization of capitalized financing fees of €1 million related to the issuance of the Notes and repayment of the 2009 Notes. The

adjustments for the 2009 Notes are based on approximately 87% of the 2009 Notes tendered as of June 30, 2004, the close of the tender offer.

(6) Comprises taxes on adjustment of total financing costs at the statutory tax rates in the countries in which these costs are tax deductible.

The calculation of pro forma result from continuing operations under US GAAP is as follows (unaudited):

	Year ended December 31, 2003
	(in millions of euro)
Pro forma net result under Dutch GAAP	50
Adjustments to reconcile to US GAAP(1):	
Goodwill amortization(2)	49
Goodwill impairment	4
Intangible fixed assets amortization	(6)
Restructuring and integration provisions(2)	(9)
Derivatives(3)	4
Pensions(2)	11
Financing fees(4)	2
Revenue recognition	12
Catalogue contributions	5
Deferred taxes(2)(5)	(93)
Pro forma result from continuing operations under US GAAP	29

(1) For a discussion of the adjustments to reconcile to US GAAP, please see Note 34 to our consolidated financial statements included elsewhere in this prospectus.

(2) Excludes the Paper Merchanting Division, see Note 34 to our consolidated financial statements included elsewhere in this prospectus, for the extent to which the adjustments to reconcile to US GAAP relate to the Paper Merchanting Division.

(3) Excludes a gain of €3 million for the difference between Dutch GAAP and US GAAP in the cost of settlement of interest rate swaps that were settled as a result of debt repayments with the proceeds from the sale of the Paper Merchanting Division.

(4) Reflects the lower amount of amortization of financing fees as certain fees amounting to €12 million relating to the Senior Credit Facility are capitalized under Dutch GAAP and expensed under US GAAP.

(5) Includes the tax effect on the difference in the cost of settlement of interest rate swaps (€1 million gain) and on the fees relating to the Senior Credit Facility which were expensed under US GAAP (€5 million loss).

Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2004

Amounts in accordance with Dutch GAAP:	**Historical**	**Issuance of Notes and Term Loan C and repayment of 2009 Notes and Term Loan B**	**Pro Forma**
		(in millions of euro)	
Fixed assets	2,229	4[1]	2,233
Current assets:			
Inventories of trade goods	404		404
Trade receivables	711		711
Other receivables	170		170
Cash	130	(57)[2]	73
Total assets	3,644	(53)	3,591
Group equity			
Shareholders' equity	1,500	(28)[3]	1,472
Minority interests	50		50
	1,550	(28)	1,522
Provisions	279		279
Long-term liabilities	970	(25)[2]	945
Current liabilities:			
Loans and bank overdrafts	53		53
Accounts payable	500		500
Other liabilities	292		292
Total group equity, provisions and liabilities	3,644	(53)	3,591

(1) Comprises the estimated financing fees of $10 million (€8 million) for the Notes less impairment of financing fees of $5 million (€4 million) for the 2009 Notes, based on approximately 87% of the 2009 Notes having been tendered as of June 30, 2004, the close of the tender offer.

(2) Reflects the repayment of 2009 Notes of $304 million (€249 million) and issuance of Notes of $149 million (€122 million) and Term Loan C of $125 million (€102 million). Cash balance also reflects the tender premium of $29 million (€24 million) and estimated financing fees of $10 million (€8 million). The adjustments for the 2009 Notes are based on approximately 87% of the 2009 Notes having been tendered as of June 30, 2004, the close of the tender offer.

(3) Comprises the tender premium of $29 million (€24 million) and impairment of financing fees of $5 million (€4 million) for the 2009 Notes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in this section should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and the Notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements. Our actual results may differ materially from those contemplated in the forward-looking statements. Forward looking statements involve a number of risks, uncertainties and assumptions, and include trend information and other factors that could cause actual results to differ materially, including, but not limited to those set forth under the section entitled "Risk Factors."

General

The following discussion and analysis of our results of operations and financial condition, which should be read together with our consolidated financial statements and the Notes thereto appearing elsewhere in this document, is organized as follows:

Overview. This section provides a brief summary of Buhrmann's results of operations with respect to certain key operating performance measures for the years ended December 31, 2003, 2002 and 2001.

Use of Non-GAAP Financial Measures. This section discusses the presentation and use by the Company of certain non-GAAP financial measures in this prospectus and provides an explanation of why we believe each of these non-GAAP financial measures provides useful information regarding the Company's financial condition and results of operations.

Critical Accounting Policies. This section provides a discussion of certain accounting estimates and assumptions involved in the application of Dutch GAAP and U.S. GAAP that may have a material impact on our reported financial condition and operating performance, and on the comparability of this information over different periods.

Major Events and Acquisitions and Divestments. These sections provide a brief description of major events and significant acquisitions or divestments that may impact the comparability of the results of operations being analyzed.

Results of Operations. This section provides an analysis of Buhrmann's results of operations for the three months ended March 31, 2004 as compared to the three months ended March 31, 2003, an analysis of results of operations for the year ended December 31, 2003 as compared to the year ended December 31, 2002 and an analysis of results of operations for the year ended December 31, 2002 as compared to the year ended December 31, 2001. The analysis in this section is presented on a consolidated and on a segment basis.

Liquidity and Capital Resources. This section provides an analysis of Buhrmann's financial condition and cash flows as of and for the year ended December 31, 2003, and includes a discussion of our off-balance sheet arrangements, contingent liabilities and contractual obligations.

New Accounting Pronouncements. This section provides a brief analysis of new accounting changes for Buhrmann which might have an impact on results of operations, financial position and cash flows from January 1, 2004.

Our consolidated financial statements have been prepared in accordance with Dutch GAAP, which, in certain significant aspects, differ from U.S. GAAP. For a discussion of the principal differences between Dutch GAAP and U.S. GAAP, as they relate to us, and a reconciliation of net result and group equity from Dutch GAAP to U.S. GAAP, please see Note 34 to our consolidated financial statements included elsewhere in this prospectus.

Overview

We believe Buhrmann is one of the world's leading suppliers of office products to businesses and institutions in North America, Europe, Australia and New Zealand, based on revenue. Our Office Products business is comprised of three divisions: North America, Europe and Australia. For reporting purposes, the Office Products Europe and Office Products Australia Divisions are combined. The Office Products Divisions combined represented 94% of Buhrmann's total sales in 2003, excluding the divested Paper Merchanting Division.

In addition, we believe Buhrmann is a leading supplier of graphic equipment and related services, supplies and spare parts to commercial printers in six European countries, based on revenue. Our Graphic Systems Division sells, maintains and services graphic equipment. For related services it holds over 40,000 stock items in six warehouses in Europe. The Graphic Systems Division represented 6% of Buhrmann's total sales in 2003, excluding the divested Paper Merchanting Division.

On October 31, 2003, Buhrmann completed the sale of its Paper Merchanting Division. Buhrmann's Paper Merchanting Division was a distributor of paper and related products to the graphic, office and display markets.

Use of Non-Gaap Financial Measures

Our non-GAAP financial measures should be considered in addition to, and not as a substitute for or as a superior measure to, measures of financial performance reported in our primary financial statements. Where we discuss non-GAAP financial measures, the most directly comparable GAAP figures have been presented together with a reconciliation of the GAAP and non-GAAP figures. Below is an explanation of why we believe each of the non-GAAP financial measures used in this prospectus provides useful information regarding our financial condition and results of operations. Our financial statements are presented in this prospectus beginning on page F-1.

EBITDA

We define "EBITDA" as "net results before interest, taxes, depreciation of tangible fixed assets and internally used software and before amortization of goodwill." This is a non-GAAP financial measure for which the most directly comparable GAAP financial measure is "net result." We present EBITDA because we consider it, and we believe that our equity investors and lenders consider it, to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. In the past we defined EBITDA as operating result before depreciation of tangible fixed assets and internally used software and before amortization and impairment of goodwill. Accordingly, our presentation of EBITDA in past disclosure documents cannot be compared to our presentation of EBITDA in this prospectus.

Buhrmann evaluates its operating performance based on several factors, including its primary financial measure of EBITDA. EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, Dutch GAAP or U.S. GAAP. EBITDA is not a measure of our financial performance under Dutch GAAP or U.S. GAAP and should not be considered as an alternative to net result, operating result or any other performance measures derived in accordance with Dutch GAAP or U.S. GAAP or as an alternative to cash flow from operating activities as a measure of our operating liquidity.

In addition, we believe that the presentation of "EBITDA" as a financial measure provides useful information because it excludes the inconsistent impact of amortization of goodwill on operating result across the Company's Divisions. Prior to January 1, 1997, under Dutch GAAP, goodwill was written-off directly to shareholders' equity. This means that no amortization or impairment expense is recorded for goodwill on acquisitions which were made prior to January 1, 1997.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under Dutch GAAP or U.S. GAAP. For a discussion of the limitations of EBITDA, see "Non-GAAP Financial Measures EBITDA."

The reconciliation between the Dutch GAAP measure of "net result" and the non-GAAP financial measure "EBITDA" is as follows (based on Dutch GAAP):

	Year ended December 31,		
	2003	2002	2001
	(in millions)		
Net result	€ (132)	€ (588)	€ 55
Interest and other financing costs	257	199	210
Taxes	(68)	(11)	(2)
Depreciation of tangible fixed assets and internally used software	104	114	109
Amortization of goodwill	52	70	67
EBITDA	€ 213	€ (216)	€ 439

Constant exchange rates

We present our results in euro. Results of subsidiaries denominated in currencies other than the euro are translated into euro at an average exchange rate for the period. In our operating and financial review and prospects we include discussions on the performance of our business based on constant exchange rates. We use constant exchange rate analysis to give a year-on-year measure of change which excludes the effect of fluctuations in currency exchange rates because fluctuations in currency exchange rates are outside of our control and may distort our underlying performance and result.

Changes of results at constant rates as disclosed elsewhere in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are calculated by translation of prior year results into euro at a current year average exchange rate.

Changes of results at constant rates can be materially different to changes based on our reported results because prior year average exchange rates can be significantly different from current year average exchange rates.

