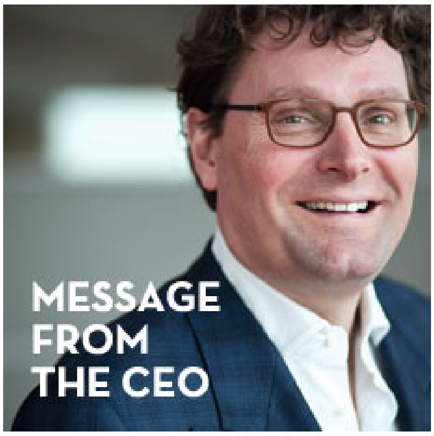
ORDINA ANNUAL REPORT 2013



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* Items marked * are part of the annual report pursuant to Section 391 Part 9 of Book 2 of the Nederlands Civil Code

** Items marked ** are part of the other information pursuant to Section 392 Part 9 of Book 2 of the Netherlands Civil Code

ABOUT ORDINA

MESSAGE FROM THE CEO

40 YEARS OF INNOVATION

Ordina celebrated its 40th anniversary in 2013. Something we are very proud of! We celebrated our anniversary with clients and partners in October 2013 and the theme running through the entire event was our new mission: 'Partnerships in Sustainable Innovation'. We believe that this is the best way to make sure that IT starts to work *for* people again. We want IT to make a contribution to solving major issues in today's society, from affordable healthcare and secure transactions in the financial sector to an efficient public sector and mobile solutions in the industry sector. Our 40-year track record in innovation opens up a world of opportunities for Ordina.

INCREASED EFFECTIVINESS

We saw the results of the successful execution of our management agenda in the year under review. Revenues were disappointing in the first half, but we managed to realise modest growth in revenue and an increase in EBITDA in the second half of the year. The increase in revenues came primarily from the industry and healthcare sectors, which we identified as priorities two years ago.

We also managed to reduce our costs by some EUR 8 million per year thanks to the successful completion of the cost reduction programme we launched mid-2013. The recurring net result came in at minus EUR 0.4 million in 2013, mainly due to redundancy costs, which were EUR 3.4 million higher than in the previous year. The total net result was largely determined by two one-off impairments: a provision for vacant office space (EUR 5.9 million) and a goodwill impairment (EUR 60.1 million). A positive cash flow left us with a net debt of EUR 2.2 million at the end of 2013.

We also adjusted our organisational structure in line with our portfolio. As from 1 January 2014, Ordina operates through five divisions: Business Consulting & Solutions, Application Management, Technology & Competencies, Sourcing, and Belgium/Luxembourg. These divisions give Ordina an even clearer profile towards our clients and enable us to steer the various business models far more effectively. This in turn enables us to operate more effectively in the market and to profile our innovative themes and propositions more clearly in the market.

ORDINA IS IN GOOD SHAPE

In 2013, our people did their utmost to make Ordina stronger. I am extremely proud to note that everyone has confidence in the path we have chosen. We have achieved a lot, by working together and by not allowing ourselves to be distracted from our goals. We have reduced indirect costs, increased customer satisfaction, we have a more innovative portfolio, lower debt and a strong balance sheet. Ordina is ready for the future, ready for the next 40 years as the biggest independent IT services provider in the Benelux region. I am convinced that thanks to our new mission 'Partnerships in Sustainable Innovation' and our dedicated employees, we will go far!!

Stépan Breedveld, CEO Ordina

VISION: IT. FOR PEOPLE

Digitalisation has taken off in recent years, both in business and in our private lives. IT plays an increasingly important role in the digitalisation of society. Ordina is convinced that IT can play a role in solving major social issues, such as affordable healthcare, secure digital transactions, an efficient public sector and mobile solutions for the industry sector.

To do this, IT will have to really work, so that it truly helps people. We all know the frustration of a frozen computer or a needlessly complicated system. And why is it not always possible to complete IT projects successfully, on time and within budget?

If IT wants to play that crucial role, people must be able to rely on effective and sustainable solutions. If it works, IT can help people to respond successfully to the increasingly rapid changes in the world around us. This is what Ordina works to achieve every single day, because we believe that IT has to work *for* people.

MISSION: PARTNERSHIPS IN SUSTAINABLE INNOVATION

The best IT solutions are the result of partnerships in sustainable innovation. They are always built on effective cooperation with colleagues and co-creation with clients and partners. You make a difference by sharing responsibility and by breaking down the traditional barriers in client-supplier relationships. And that starts with investments in mutual understanding and trust. And therefore Ordina is a local player with short lines of communication.

We want to provide sustainable solutions that truly help people move forward. The kind of solutions that are created without wasting resources or people's time and effort, and that are easy to manage. These are solutions that not only meet set requirements, but first and foremost actually do what the user needs them to do. Sustainable solutions require know-how of the client and experience with the users. That is why Ordina favours long-term relationships with our clients and with our employees.

Solutions to major issues frequently require innovation. Ordina believes that innovation is possible if we can get right to the essence of a problem. This requires know-how and leadership, to apply that know-how in the context of a specific client. We make technology relevant, not just by using the know-how of our professionals, but also by constantly looking for new forms of cooperation, such as sourcing and employee development.

OUR SERVICES

Ordina is the largest independent services provider in the field of consulting, solutions and IT in the Benelux region. We focus on companies and organisation in financial services, the public sector, healthcare and industry.

As the designers, builders and managers of a better digital world, Ordina has the expertise to improve corporate processes and IT in a sustainable fashion. And this is what we and our 2,900 employees work to achieve on a daily basis. Our strength lies in our ability to translate strategy and policy into our clients' operating processes, thanks to our knowledge of their organisations, markets and local regulations and legislation. We want to realise sustainable innovation in partnership with our clients.