"Organic" Analysis

The "organic" analysis presented in this prospectus eliminates all factors that disturb a like-for-like comparison in our relevant business Divisions. These factors include such items as currency exchange rate movements, acquisitions, divestitures, variations in the number of working days, and with respect to our Office Products North America Division, the change to a commission-based model at our subsidiary ASAP Software Inc. We use "organic" analysis, in conjunction with constant exchange rates to give a measure of the underlying growth year-on-year. The factors mentioned above can have a significant impact on a Division's reported results. Their exclusion provides a useful insight into the underlying performance of the Division and enables us to monitor the performance of both the underlying businesses and acquired businesses. Organic performance can be materially different to the Division's reported performance. In each instance where we present organic results, we also present a table which illustrates the basis on which the result is derived and a reconciliation to the nearest comparable GAAP measure.

Critical Accounting Policies

The preparation of financial statements in accordance with Dutch GAAP and U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Buhrmann bases its estimates on historical experience which are evaluated on an on-going basis. If actual amounts or estimates are different than previously estimated, the revisions are included in the Company's results for the period in which the revised amounts become known. Buhrmann believes that the accounting policies that are most critical in determining the presentation of the financial condition and which require subjective or complex judgments from management, are the following:

- impairment and amortization of goodwill.
- other receivables in respect of rebates from suppliers.
- provisions for restructuring and integration.
- provisions for legal proceedings.
- pensions.
- taxation in respect of deferred taxes.
- currency translation and exchange differences on loans and currency swaps.

Buhrmann's accounting policies, including the aforementioned critical accounting policies, are discussed in the notes to the consolidated financial statements included elsewhere in this prospectus, including Note 34, which also discusses the differences between Dutch GAAP and U.S. GAAP.

Impairment of goodwill

Goodwill is tested for impairment at least once annually or more frequently if changes in circumstances indicate that an impairment may have occurred. Under the impairment test under Dutch GAAP, the fair value of the cash-generating unit that contains the goodwill is compared to its book value, including the goodwill. Under Dutch GAAP, any excess of book value over fair value is recorded as an impairment of goodwill, if the impairment is expected to be permanent. The fair value of the cash-generating unit is calculated based on discounted future cash flows and residual values. Under U.S. GAAP, a two-step process is performed to analyze whether or not goodwill has been impaired. Step one is to test for potential impairment, and requires that the fair value of the reporting unit be compared to its book value including goodwill. The fair value of the reporting unit is calculated based on discounted future cash flows and residual values as under Dutch GAAP. If the fair value is higher than the book value, no impairment is recognized. If the fair value is lower than the book value, a second step is performed. The second step is to measure the amount of impairment loss, if any, and requires that assets and liabilities, including unrecognized intangible assets such as customer and supplier relationships and brand names, be assigned fair values in a hypothetical purchase price allocation to determine the implied fair value of goodwill. This fair value is then compared to the carrying value of goodwill. If the implied fair value is lower than the carrying value, an impairment must be recorded for the difference.

In 2003, Buhrmann recorded an impairment charge on goodwill of €53 million under Dutch GAAP and €49 million under U.S. GAAP. In 2002, an impairment charge of €573 million under Dutch GAAP and €1,012 million under U.S. GAAP was recorded. Our judgment relating to the fair value of assets and liabilities, including unrecognized intangible assets, is affected by such factors as assumed economic conditions and expectations about our markets and our operating performance. These factors may change over time and may cause the Company to record additional impairment charges which may adversely impact operating result and net result. Also the fair value and hence the impairment charge is sensitive to the discount rate chosen. The discount rate is derived from the estimated weighted cost of capital, reflecting the risks inherent to our business and a normative financing profile. A 0.5% higher discount rate would have resulted in an approximately €14 million higher impairment under both Dutch GAAP and U.S. GAAP in 2003 and €160 million in 2002. Conversely, a 0.5% lower discount rate would have resulted in an approximately €16 million lower impairment charge under both Dutch GAAP and U.S. GAAP in 2003 and €180 million in 2002. As almost the full amount of the impairment charge is not tax deductible, the higher or lower amount of impairment would impact net result almost fully.

Amortization of goodwill

Under Dutch GAAP, goodwill is amortized over the expected economic life of the asset. The assessment of the economic life of an asset is based on the consideration that a permanent advantage is being realized. Consequently, Buhrmann applies the maximum amortization period of 40 years as allowed under Dutch GAAP. The table below demonstrates the increase in the amortization charge in the event that the economic life of the asset is less than originally assessed by showing the amount by which the amortization charge of €52 million in 2003 would be increased (amounts in millions of euro):

Revised economic life:	**Increase in amortization charge (annualized):**
30 years	69
20 years	103
10 years	207

As almost the full amount of this amortization charge is not tax deductible, the above additional charges would impact net result almost fully.

Other receivables in respect of rebates from suppliers

Buhrmann 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 Buhrmann's 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 Buhrmann accrues volume-based rebates on the basis of prudently estimated purchased volumes for the rebate period. Rebates received or accrued relating to goods not yet sold are deducted from the value of the related inventories. These inventory related rebates are recognized as income in the period when the relevant inventories are sold to third parties.

Catalogue contributions from suppliers are usually settled in arrears and are based on the number of pages dedicated to the products of a supplier in a catalogue or on purchased volumes from a catalogue. Before January 1, 2003, catalogue contributions were recognized as income over the life of the related catalogue both under U.S. GAAP and Dutch GAAP. As of January 1, 2003, for U.S. GAAP purposes only, Buhrmann adopted a policy of treating all catalogue contributions as a reduction of purchase cost in accordance with Emerging Issues Task Force (EITF) Issue No. 02-16, "Accounting by a Reseller for Cash Consideration Received from a Vendor." This means that under U.S. GAAP, as of January 1, 2003, a portion of the catalogue contributions will be deferred in inventory and will be recognized as a reduction of cost of sales when the products are sold, similar to the practice for volume-related rebates. The allocation to purchase costs of catalogue contributions that are based on the number of pages in a catalogue is based on an implied relationship with purchases of products, as they are not related to volumes. The designation of an implied relationship requires certain subjective judgments from management.

Contract-based rebates are recorded as income evenly over the life of the contract, unless it qualifies as compensation for costs incurred in relation to the changing of a specific supply arrangement.

Provisions for collection risk are recorded up to recoverable value only if specific events indicate that collection of the rebates is less certain due to a credit event at the supplier or a dispute on the actual rebate amount accrued.

Actual rebates received and the allocation to purchase costs could be different than originally assessed which could impact operating result and net result.

Provisions for restructuring and integration

Buhrmann records provisions for restructuring and integration relating to cost saving restructuring measures and the integration of acquired businesses. These provisions are based on Buhrmann's 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

Buhrmann is involved in various legal and regulatory proceedings arising in the normal course of its business. Buhrmann accrues for the estimated probable costs to resolve these proceedings if a reasonable estimate can be made of the outcome of which the incurrence is judged to be probable. 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.

Pensions

Buhrmann's operating companies in Europe 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 Buhrmann makes contributions.

Under Dutch GAAP, these pension funds are not included in the consolidated financial statements. The periodically paid contributions to these pension funds are expensed when incurred. In case the Company is obligated to make additional contributions to the pension plans in order to meet minimum funding levels, as required by local law or specific arrangements, an accrual is recorded. The funding levels are based on, among other things, actuarial assumptions, estimated returns and the market value of the pension funds' assets. Actual circumstances could change the impact of these assumptions which could result in additional contributions which could have an adverse affect on Buhrmann's operating result and net result.

Under U.S. GAAP, the Company accounts for pensions in accordance with SFAS No. 87 under which pension expense and related plan assets and benefit obligations are based on a specific methodology that reflects the concepts of accrual accounting. SFAS No. 87 requires re-adjustment of the significant actuarial assumptions annually to reflect current market and economic conditions. Amounts are reflected in the income statement systematically over the service lives of the employees covered by the plan. Amounts expensed are typically different from amounts funded. Application of SFAS No. 87 requires that management makes use of assumptions regarding discount rate, expected return on plan assets and rates of compensation, state pension and pension increases in assessing plan assets and benefit obligations. Actual circumstances could change the impact of these assumptions giving rise to different plan assets and benefit obligations, reflected as additional income or expense which could have an affect on Buhrmann's operating result and net result.

Taxation in respect of deferred taxes

Buhrmann 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 fiscal purposes, deferred tax assets and deferred tax liabilities are recognized. Buhrmann records valuation allowances to reduce deferred tax assets to the amount the deferred tax assets are likely to be realized. In determining these valuation allowances and deferred tax liabilities, Buhrmann's assessment of future taxable income, tax planning strategies and the possibility that prior year tax returns will be challenged by the tax authorities, are factors taken into account. These factors are determined in consultation with in-house and outside tax experts. If actual future taxable income is different than originally assessed, if tax planning strategies fail to materialize or if the possibility that prior year tax returns will be challenged turn out to be different than originally assessed, the valuation allowances on deferred tax assets and the deferred tax liabilities may have to be adjusted which may have an affect on Buhrmann's reported tax expense and net result in future years.

Currency translation and exchange differences on loans and currency swaps

Translation and exchange differences on loans and currency swaps are recorded in income except if they relate to inter-company loans extended by a Group company (including the parent) to another Group company insofar as these loans are designated as permanently invested, in which case differences are recorded directly in shareholders' equity. Translation differences on loans extended by third parties and currency swaps concluded with third parties, which are designated as, and effective as, economic hedges of net investments (equity investments or permanently invested loans) in a foreign Group company are also recorded directly in shareholders' equity.

The designation of loans as permanently invested requires certain subjective judgments from management as to, among other things, the intended renewal of loans at maturity and hedge effectiveness.

Major Events

The following events substantially affected our results of operations for the periods presented and our Consolidated Financial Statements for 2003, 2002 and 2001 and should be considered in light of these events:

2003

In February, an indemnity payment of €79 million was received which resulted in an exceptional net profit of approximately €58 million.

On October 31, 2003 the sale of the Paper Merchanting Division was completed which resulted in an exceptional loss after tax of €167 million, which includes related costs of impairment of financing fees and settlement of interest rate swaps. This sale resulted in a net cash inflow of €637 million.

In December, the then existing senior credit facility was repaid and replaced by the Senior Credit Facility and the issuance of the €115 million Subordinated Convertible Bond.

In December, an impairment charge on goodwill for Office Products Europe of €53 million was recorded.

The U.S. dollar continued to weaken against the euro with the year-end exchange rate 20% lower, and the average exchange rate 20% lower as compared to 2002.

2002

In December, extraordinary charges of €111 million before tax were taken for restructuring plans which include further reductions in the workforce and write-offs of redundant IT systems and distribution facilities.

In December, an impairment charge on goodwill of €573 million was recorded.

The year-end exchange rate of the U.S. dollar against the euro was 19% lower and the average exchange rate was 6% lower as compared to 2001.

2001

In March, Buhrmann raised €665 million, net of expenses, through an issue of Ordinary Shares. The share issue was primarily done in order to fund the acquisition of the office supplies division of Samas Groep NV and the assets of the North American office products business of US Office Products Company (USOP).

In April, the office supplies division of Samas was acquired for a debt-free price of €321 million in cash. This acquisition resulted in a final goodwill amount of €290 million.

In May, Corporate Express, Inc. acquired the assets of USOP's North American office products business. The purchase price for the USOP business was $172 million (€193 million) in cash. This acquisition resulted in a final goodwill amount of $151 million (€144 million).

In May, extraordinary expenses of €86 million before tax were recorded in connection with cost reduction measures, including a reduction in the work force principally in North America and in Europe, and for expenses relating to the integration of the acquired businesses of Samas and USOP.

Acquisitions and Divestments

Buhrmann made major acquisitions and divestments which affect the comparability of its results of operations over the three year period ending December 31, 2003.

Acquisitions

In April 2001, Buhrmann acquired the office supplies division of Samas and in May 2001 Buhrmann acquired the North American office products activities of USOP. In 2003 and 2002, no major acquisitions were made.

Buhrmann has realized operating efficiencies as a result of the integration of the acquired Samas and USOP businesses which was completed in the course of 2002. The operating efficiencies connected with these integrations relate to favourable sourcing capabilities and scale-of-operation efficiencies, such as the consolidation of warehouses and distribution facilities. In 2003, 2002 and 2001 a number of smaller acquisitions were made mainly in the Office Products Australia Division.

In 2003, total spending on acquisitions amounted to €10 million, in 2002 €10 million and in 2001 €535 million, excluding assumption of debt.

The following table lists per division substantially all of Buhrmann's acquisitions since the beginning of 2001 through 2003.

Acquired Business	Year	Division	Country
North American office products businesses of US Office Products Company	2001	Office Products North America	United States
Office supplies division of Samas-Groep NV	2001	Office Products Europe	The Netherlands, Belgium, Luxembourg, Germany, the United Kingdom and Ireland
Sydney Pincombe	2003	Office Products Australia	Australia
KS Office Supplies	2003	Office Products Australia	Australia
Sands & McDougall	2003	Office Products Australia	Australia
The Wiper Co.	2002	Office Products Australia	Australia
Planet Cellars	2002	Office Products Australia	Australia
Transcript	2002	Office Products Australia	Australia
Storewide Office National	2001	Office Products Australia	Australia
Allied Office Products	2001	Office Products Australia	Australia
Graphico Office Choice	2001	Office Products Australia	Australia
Erivier	2001	Former Paper Merchanting	Belgium
Papernet Scandinavia	2001	Former Paper Merchanting	Denmark
Udesen Grafisk Fagcenter	2001	Former Paper Merchanting	Denmark

Divestments

In early 2001, the IT and Telecom Unit of Corporate Express in the Netherlands was sold and in June 2001 the sale of NPO Sistemi S.p.A., the value added reseller business of Corporate Express Italy, was completed. A precondition for approval from the European Commission for the Company's acquisition of the Samas office supplies division was the sale of Buhrmann's Dutch subsidiary Corporate Express Nederland B.V. (Zwolle). This sale was effected in November 2001, but the name was retained by Buhrmann.

In 2002, there were no major divestments.

In April 2003, Buhrmann sold the assets of DocVision B.V. (mailroom, copy and print services and archives management).

On October 31, 2003, Buhrmann completed the sale of the Paper Merchanting Division to PaperlinX Limited. The initial consideration for the sale was €706 million. As the sale was made on a debt-free and cash-free basis, the consideration was accordingly reduced by €6 million. Under the terms of the final purchase agreement, there were certain agreed purchase price adjustments mainly related to the net asset value of the Paper Merchanting Division, pensions and restructuring. These purchase price adjustments resulted in a further reduction of the purchase price of €63 million. For further information, see Note 3 to our consolidated financial statements included elsewhere in this prospectus. Net sales of the Paper Merchanting Division were €2,266 million in 2003, €2,988 million in 2002 and €3,126 million in 2001.

The following table lists per division substantially all of Buhrmann's divestments since the beginning of 2001 through 2003:

Divested Business	Year	Division	Country
Paper Merchanting Division	2003	Paper Merchanting	The Netherlands, United Kingdom, Germany, United States and several other countries
DocVision B.V.	2003	Office Products Europe	The Netherlands
Corporate Express Nederland B.V.	2001	Office Products Europe	The Netherlands
NPO Sistemi S.p.A.	2001	Office Products Europe	Italy
IT and Telecom Unit of Corporate Express	2001	Office Products Europe	The Netherlands

Results of Operations

The following table sets forth, for the periods indicated, net sales, added value and operating result by Buhrmann's divisions as well as net sales and operating result by geographic region.

	Year ended December 31,		
	2003	2002	2001
		(in millions)	
Summary by Division			
Net Sales:			
Office products North America	€ 3,939	€ 4,931	€ 5,221
Office products Europe and Australia	1,479	1,540	1,496
Graphic Systems	369	489	565
Sub-total excluding Paper Merchanting	5,787	6,960	7,282
Paper Merchanting	2,266	2,988	3,126
Total Group	€ 8,053	€ 9,948	€ 10,408
Added Value:			
Office products North America	€ 1,018	€ 1,261	€ 1,388
Office products Europe and Australia	392	413	398
Graphic Systems	85	118	135
Sub-total excluding Paper Merchanting	1,495	1,792	1,921
Paper Merchanting	359	461	475
Total Group	€ 1,854	€ 2,253	€ 2,396
Operating Result:			
Office products North America	€ 115	€ (273)	€ 194
Office products Europe and Australia	(23)	(75)	40

	Year ended December 31,		
Graphic Systems	(13)	23	38
Corporate	37	(20)	(21)
Sub-total excluding Paper Merchanting	116	(345)	251
Paper Merchanting	55	44	90
Total Group	€ 171	€ (301)	€ 341

	Year ended December 31,		
	2003	2002	2001
	(in millions)		
Summary by Geographic Region			
Net Sales:			
United States	€ 3,667	€ 4,665	€ 4,952
United Kingdom	884	1,251	1,294
The Netherlands	772	961	995
Germany	701	817	898
Rest of European Union members	1,188	1,458	1,354
Australia and New Zealand	496	419	353
Rest of the World	345	377	562
Total Group	€ 8,053	€ 9,948	€ 10,408
Operating Result:			
United States	€ 96	€ (296)	€ 174
United Kingdom	22	28	24
The Netherlands (including Corporate)		33	26
Germany	(10)	(15)	7
Rest of European Union members	12	(101)	61
Australia and New Zealand	31	33	28
Rest of the World	20	17	21
Total Group	€ 171	€ (301)	€ 341

Results of operations quarter ended March 31, 2004 compared to quarter ended March 31, 2003

Consolidated results

Net sales; Added value; Operating result

The following table shows net sales, added value and operating result of the Buhrmann Group. The first quarter of 2003 includes the Paper Merchanting Division which was sold with effect from October 31, 2003.

	2004	2003	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€1,348	€2,154	(37.4%)	(32.5%)
Added value	367	502	(27.0%)	(20.6%)
Operating result	€40	€94	(57.2%)	(53.9%)
Added value as a percentage of net sales	27.2%	23.3%		
Operating result as a percentage of net sales	3.0%	4.4%		

The following table shows net sales, added value and operating result excluding the Paper Merchanting Division in the first quarter of 2003.

	2004	2003	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€1,348	€1,443	(6.6%)	1.7%
Added value	367	390	(5.9%)	3.0%
Operating result	€40	€79	(49.7%)	(45.8%)
Added value as a percentage of net sales	27.2%	27.0%		
Operating result as a percentage of net sales	3.0%	5.5%		

(1) We present our change in results on a constant currency basis by converting our prior year results into euro at the current quarter exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

Net sales of the Group in the first quarter of 2004 were €1,348 million compared with €2,154 million in the first quarter of 2003. This is a decrease of 37.4% which is to a large extent attributable to the divestment of the Paper Merchanting Division with effect from October 31, 2003. Excluding the Paper Merchanting Division, net sales in the first quarter of 2004 decreased by 6.6%. The average exchange rate of the U.S. dollar was 14.2% lower in the first quarter of 2004 compared to the first quarter of 2003. At constant rates, net sales, excluding the Paper Merchanting Division, increased by 1.7% in the first quarter of 2004 compared to the first quarter of 2003. This increase is mainly attributable to an increase in software sales in North America as well as increases in sales in Corporate Express Australia and in the Graphic Systems Division.

Market conditions generally remained soft in most of the countries in which we are active, with no clear improvement yet in white-collar employment in the United States and a further increase in unemployment rates in Europe.

Organic sales in the first quarter of 2004 increased by 2% as compared to the first quarter of 2003. The organic performance eliminates all factors that disturb a like-for-like comparison. These factors are currency exchange rate movements, acquisitions, divestments, variations in the number of working days, the change to a commission-based model at our ASAP software subsidiary and the change in the sales recognition of the Graphic Systems Division.

The table below presents a calculation, on an organic basis, of net sales of the Group in the first quarter of 2004 as compared to the first quarter of 2003.

	Period ended March 31,		Change in %
	2004	2003	
	(in millions, except percentages)		
Net sales	€1,348	€2,154	
Divestment of the Paper Merchanting Division		(711)	
Net sales excluding Paper Merchanting	1,348	1,443	
Effect of currency exchange rate movements		(118)	
Net sales at constant rates excluding Paper Merchanting	1,348	1,325	
Acquisitions and divestments		2	
Variation in the number of working days	(5)		
Change to commission based model at ASAP Software, Inc[(1)]	69	47	
Change in sales recognition in the Graphic Systems Division[(2)]		12	
Net sales on an organic basis	€1,412	€1,386	2%

(1) Change to commission based model at ASAP Software, Inc. (ASAP) relates to sales of software products by ASAP whereby the manufacturer performs the billing and ASAP receives a commission from the manufacturer which is recorded as sales by ASAP. In the past ASAP performed the billing of these sales and ASAP recorded sales and cost of sales separately rather than only the commission.

(2) Change in sales recognition in the Graphic Systems Division relates to graphic machines of which the sale, as of January 1, 2003, is recognized at installation whereas prior to January 1, 2003 the sale was recognized at delivery of the machines.

Added value

Total added value of the Group was €367 million in the first quarter of 2004 compared to €502 million in the first quarter 2003, a decrease of 27.0%. Excluding the Paper Merchanting Division, added value decreased by 5.9%; however, at constant rates, added value excluding the Paper Merchanting Division increased by 3.0%. In the Office Product Business, margin improvements were achieved through the expansion of our private brand product offering which resulted in an increase in added value as a percentage of sales.

Operating result

Operating result in the first quarter of 2003 was €40 million compared to €94 million in the first quarter of 2003.

Excluding the Paper Merchanting Division, operating result in the first quarter of 2003 was €80 million. Furthermore, operating result in the first quarter of 2003 includes an exceptional income of €58 million, which is the result of an indemnity payment (net of costs) awarded to Buhrmann as the outcome of arbitration proceedings against the French company Ipfo Bail S.A.

Amortization of goodwill was €11 million in the first quarter of 2004 compared to €13 million in the first quarter of 2003. At constant rates, amortization of goodwill was stable.

Depreciation costs of tangible fixed assets and internally used software, excluding the Paper Merchanting Division, was €20 million in the first quarter of 2004 compared to €23 million in the first quarter of 2003. This is a decrease of 11.1%; however, measured at constant rates, this represents an increase of 1.7% as a result of investments in information technology systems, internally used software and distribution facilities in the past years.

Operating result was negatively affected by lower sales volumes, which were partially be offset by lower labor and other operating costs.

Labor and other operating costs declined by 10.9% at actual rates and by 2.9% at constant exchange rates, excluding the Paper Merchanting Division, reflecting the positive effects of cost reduction measures and efficiency gains.

Financial income and expense; Minority interests; Taxation

	2004	2003
	(in millions)	
Total financing costs	€(20)	€(47)
Total minority interests	(3)	(2)
Total taxes	(2)	33
Total financial items	€(25)	€(16)

Total financing costs

Total financing costs were substantially reduced to €20 million in the first quarter of 2004 compared to €47 million in the first quarter of 2003. This is a reduction of 57.1% or 45.6% at constant rates. This reduction reflects the lower level of debt, due to repayments, especially from the proceeds of the sale in the fourth quarter of 2003 of the Paper Merchanting Division, as well as the benefits of the optimization of the debt portfolio undertaken in the last quarter of 2003.

Amortization of capitalized financing fees was €1 million in the first quarter of 2004 and €4 million in the first quarter of 2003.

Total financing costs also includes the resulting currency translation differences on accounts receivable, cash and liabilities after application of currency forward contracts and certain currency translation differences on intercompany loans.

Minority interests

Minority interests mainly represent the 48% share of third parties in the result of Corporate Express Australia Ltd, a publicly traded company. This includes an exceptional income of €2 million in connection with the adjustment of the recognition of catalogue contributions in the Office Products Australia Division to fully comply with Buhrmann accounting policies.

Taxes on result from ordinary operations

In the first quarter of 2003, an exceptional (non-cash) tax benefit of €30 million was recorded as a result of the receipt of the indemnity payment awarded to Buhrmann as the outcome of arbitration proceedings against the French company Ipfo Bail S.A.

In the first quarter of 2004, there was a tax expense of €2 million on result from operations compared to a gain of €3 million, before the exceptional tax gain of €30 million.

Result from operations; Net result

	2004	2003
	(in millions)	
Operating result	€40	€94
Total financial items	(25)	(16)
Net result	€15	€78

	2004	2003

64

Office Products North America

	2004	2003	Change in €	Change at constant rates[1]
	(in millions, except percentages)			
Net sales	€866	€1,003	(13.7%)	(0.7%)
Added value	237	275	(14.1%)	(0.6%)
Operating result	€35	€33	4.3%	21.4%
Added value as a percentage of net sales	27.3%	27.5%		
Operating result as a percentage of net sales	4.0%	3.3%		

(1) We present our change in results on a constant currency basis by converting our prior year results into euro at the current quarter average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Use of Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

First quarter net sales in the Office Products North America Division was €866 million in 2004 compared to €1,003 million in 2003. This is a decrease of 13.7% or at constant rates 0.7%. The sales include a positive sales trend in the Division's software sales business which increased to €147 million in the first quarter of 2004 compared to €132 million in the first quarter of 2003, an increase of 11.3% at constant rates. Sales of office products sales fell primarily due to an accelerating shift to private brand products and softness in the furniture business.

Overall organic sales in the Office Products North America Division increased by 2% in the first quarter of 2004 compared to the first quarter of 2003. The "organic" analysis eliminate all factors that disturb a like-for-like comparison in the Division. These factors are currency exchange rate movements, acquisitions, divestments, variations in the number of working days, the change to a commission-based model at our ASAP software subsidiary.

The following table present a calculation, on an organic basis, of net sales for Office Products North America in the first quarter of 2004 as compared to the first quarter of 2003.

	Period ended March 31, 2004	Period ended March 31, 2003	Change in %
	(in millions, except percentages)		
Net sales	€866	€1,003	
Effect of currency exchange rate movements		(131)	
Net sales at constant rates	866	872	
Change to commission based model at ASAP Software, Inc[1]	69	47	
Net sales on an organic basis	€ 935	€ 919	2%

(1) Change to commission based model at ASAP Software, Inc. (ASAP) relates to sales of software products by ASAP whereby the manufacturer performs the billing and ASAP receives a commission from the manufacturer which is recorded as sales by ASAP. In the past ASAP performed the billing of these sales and ASAP recorded sales and cost of sales separately rather than only the commission.

Added value

The Division's overall added value in the first quarter of 2004 was €237 million compared to €275 million in the first quarter of 2003, a decrease of 14.1% and 0.6% at constant rates. Added value

65

as a percentage of sales was 27.3% in the first quarter of 2004 compared to 27.5% in the first quarter of 2003 and 25.2% in the fourth quarter of 2003. The quarter-on-quarter improvement illustrates good margin management in the office supplies business and the positive effect of the increase in sales of Corporate Express branded products. As we expand our private brand offering and global sourcing initiatives, we are successfully reducing the number of SKU's per product category.

Operating result

Operating result in the Office Products North America Division was €35 million in the first quarter of 2004 compared to €33 million in 2003. This is an increase of 21.4% measured at constant rates.

Amortization of goodwill was €8 million in the first quarter of 2004 and €10 million in the first quarter of 2003. At constant rates, the amortization was stable.

Depreciation of tangible fixed assets and internally used software was €14 million in the first quarter of 2004 and €17 million in the first quarter of 2003. At constant rates depreciation decreased by 1.3% mainly due to the continued investments in information technology systems, internally used software and distribution facilities.

Labor and other operating costs decreased due to restructuring measures implemented in the course of 2003. Total operating costs, excluding depreciation of tangible fixed assets and internally used software, as a percentage of net sales were 36.7% in the first quarter of 2004 as compared to 38.2% in the first quarter of 2003.

Office Products Europe and Australia

	2004	2003	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€385	€378	2.0%	(1.1%)
Added value	106	99	7.8%	4.4%
Operating result	€13	€6	103.3%	82.1%
Added value as a percentage of net sales	27.6%	26.1%		
Operating result as a percentage of net sales	3.4%	1.7%		

(1) We present our change in results on a constant currency basis by converting our prior year results into euro at the current quarter average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

Net sales of the combined Office Products Europe and Australia Divisions increased by 2.0% to €385 million in the first quarter of 2004 compared to €378 million in the first quarter of 2003. At constant rates however, net sales decreased by 1.1% as market conditions remained weak in the Benelux, on the back of further substantial staff reductions at some of our large customers. In Germany, the office supplies business performed better, while demand for copiers and furniture remained weak. The actions taken in the United Kingdom by the newly appointed management team were confirmed by the increase in sales in the first quarter of 2004 compared to the fourth quarter of 2003. Operations in other European countries, generally continued to perform well. Our Australia and New Zealand-based office products business continued to perform strongly in the first quarter of 2004.

Organic sales in the first quarter of 2004 were lower for the European operations, but rose in Australia compared to the first quarter of 2003. The "organic" analysis eliminate all factors that disturb

a like-for-like comparison in the Divisions. These factors are currency exchange rate movements, acquisitions, divestments, variations in the number of working days.

The following table presents a calculation, on an organic basis, of net sales for Office Products Europe and Australia Divisions in the first quarter of 2004 as compared to the first quarter of 2003.

	Period ended March 31, 2004	Period ended March 31, 2003	Change in %
	(in millions, except percentages)		
Net sales	€385	€378	
Effect of currency exchange rate movements		11	
Net sales at constant rates	385	389	
Acquisitions and divestments		2	
Variation in the number of working days	(3)		
Net sales on an organic basis	€382	€391	(2)%

Added value

Added value in the Office Products Europe Division and Australian Divisions combined, increased by 7.8% to €106 million in the first quarter of 2004 from €99 million in the first quarter of 2003. At constant rates the increase was 4.4%. Added value as a percentage of net sales increased in the first quarter of 2004 to 27.6% from 26.1% in the first quarter of 2003.

Operating result

Operating result in the Office Products Europe Division was positively affected by the restructuring implemented last year and the success of margin enhancement initiatives, such as the expansion of its Corporate Express brand offering.

Labor and other operating costs in the Office Product Europe and Australian Divisions were 1.3% higher in the first quarter of 2004 compared to the first quarter of 2003.

Amortization of goodwill was €2 million in the first quarter of 2004 and €2 million in the first quarter of 2003. At constant rates, the amortization was stable.

Depreciation of tangible fixed assets and internally used software were €5 million in the first quarter of 2004 and €5 million in the first quarter of 2003.

Graphic Systems

	2004	2003	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€97	€62	55.8%	55.8%
Added value	24	16	53.3%	53.3%
Operating result	€(1)	€(9)	92.9%	92.9%

	2004	2003	Change in €	Change at constant rates(1)
Added value as a percentage of net sales	24.6%	25.0%		
Operating result as a percentage of net sales	(0.7%)	(14.5%)		

(1) We present our change in results on a constant currency basis by converting our prior year results into euro at the current quarter average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

First quarter sales of the Graphic Systems Division rose 55.8% to €97 million compared to a weak first quarter of 2003 when sales were €62 million. Given the fact that general economic conditions have not improved it is too early to determine if a market recovery is imminent. The DRUPA trade fair (which took place in May 2004) may stimulate order intake in the second half of this year, as it has featured a number of technological innovations.

To reduce the Division's dependence on general economic conditions, it continues to reinforce its "3 S" strategy of increasing sales in the areas of services (such as configuration and repairs), supplies and spare parts.

Added value

Added value in the Graphic Systems Division increased by €8 million in the first quarter of 2004 from €16 million in the first quarter of 2003. The added value as a percentage of net sales decreased to 24.6% in the first quarter of 2004 from 25.0% in the first quarter of 2003.

Operating result

The increase in operating result in the Graphic Systems Division was mainly because of the increased sales levels and because the operating expenses were equal compared to the first quarter of 2003.

The Division did not incur amortization cost of goodwill in the first quarter of 2004 or 2003.

Depreciation of tangible fixed assets and internally used software were €1 million in the first quarter of 2004 and €1 million in the first quarter of 2003.

Corporate

Corporate net operating costs not allocated to the Divisions were €6 million in the first quarter of 2004 and €50 million positive in the first quarter of 2003. The increase in costs is due to non-recurring exceptional income of €58 million in the first quarter of 2003.

In the first quarter of 2003, an exceptional income was recorded, not allocated to the Divisions, of €58 million which is the result of an indemnity payment (net of costs) awarded to Buhrmann as the outcome of arbitration proceedings against the French company Ipfo Bail S.A.

Amortization cost of goodwill not allocated to the Divisions was €1 million in the first quarter of 2004 compared to €1 million in the first quarter of 2003.

Results of operations year ended December 31, 2003 compared to year ended December 31, 2002

The majority of Buhrmann's business activities are conducted in U.S. dollars. Buhrmann's financial position, results of operations and cash flows reported in euro were significantly affected by the weakening of the exchange rate of the U.S. dollar to the euro in 2003. Changes at constant rates in the tables below exclude the effect of currency exchange rate movements on reported numbers in euro.

In general, our business was affected by continuing difficult economic conditions in our major markets. Personnel reductions and lower spend per white-collar employee resulted in lower demand from our existing office products customers. We partially compensated for this reduction in demand through product range extensions and the addition of new customers. In addition, customers of our graphic equipment have been postponing their investments, leading to reduced sales levels in our Graphic Systems Division.

As these difficult economic conditions restricted the growth of our business, we focused on restructuring our office products operations, strengthening our management teams, modifying our sales and marketing strategies, integrating companies acquired over the past years, reducing costs, managing working capital and realizing a satisfactory cash flow. Ongoing investments were made in technology and the launch of our global sourcing and private label initiatives. We achieved significant debt reduction in 2003 due to strong cash flow generation from operating activities and the sale of the Paper Merchanting Division.

Our global office products business, mainly operating under the name of Corporate Express, made significant progress in optimizing operations. Our North American office supplies business completed streamlining its operations and centralizing back-office functions improving labor productivity by more than 10% in 2003. It will now focus on implementing its enhanced sales and marketing strategy. Our European office products operations were strengthened by the appointment of several new national management teams, reduced personnel numbers and further aligned their infrastructure. Our operations in Australia and New Zealand continued to expand geographic coverage and multiple lines of business through selective acquisitions. We continued to invest in it to strengthen our sales and marketing approach and enhance customer experience while helping them take cost out of their procurement process, thus maintaining our competitive advantage. In addition, information technology investments continued to drive operational efficiencies, fostering a more efficient internal administrative and operational service.

The sale of the Paper Merchanting Division in 2003 facilitated a substantial reduction in our net debt. The net consideration for the sale amounted to €637 million. The sale of the Paper Merchanting Divisions also enabled us to focus more of our attention and efforts on the office products business. We believe that the office products market offers attractive growth opportunities, a high profit margin, and a good return on capital employed.

During 2003 we reduced our total interest-bearing debt by €899 million. At the end of 2003, Buhrmann's total interest bearing debt amounted to €836 million compared to €1,735 million at the end of the previous year. In view of the relatively high financing costs in relation to the Company's earnings performance, debt reduction was given the highest priority, while available cash flow was maximized through further stringent working capital management. The changed composition of the Group, the composition of our debt portfolio and the favourable capital market environment gave rise to an in-depth and favourable revision of Buhrmann's financing structure with the refinancing of our old senior credit facility with the Senior Credit Facility and the issue of the Subordinated Convertible Bond, see "Description of Certain Indebtedness." Particular attention was given to optimizing the duration and the composition of the debt portfolio, to match the requirements of the Group going forward. In addition, the Senior Credit Facility enhances the flexibility in our operational and financial activities.

Consolidated results

Net sales; Added value; Operating result

The following table shows net sales, added value and operating result of the Buhrmann Group including the Paper Merchanting Division which was sold with effect from October 31, 2003.

	2003	2002	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€ 8,053	€ 9,948	(19.0)%	(10.8)%
Added value	1,854	2,253	(17.7)%	(8.6)%
Operating result	€ 171	€ (301)		
Added value as a percentage of net sales	23.0%	22.6%		
Operating result as a percentage of net sales	2.1%	(3.0)%		

The following table shows net sales, added value and operating result excluding the Paper Merchanting Division and related Corporate holding companies.

	2003	2002	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€ 5,787	€ 6,960	(16.9)%	(6.4)%
Added value	1,495	1,792	(16.5)%	(5.7)%
Operating result	€ 116	€ (348)		
Added value as a percentage of net sales	25.9%	25.7%		
Operating result as a percentage of net sales	2.0%	(5.0)%		

(1) We present our results on a constant currency basis by converting our prior year results into euro at the current year average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

Net sales of the Group in 2003 were €8,053 million compared with €9,948 million in 2002, a decrease of 19.0%. Excluding the Paper Merchanting Division, net sales in 2003 were €5,787 million compared with €6,960 million in 2002, a decrease of 16.9%. This decrease is to a large extent attributable to the weakening of the U.S. dollar, which adversely affected net sales in the Office Products North America Division. At constant rates, the decrease in net sales was 10.8% of the total Group and a decrease of 6.4% excluding the Paper Merchanting Division.

Personnel reductions and lower spend on office products per employee continued across our customer base in 2003. Especially with respect to our large-account customers, which we serve primarily in our key markets, such as the United States, Germany, and the Netherlands, we experienced reduced demand for office products. Our business in the United Kingdom was negatively impacted by internal restructuring, leading to a decline in sales. In Australia, New Zealand, Canada and in most other European countries we continued to grow. This is primarily attributable to increased sales to small- and medium-sized businesses. Even in the face of difficult market conditions in our major markets, most Buhrmann businesses increased market share within our core customer segment, large and strategic accounts.

The organic sales growth for Buhrmann as a whole, excluding the Paper Merchanting Division, was negative 4% in 2003 as compared to 2002. This eliminates all factors that disturb a like-for-like comparison. These factors are currency exchange rate movements, acquisitions, divestments, variations in the number of working days, the change to a commission-based model at our ASAP software subsidiary and the change in the sales recognition of the Graphic Systems Division.

The following table presents a calculation, on an organic basis, of net sales for the Group in 2003 as compared to 2002.

	2003	2002	Change in %
	(in millions, except percentages)		
Net sales	€ 8,053	€ 9,948	
Divestment of the Paper Merchanting Division	(2,266)	(2,988)	
Net sales excluding Paper Merchanting	5,787	6,960	
Effect of currency exchange rate movements		(780)	
Net sales at constant rates excluding Paper Merchanting	5,787	6,180	
Acquisitions and divestments	(33)	(11)	
Variation in the number of working days	41		
Change to commission based model at ASAP Software, Inc[(1)]	168	87	
Change in sales recognition in the Graphic Systems Division[(2)]	16		
Net sales on an organic basis	€ 5,979	€ 6,256	(4%)

(1) Change to commission based model at ASAP Software, Inc. (ASAP) relates to sales of software products by ASAP whereby the manufacturer performs the billing and ASAP receives a commission from the manufacturer which is recorded as sales by ASAP. In the past ASAP performed the billing of these sales and ASAP recorded sales and cost of sales separately rather than only the commission.

(2) Change in sales recognition in the Graphic Systems Division relates to graphic machines of which the sale, as of January 1, 2003, is recognized at installation whereas prior to January 1, 2003 the sale was recognized at delivery of the machines.

Added value

Total added value of the Group was €1,854 million in 2003 compared to €2,253 million in 2002. This represented a decrease of 17.7% or 8.6% at constant rates. Total added value excluding the Paper Merchanting Division was €1,495 million in 2003 compared to €1,792 million in 2002, a decrease of 16.5%, or 5.7% at constant rates. This decrease was predominantly a result of lower sales volumes. Added value as a percentage of net sales before exceptional results, excluding the Paper Merchanting Division, was 25.9% in 2003 compared to 25.7% in 2002.

In 2003, an exceptional charge of €5 million was recorded in added value in the Australian Division to fully comply with Buhrmann's rebate and catalogue income recognition policies.

Operating result

The operating result of the Buhrmann Group was an income of €171 million in 2003, compared to a loss of €301 million in 2002.

In 2003, a goodwill impairment charge of €53 million was recorded following the annual goodwill impairment test, as the calculated fair value of the European Office Products Division was lower than the book value. This reflects primarily the Division's recent business performance, which is lower than expected when last year's impairment test was made. Following the annual goodwill impairment test in 2002, a goodwill impairment charge of €573 million was recorded which includes the Office Products North America Division (€423 million), the Office Products Europe Division (€124 million) and the Paper Merchanting Division (€26 million).

71

The amortization of goodwill was €52 million in 2003 compared to €70 million in 2002, a reduction of 25.7% or 15.2% measured at constant rates which is due to a lower amount of goodwill as a result of an impairment charge in 2002.

As from the financial year 2003, Buhrmann's operating result includes a number of "exceptional" results that are disclosed separately in order to increase comparability of results from normal operations (following new Guidelines for Annual Reporting in the Netherlands). In 2002, most of these exceptional results were excluded from operating result and classified as extraordinary result.

Total exceptional results in 2003 as part of operating result amounted to €51 million and consisted of the following:

Office Products North America: a reassessment of lease commitments of vacant properties which were included in the 2002 restructuring charge (€6 million negative).

Office Products Europe and Australia: an adjustment of catalogue income recognition of Office Products Australia to fully comply with Buhrmann accounting policies (€5 million negative); and additional restructuring charges in Office Products Europe (€3 million negative).

Graphic Systems: a restructuring charge (€1 million negative).

Corporate: primarily the result of an indemnity payment (€58 million positive net of costs) awarded to Buhrmann as the outcome of arbitration proceedings against the French company Ipfo Bail S.A.

Paper Merchanting: a reassessment of restructuring commitments related to revised numbers of redundancies and a continuation of property usage (€8 million positive).

Depreciation costs of tangible fixed assets and internally used software was €104 million in 2003 compared to €114 million in 2002. This is a decrease of 8.1%, however, measured at constant rates an increase of 2.5%. The increase is a result of large investments in information technology systems, internally used software and distribution facilities in the past years.

Operating result was negatively affected by lower sales volumes which were partially offset by lower labor and other operating costs, mainly as a result of our restructuring and integration efforts.

Excluding the Paper Merchanting Division and related corporate holding companies, the operating result was an income of €116 million in 2003 compared to a loss of €348 million in 2002.

Financial income and expense; Minority interests; Taxation

	2003	2002
	(in millions)	
Total financing costs	€(257)	€(199)
Results from participations and other financial results	(102)	16
Minority interests	(12)	(12)
Taxes on result from ordinary operations	68	(18)
Total financial items	€(303)	€(213)

Total financing costs

Interest costs were substantially reduced in 2003 to €144 million from €182 million in 2002, a reduction of 20.9%. This is predominantly a result of lower average interest-bearing debt due to early repayments, especially from the proceeds of the sale of the Paper Merchanting Division, as well as from the positive cash flow from operations. Interest costs were also reduced in the course of 2003 as a number of interest rate swaps with relatively high fixed rates either matured or were cancelled. Interest rate margins in 2003, however, were slightly higher than in 2002 due to the application of the pricing structure of the Senior Credit Facility.

Amortization of capitalized financing fees was €14 million in 2003 and €22 million in 2002. In 2003, an exceptional impairment of capitalized financing fees of €53 million was recorded as a result of repayments of debt following the proceeds from the sale of the Paper Merchanting Division, the replacement of the Senior Credit Facility and the issue of the Convertible Subordinated Bond.

As a consequence of the debt reduction, interest rate swaps were settled in order to achieve a fixed to variable rate profile in line with our policy for hedging interest rate risks. This resulted in an exceptional charge of €40 million.

In addition, in connection with the refinancing of our old senior credit facility with the Senior Credit Facility and the issue of the Convertible Subordinated Bond, exceptional advisory costs of €5 million were recorded.

Total financing costs also includes the resulting currency translation differences on accounts receivable, cash and liabilities after application of currency forward contracts and certain currency translation differences on intercompany loans.

Results from participations and other financial results

The sale of the Paper Merchanting Division resulted in a loss of €112 million in 2003, consisting of a book loss of €79 million, related transaction costs of €15 million and provisions for indemnities and warranties of €18 million. The profit from the sale of the assets of DocVision B.V. of €7 million was also included in the 2003 results. In 2002 an income of €13 million was recorded as a result of the release of a provision related to uncollectability of loan notes which were received with the sale of the Information Systems Division in 2000. These loan notes were redeemed in 2002 prior to their stated maturity.

Minority interests

Minority interests mainly represent the 48% share of third parties in the result of Corporate Express Australia Ltd, a publicly traded company. This includes an exceptional income of €2 million in connection with the adjustment of the recognition of catalogue contributions in the Office Products Australia Division to fully comply with Buhrmann accounting policies.

Taxes on result from ordinary operations

In 2003, exceptional (non-cash) tax benefits of €76 million were recorded which include a tax gain of €30 million as a result of the receipt of the indemnity payment awarded to Buhrmann as the outcome of arbitration proceedings against the French company Ipfo Bail S.A. Furthermore, the transaction structure of the sale of the Paper Merchanting Division resulted in a €15 million non-cash tax expense and the related settlement of interest rate swaps, and the amortization of capitalized financing fees resulted in a tax gain of €23 million. In addition, the impairment of financing fees following the replacement of the Senior Credit Facility resulted in a tax gain of €11 million. Finally, a release of €25 million of valuation allowances and tax provisions was recorded, stemming from a re-evaluation of our tax position.

Tax expense on result from operations before exceptional tax results was €8 million in 2003 compared to €18 million in 2002. The decrease in tax expense is mainly due to lower taxable income in 2003 due to lower operating result before amortization and impairment of goodwill which are predominantly non-deductible. In addition, taxes on result from operations in 2003 and 2002 benefited from changes in the composition of the geographic distribution of taxable income and finalized tax audits which lead to a release of allowances on deferred tax assets which were recorded in previous years and which are no longer deemed necessary.

Buhrmann's effective tax rate was 12% both in 2003 and 2002. The effective tax rate is determined based on the ratio of taxes on result from operations to the amount of result from operations before taxes and exceptional and extraordinary results and before, as these items are predominantly exempted from taxes, amortization and impairment of goodwill. Buhrmann's effective tax rate is below Buhrmann's weighted average statutory tax rate of 28% in 2003 (2002: 26%) due to changes in valuation allowances, predominantly related to the valuation of losses carried forward, exempt income, non-deductible expenses and incentives.

Result from operations; Extraordinary result; Net result

	2003	2002
	(in millions)	
Operating result	€ 171	€(301)
Total financial items	(303)	(213)
Result from operations before extraordinary result	(132)	(514)
Extraordinary result		(74)
Net result	€(132)	€(588)

Extraordinary result

Extraordinary result in 2002 consisted of extraordinary income of €10 million and extraordinary losses of €113 million and a related tax gain of €29 million. Extraordinary income relates to a release of €10 million of a provision for warranties relating to divested companies in previous years which were settled in 2002. Extraordinary losses in 2002 includes a charge of €111 million relating to both restructuring measures and write-offs on information technology and distribution infrastructure. As of January 1, 2003, these items are no longer presented as extraordinary results.

Office Products North America

	2003	2002	Change in €	Change at constant rates[1]
	(in millions, except percentages)			
Net sales	€ 3,939	€ 4,931	(20.1)%	(5.6)%
Added value	1,018	1,261	(19.2)%	(4.0)%
Operating result	€ 115	€ (273)		
Added value as a percentage of net sales	25.9%	25.6%		
Operating result as a percentage of net sales	2.9%	(5.5)%		

(1) We present our results on a constant currency basis by converting our prior year results into euro at the current year average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

Net sales in the Office Products North America Division decreased by 20.1% to €3,939 million in 2003, compared to €4,931 million in 2002. At constant rates, sales were 5.6% lower than in 2002. The perceived recovery of the economic growth in the United States has not resulted in 2003 in an increase in employment rates, and has therefore not yet result in increased in sales in the Office Products North America Division, as the demand for office products relates primarily to the number of office workers employed by our customers and their spending per office worker. Sales of office supplies on an organic basis were almost level with 2002. The office supplies business excludes the Division's specialty businesses ASAP Software Inc. (ASAP), forms and promotional marketing. The Division's software sales also declined due to a continuing shift from invoiced sales to a commission based system. Also in 2002, software sales benefited strongly from promotional activities of a major supplier, which were not repeated to the same extent in 2003.

Organically, sales were 3% lower in 2003 compared to 2002. The "organic" analysis eliminate all factors that disturb a like-for-like comparison in the Division. These factors are currency exchange rate movements, variations in the number of working days, the change to a commission-based model at ASAP. We use "organic" analysis, in conjunction with constant exchange rates to give a measure of the underlying growth year-on-year. The factors mentioned above can have a significant impact on the Division's reported results. Their exclusion provides a useful insight into the underlying performance of the Division and enables us to monitor the performance of both the underlying businesses and acquired businesses. Organic performance can be materially different to the Division's reported performance.

The following table presents a calculation, on an organic basis, of net sales for the Office Products North America Division in 2003 as compared to 2002.

	2003	**2002**	**Change in %**
	(in millions, except percentages)		
Net sales	€3,939	€4,931	
Effect of currency exchange rate movements		(760)	
Net sales at constant rates	3,939	4,171	
Acquisitions	(14)		
Variation in the number of working days	33		
Change to commission based model at ASAP Software, Inc[(1)]	168	87	
Net sales on an organic basis	€4,126	€4,258	(3%)

(1) Change to commission based model at ASAP Software, Inc. (ASAP) relates to sales of software products by ASAP whereby the manufacturer performs the billing and ASAP receives a commission from the manufacturer which is recorded as sales by ASAP. In the past ASAP performed the billing of these sales and ASAP recorded sales and cost of sales separately rather than only the commission.

Added value

In our Office Products North America Division, added value decreased by 19.2% to €1,018 million in 2003 from €1,261 million in 2002. Measured at constant rates, the decrease was 4.0%. Added value as a percentage of net sales increased slightly to 25.9% in 2003 from 25.6% in 2002, reflecting the change in the product mix with a lower share of software sales. Within the office supplies business, the share of the strategic and large-account customers remained high and the proportion of competitively priced "contract" sales increased further. Margin levels per product group were relatively stable, however margins in the mid- and small-market segment increased. Margin improvements were achieved through global sourcing initiatives and the expansion of the Division's private brand program. Rebates from suppliers increased and allowances paid to customers increased, both in comparison with sales levels. In 2003, software sales contributed €66 million to the Division's added value or 8.3% of software sales which is at the same level as in 2002.

Operating result

Amortization of goodwill decreased to €37 million in 2003 from €48 million in 2002 due to the lower exchange rate of the U.S. dollar and a lower amount of goodwill after the impairment recorded in 2002. Following the outcome of the annual goodwill impairment test, an impairment of €423 million on the remaining goodwill was recorded in 2002 as the business performance was lower than expected when the relevant acquisitions were made. In 2003, the annual impairment test did not result in a goodwill impairment.

Depreciation of tangible fixed assets and internally used software was €63 million in 2003 compared to €69 million in 2002. This is a decrease of 8.7%, however, measured at constant rates, an increase of 8.7%. This increase is due to the large investments in information technology systems, internally used software and distribution facilities made in the past years.

Operating result was negatively affected by lower added value which was partially compensated by lower labor and other operating costs, largely due to restructuring measures implemented in the course of 2003. The restructuring entailed among others a significant reduction in the number of employees, the closure of several facilities and the expansion of the Division's shared service facility. Total operating costs, excluding depreciation of tangible fixed assets and internally used software, as a percentage of net sales were 20.4% in 2003 as compared to 20.2% in 2002, despite the decline in sales and an exceptional expense of €6 million in 2003 due to a reassessment of lease commitments of vacant properties which were included in the 2002 restructuring program. The charge for the restructuring program in 2002 was recorded as an extraordinary expense.

Office Products Europe and Australia

	2003	2002	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€ 1,479	€ 1,540	(4.0)%	(3.0)%
Added value	392	413	(5.1)%	(3.6)%
Operating result	€ (23)	€ (75)	(68.8)%	(69.3)%
Added value as a percentage of net sales	26.6%	26.8%		
Operating result as a percentage of net sales	(1.6)%	(4.9)%		

(1) We present our results on a constant currency basis by converting our prior year results into euro at the current year average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

Net sales in the Office Products Europe and Australia Divisions combined, decreased by 4.0% to €1,479 million in 2003 from €1,540 million in 2002. Measured at constant exchange rates, the decrease amounted to 3.0%. Sales in particular declined in Germany and the Benelux. In these markets our strategic and large-account customers implemented personnel rationalization and cost-reduction initiatives. In addition, our business in the United Kingdom lost sales due to internal restructuring, which was resolved in the second half of 2003. In those European countries where the customers are predominantly small- and medium-sized, sales continued to grow. The Office Products Europe Division has made progress in harmonizing its local European businesses. In each of the Division's local businesses, dedicated sales teams were established for both the strategic and large account and the mid-market account segment.

Our Australia and New Zealand-based office products business continued to perform strongly in 2003 with an increase in net sales of 18.4% to €496 million in 2003 from €419 million in 2002. The increase at constant rates was practically the same at 18.5%. Large customers decreased their office products spending but this was more than offset by growth and increased penetration in the mid- and small-markets, using dedicated sales teams. The expansion of specialty product categories (such as facility, breakroom and safety supplies) reflected the successful development of the single-source business model.

On an organic basis, sales in the Office Products Europe Division were 9% lower than in 2002 whereas sales in the Office Products Australia Division were 11% higher than in 2002 on an organic basis. The "organic" analysis eliminate all factors that disturb a like-for-like comparison in the Divisions. These factors are currency exchange rate movements, acquisitions, divestments, variations in the number of working days.

The following tables present a calculation, on an organic basis, of net sales for the Office Products Europe and Australia Divisions, respectively, in 2003 as compared to 2002.

Office Products Europe Division

	2003	2002	Change in %
	(in millions, except percentages)		
Net sales	€983	€1,121	
Effect of currency exchange rate movements		(20)	
Net sales at constant rates	983	1,101	
Divestments	(7)	(28)	
Variation in the number of working days	(4)		
Net sales on an organic basis	€972	€1,072	(9%)

Office Products Australia Division

	2003	2002	Change in %
	(in millions, except percentages)		
Net sales	€496	€419	
Effect of currency exchange rate movements		(1)	
Net sales at constant rates	496	418	
Acquisitions	(12)	17	
Net sales on an organic basis	€484	€435	11%

Added value

Added value in the Office Products Europe and Australia Divisions combined, decreased by 5.1% to €392 million in 2003 from €413 million in 2002 or 3.6% measured at constant exchange rates. Added value as a percentage of net sales was 26.6% in 2003, the same level as in 2002. In 2003, an exceptional charge of €5 million was recorded in the Australian Division to fully comply with Buhrmann's rebate and catalogue income recognition policies. In Europe, sales of stationery supplies showed a decline whereas sales of computer supplies remained stable. As a result of the continuing weak economic climate and competitive pressure, price and margin pressure remains present. The European business launched a new private brand offering in 2003 and the Australian business increased the share of sales under their own brand which helps to maintain margins and offers our customers an attractive alternative to manufacturers' brands.

Operating result

Amortization of goodwill decreased to €8 million in 2003 from €15 million in 2002 due to a lower amount of goodwill after the impairment recorded in 2002. Following the outcome of the annual goodwill impairment test, an impairment of €53 million was recorded in 2003 as the calculated fair value of the European Office Products businesses combined was lower than the book value. This reflects primarily the recent business performance, which is lower than we expected when last year's impairment test was made which resulted in an impairment of goodwill of €124 million.

Depreciation of tangible fixed assets and internally used software was stable at €20 million in both 2003 and 2002.

Operating result in the Office Products Europe and Australia Divisions combined, was negatively affected by the decline in added value in Europe, due to lower sales levels, which was only partly offset by the increase in added value in Australia.

In Europe, labor and other operating costs were 4.3% lower, which was the result of further integration and streamlining of the operations. In the Netherlands, a new distribution centre was brought into use while in other countries, such as Italy, facilities were modernized. The implementation of a new warehouse system in Australia had a temporary negative impact on labor and operating costs.

In 2003, exceptional operating costs of €3 million for additional restructuring charges in Europe were recorded. In 2002, the charge for restructuring was recorded as an extraordinary expense.

Graphic Systems

	2003		2002		Change in €	Change at constant rates(1)
	(in millions, except percentages)					
Net sales	€	369	€	489	(24.5)%	(24.5)%
Added value		85		118	(28.0)%	(28.0)%
Operating result	€	(13)	€	23		
Added value as a percentage of net sales		23.0%		24.1%		
Operating result as a percentage of net sales		(3.5)%		4.7%		

(1) We present our results on a constant currency basis by converting our prior year results into euro at the current year average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

Net sales in the Graphic Systems Division decreased by 24.5% to €369 million in 2003 from €489 million in 2002, and organically by 21%. Sales of machinery were sharply down from 2002 as the European graphic industry continued to postpone capital investments in the wake of low business volumes in the market for print publications. Traditionally, sales of machinery in our Graphic Systems Division correlate with the investment cycle, and therefore experiences more cyclicality than Buhrmann's other divisions. Additionally, the tight lending climate in 2003 made it difficult for printers to buy new equipment. Overall however, the Division made good progress in its strategy to make its sales less dependent on the economic cycle. Sales of services (such as configuration and repairs), supplies and spare parts continued to grow to approximately 40% of the Division's total sales in 2003.

Added value

Added value in the Graphic Systems Division decreased by 28.0% to €85 million in 2003 from €118 million in 2002. The added value as a percentage of net sales decreased to 23.0% in 2003 from 24.1% in 2002. Margins on machinery declined in 2003 due to severe competition as commercial printers are still facing a low capacity utilization and manufacturers have overcapacity. Higher inventory and receivables provisions also had a negative impact on added value. Conversely, the increase in sales of services, supplies and spare parts, which have higher margins, had a positive effect on added value.

Operating result

The decrease in operating result was due to a decline in added value as a result of lower sales while employee levels were reduced and cost levels, including depreciation, remained stable.

The Division did not incur amortization or impairment cost of goodwill in 2003 or 2002.

Exceptional costs of €1 million in 2003 were recorded as additional restructuring charges. In 2002, the charge for restructuring was recorded as an extraordinary expense.

Paper Merchanting Division

	2003	2002	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€ 2,266	€ 2,988	(24.2)%	(21.0)%
Added value	359	461	(22.1)%	(18.7)%
Operating result	€ 55	€ 44	25.0%	32.8%
Added value as a percentage of net sales	15.8%	15.4%		
Operating result as a percentage of net sales	2.4%	1.5%		

(1) We present our results on a constant currency basis by converting our prior year results into euro at the current year average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

Net sales in the Paper Merchanting Division from January 1 to October 31, 2003 (Buhrmann divested its Paper Merchanting Division with effect from October 31, 2003) were 10.3% lower compared to the same period in 2002. Sales measured in euro were negatively impacted by a weaker exchange rate of the British pound sterling. Measured at constant exchange rates, the decrease in sales amounted to 6.5%. The sales mix between stock and lower priced indent (paper ordered through merchants but delivered directly from the mills) was stable in 2003.

Added value

Added value in the Paper Merchanting Division decreased by 8.2% in the period January 1 to October 31, 2003 compared to the same period in 2002. Measured at constant exchange rates, the decline was 3.7%. This decrease was due to lower average paper prices while gross margins were stable in 2003 compared to 2002. Added value as a percentage of net sales in the Paper Merchanting Division was slightly higher at 15.8% in 2003 compared to 15.4% in 2002.

Operating result

Operating result in the Paper Merchanting Division increased to €55 million in 2003 from €44 million in 2002. This is predominantly due to the impairment charge of goodwill of €26 million in 2002 resulting from the annual goodwill impairment test. In 2003, no goodwill impairment was recorded.

There was no major change in depreciation of tangible fixed assets and internally used software in the period January 1 to October 31, 2003 compared to the same period in 2002.

Operating result was negatively affected by the decrease in added value while labor and other operating costs were 5.3% lower than in the same period in 2002, or 1.0% at constant rates. This was compensated by an exceptional operating income of €8 million in 2003 due to a reassessment of restructuring commitments resulting from the 2002 restructuring program. In 2002, the charge for these restructuring commitments was recorded as an extraordinary expense.

Corporate

Corporate net operating costs not allocated to the Divisions were €16 million in 2003 and in 2002. In 2003, higher labor costs could be compensated by lower other operating costs (such as insurance and consultancy costs).

Furthermore, there was an exceptional income, not allocated to the Divisions, in 2003 of €58 million which is the result of an indemnity payment (net of costs) awarded to Buhrmann as the outcome of arbitration proceedings against the French company Ipfo Bail S.A.

Amortization cost of goodwill not allocated to the Divisions was €5 million in 2003 and €4 million in 2002.

Results of operations year ended December 31, 2002 compared to year ended December 31, 2001

Nearly every segment of our business was challenged by difficult economic conditions as our customers reduced spending on office products and graphic products and supplies. In our largest market the United States a significant portion of our existing customers purchased less office products in 2002 than in the previous year.

In order to cope with this environment, we diligently explored opportunities to conserve resources and to help the Company to continue to generate a positive cash flow.

In the fourth quarter of 2002, we started the implementation of further restructuring initiatives in the wake of continued uncertainties regarding overall business activity in our major markets. We took an extraordinary charge of €111 million before tax in the fourth quarter of 2002 to account for the actions which include restructurings, as well as write-offs of redundant information technology assets and distribution facilities.

In addition, we took the following further actions throughout the year to enhance the competitive strengths of the Company:

- we continued to refine our world-class business-to business distribution infrastructure that enables us to offer superior customer service. This provides us with a tangible competitive advantage;

- our operational efficiency, particularly in our office products businesses, improved significantly during the year, which puts our Company in an excellent position to benefit from a future economic upturn;

we completed the integration of the acquired USOP activities and the office supplies division of Samas, ahead of schedule;

our eCommerce initiatives continued to make progress. Our new E-way platform for our U.S. office supplies customers became fully operational in the third quarter of 2002.

we continued to make progress in managing our working capital by reducing the number of days receivables were outstanding and increasing inventory turnover. Average working capital decreased from 13.3% to 12.9% of sales.

Consolidated results

In the course of 2001, Buhrmann made major acquisitions and divestments which affect comparability as these acquisitions and divestments are included for the full year in the 2002 Consolidated Financial Statements. In April 2001, the office supplies division of Samas was acquired and in May 2001, Buhrmann acquired the North American office products activities of USOP. In November 2001, the sale of Corporate Express Nederland B.V. (Zwolle) was completed.

The following table shows net sales, added value and operating result of the Buhrmann Group including the Paper Merchanting Division which was sold with effect from October 31, 2003.

Net sales; Added value; Operating result

	2002	2001	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€ 9,948	€ 10,408	(4.4)%	(1.6)%
Added value	2,253	2,396	(6.0)%	(2.9)%
Operating result	€ (301)	€ 341		
Added value as a percentage of net sales	22.6%	23.0%		
Operating result as a percentage of net sales	(3.0)%	3.3%		

(1) We present our results on a constant currency basis by converting our prior year results into euro at the current year average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our financial performance in "Non-GAAP Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Use of Non-GAAP Financial Measures."

Net sales

As stated earlier, adverse economic conditions negatively affected our 2002 results, resulting in a net sales decrease of 4.4% to €9,948 million in 2002 from €10,408 million in 2001 for the Buhrmann Group. At constant rates, net sales decreased by 1.6%. With the notable exception of our software business, ASAP, our Office Products North America and Europe Divisions experienced reduced demand from customers, who continued to reduce overall employee headcounts as well as per capita spending on office products during 2002. The continued slowdown in advertising and direct marketing expenditure resulted in reduced spending by customers of our Paper Merchanting and Graphic Systems Divisions. Our Office Products Australia Division, however, enjoyed excellent sales growth in 2002 compared to 2001.

The organic decline in sales was 2% in 2002 compared to 2001. This eliminates all factors that disturb a like-for-like comparison. These factors are currency exchange rate movements, acquisitions, divestments, variations in the number of working days.

The following table presents a calculation, on an organic basis, of net sales for the Group in 2002 as compared to 2001.

	2002	2001	Change in %
	(in millions, except percentages)		
Net sales	€ 9,948	€ 10,408	
Divestment of the Paper Merchanting Division	(2,988)	(3,126)	
Net sales excluding Paper Merchanting	6,960	7,282	
Effect of currency exchange rate movements		(270)	
Net sales at constant rates excluding Paper Merchanting	6,960	7,012	
Acquisition of Samas		107	
Acquisition of USOP[1]	(191)	(87)	
Other acquisitions and divestments	(9)	(28)	
Variation in the number of working days	6		
Change to commission based model at ASAP Software, Inc.[2]	143	40	
Net sales on an organic basis	€ 6,909	€ 7,044	(2%)

(1) The North American office products business of US Office Products Company (USOP) was acquired in May 2001. The adjustment of €191 million to the 2002 sales is the sales of the acquired USOP business in the period January 2002 to May 2002 in order to have a like-for-like comparison with 2001. There are no sales numbers available for the period January 2001 to May 2001 of the acquired USOP business. The adjustment of €87 million to the 2001 sales reflects the sales of those parts of the acquired USOP business that were subsequently discontinued and were not included in the 2002 sales.

(2) Change to commission based model at ASAP Software, Inc. (ASAP) relates to sales of software products by ASAP whereby the manufacturer performs the billing and ASAP receives a commission from the manufacturer which is recorded as sales by ASAP. In the past ASAP performed the billing of these sales and ASAP recorded sales and cost of sales separately rather than only the commission.

Added value

In 2002, total added value decreased as a result of lower net sales and changes in the sales mix. The full year consolidation in 2002 of the businesses acquired in 2001 had a positive effect on added value. The net effect was a decrease in added value of 6.0% to €2,253 million in 2002 from €2,396 million in 2001. Measured at constant exchange rates, the decline in added value in 2002 compared to 2001 was 2.9%.

Operating result

Operating result was a loss of €301 million in 2002 compared to an income of €341 million in 2001. Following the outcome of the annual impairment test, an impairment of €573 million on the remaining goodwill was recorded in the fourth quarter of 2002. Buhrmann's solvency ratio (group equity as a percentage of total assets) remains well above 30%. The write-down reflects the recent business performance, which is lower than expected when the relevant acquisitions were made. These include acquired businesses in our Office Products Divisions, both in Europe and in the US, and in the Paper Merchanting Division. In addition, reduced visibility concerning future performance has led to a higher discount factor (cost of capital) for calculating the fair value of the business. Amortization costs of goodwill were €70 million in 2002 compared to €67 million in 2001.

Operating costs (excluding depreciation of tangible fixed assets and amortization and impairment of goodwill) decreased by €82 million in 2002 compared to 2001. At constant rates the decrease was €22 million. This operating result has been achieved as cost savings resulting from the successful integration of acquired businesses and additional restructuring measures have partly offset the effects of

lower sales volumes and a sales mix that included a larger proportion of lower-margin products. Depreciation costs of tangible fixed assets and internally used software increased by 4.6% to €114 million in 2002 from €109 million in 2001, or at constant rates 9.7%, mainly due to the full year consolidation of the acquired businesses and a reduction in 2001 following the reassessment of the useful lives of some tangible assets in the Paper Merchanting Division.

Financial income and expense; Minority interests; Taxation

	2002	2001
	(in millions)	
Total financing costs	€ (199)	€ (210)
Results from participations and other financial results	16	(3)
Minority interests	(12)	(9)
Tax expense on result from operations	(18)	(24)
Total financial items	€ (213)	€ (246)

Total financing costs

Total financing costs consist primarily of interest costs and amortization of capitalized financing fees, relating primarily to the senior credit facility entered into in 1999 to fund the merger with Corporate Express and the securitization program. Total financing costs decreased by 5.6% to €199 million in 2002 from €210 million in 2001. Lower interest margins following the expansion of the securitization program with the issue of Medium Term Notes, lower average interest-bearing debt, lower overall interest rates and foreign currency exchange gains caused total financing cost to decrease. Lower interest was partly offset by an increase in amortization of financing fees to €22 million in 2002 from €16 million in 2001, mainly due to a write-off in connection with early redemption of debt.

Results from participations and other financial results

A number of incidental items, such as the release of a provision for uncollectability of loan notes related to the sale of the Information Systems Division, resulted in an income of €16 million in results from participations and other financial results in 2002.

Minority interests

Minority interests mainly represents the 48% share of third parties in the result of Corporate Express Australia Ltd.

Tax expense on result from operations

The effective tax rate amounted to 12.2% in 2002, compared to 11.8% in 2001, and is below Buhrmann's weighted average statutory tax rate of 25.6% in 2002, compared to 26.2% in 2001, due to changes in valuation allowances, predominantly related to the valuation of losses carried forward, exempt income, non-deductible expenses and incentives. Tax expense in 2002 benefited from changes in the composition of the geographic distribution of taxable earnings and finalized tax audits leading to a release of allowances which were recorded in previous years and which are no longer deemed necessary.

Result from operations; Extraordinary result

	2002	2001
	(in millions)	
Operating result	€ (301)	€ 341
Total financial items	(213)	(246)
Result from operations before extraordinary result	(514)	95
Extraordinary result	(74)	(40)
Net result	€ (588)	€ 55

Extraordinary result

Extraordinary result in 2002 consisted of extraordinary income of €10 million and extraordinary losses of €113 million and a related tax gain of €29 million. Extraordinary income relates to a release of €10 million of a provision for warranties relating to divested companies in previous years which were settled in 2002. Extraordinary losses in 2002 includes a charge of €111 million relating to both restructuring measures and write-offs on information technology and distribution infrastructure. The restructuring aims to achieve operational cost reductions in both the Office Products Divisions in North America and Europe as well as the Paper Merchanting Division. It concerns a net headcount reduction of about 1,100 fulltime employees.

Extraordinary result in 2001 consisted of extraordinary income of €20 million, extraordinary losses of €86 million and a related tax gain of €26 million. In February 2001, Buhrmann sold its remaining interest in Sappi Limited. After the settlement of hedging and other transaction costs, this resulted in extraordinary income of €20 million. Extraordinary expense in 2001 consisted of expenses relating to cost reduction measures, including a reduction in the workforce, of €45 million and €41 million for expenses relating to the integration of the office supplies divisions of USOP and Samas that did not qualify as goodwill and for certain expenses relating to the sale of Corporate Express Nederland B.V.

Office Products North America

	2002	2001	Change in €	Change at constant rates(1)
	(in millions, except percentages)			
Net sales	€ 4,931	€ 5,221	(5.5)%	(0.5)%
Added value	1,261	1,388	(9.1)%	(4.1)%
Operating result	€ (273)	€ 194		
Added value as a percentage of net sales	25.6%	26.6%		
Operating result as a percentage of net sales	(5.5)%	3.7%		

(1) We present our results on a constant currency basis by converting our prior year results into euro at the current year average exchange rate. We explain why we believe the presentation of this non-GAAP financial measure provides useful information regarding our