We work on new developments on the basis of eight innovation themes: Big Data, Cloud Computing, Mobile, Social Media, Security, Smart Sourcing, Unified Communications & Collaboration, and IT Talent Development.

Founded in 1973, Ordina has its head office in Nieuwegein and various regional offices across the Benelux. Ordina shares are listed on the NYSE Euronext Amsterdam and are part of the Small Cap Index (AScX). In 2013, Ordina recorded revenues of EUR 377 million.

MANAGEMENT BOARD

Stépan Breedveld (CEO) and Jolanda Poots-Bijl (CFO) together form the Management Board and Statutory Board of Directors of Ordina N.V.

STÉPAN BREEDVELD

Stépan Breedveld (1967) was appointed as chairman of the board of Ordina N.V. on 1 September 2011. He joined Ordina in 2010 as a member of the Management Board, where he was responsible for the activities of Ordina in the Netherlands. Before joining Ordina, Stépan spent 17 years with The Boston Consulting Group (BCG). As of 1 January 2014, Stépan is responsible for general affairs, strategy, the divisions Business Consulting & Solutions, Sourcing, and Belgium/Luxembourg, legal and commercial matters, portfolio management and HRM. Stépan is also vice-chairman of Nederland ICT, the umbrella organisation for IT companies in the Netherlands.

JOLANDA POOTS-BIJL

Jolanda Poots-Bijl (1969) joined Ordina on 1 April 2013, when she was appointed as a member of the Management Board. On 1 June 2013, she was appointed as statutory director and CFO of Ordina. Before joining Ordina, Jolanda was CFO at construction company Royal VolkerWessels, and had previously held similar positions at public transport firms Connexxion and ProRail. She is currently a member of the Supervisory Board of Gasunie. From 1 January 2014, she is responsible for finance & control, the divisions Management and Technology & Competencies, facility management and IT policy, tax and stock exchange matters, plus sustainability.

ORGANISATIONAL CHART

Ordina operates with a divisional structure. Each division is managed by a director who has full responsibility for that division.

Organisation chart
2013

From 1 January 2014, we have adjusted the internal structure of the organisation to form five divisions: Business Consulting & Solutions, Application Management, Technology & Competencies, Sourcing, and Belgium/Luxembourg. This structure gives Ordina an even clearer profile towards its clients and allows us to manage the various business models more effectively.

Organisation chart
2014

EXECUTIVE COMMITTEE (EXCO)

The Executive Committee is responsible for the daily operational management of Ordina. The ExCo comprises the Management Board, the division directors and the directors of Finance, HR and Commerce.

PROFESSIONAL SERVICES & PROJECTS

Professional Services & Projects designs, builds and maintains applications for clients in various forms of contract: from time & material to service level agreements. We use our own employees, external hires and offshore and nearshore partners. We choose technologies with a proven track record to make sure we offer our clients only the absolute best, in both out-of-the-box solutions and in client-specific solutions.

ORACLE SOLUTIONS

Ordina has a long-standing history as one of Oracle's strategic partners. We are market leader in the public sector. We have in-depth knowledge of the packages eBS, Siebel, JD Edwards. And we have extensive knowledge of Oracle Classic.

SAP SOLUTIONS

Ordina is one of the largest providers of SAP expertise. We are the obvious first choice as development and management partners for all SAP applications. We offer clients in the public sector, the industry sector and the financial services sector specific market and SAP know-how.

SOFTWARE DEVELOPMENT

Ordina is a major service provider in tailor-made software development for business-critical applications. We use Java, Microsoft, Open Source and Proven Technologies, including Cobol. We make targeted investments in innovation and know-how development to anticipate and respond to the rapid and continuing developments in these technologies.

APPLICATION INTEGRATION & MIDDLEWARE

Ordina has all the necessary specialist expertise to integrate, connect and access old and new information systems. We use this know-how to extend the life of legacy systems that are often key source systems for our clients. Our professionals have extensive expertise in systems such as Sharepoint, SOA, WebSphere, Fusion, MW, BizTalk, rule-based business systems, databases, TIBCO and Salesforce.

INFRASTRUCTURE SOLUTIONS

New developments such as cloud computing, facilities for new flexible working practices and outsourcing are having a dramatic impact on the existing application landscape and corporate IT infrastructures. Our Infrastructure Solutions architects and engineers advise our clients on the best way to adapt to new developments. We assist our clients with services such as feasibility studies and provide support in the execution of change processes. We have a dedicated innovation team for cloud computing and our professionals have extensive know-how and expertise with Microsoft Azure, smart hosting and shared services centres.

BUSINESS SOLUTIONS

Business Solutions combines business know-how with technical expertise to develop solutions in the fields of business intelligence, digital client interaction, wealth accumulation and mortgages.

PUBLIC SECTOR AND HEALTHCARE

QULI

Quli, which is short for Quality of Life, is an e-health platform that helps people to remain self-sufficient, offers preventative tools and puts them in charge of their healthcare and wellbeing. The social network component makes it easier for individuals to learn, work and get help. The user can exchange medical information with his or her own social network more easily, which reduces travel and paper use, which in turn leads to reduced CO_2 emissions. Quli also helps to keep healthcare effective and affordable. Quli is the initiative of a number of healthcare organisations and Ordina.

FINANCIAL SERVICES

WEALTH ACCUMULATION

Ordina's Fundation Suite is a complete solution for wealth accumulation through fund investments and savings accounts. The solution automatically handles purchases and sales in units or currency for private or corporate investors, on the basis of one-off or periodic investments.

PENSION PREMIUM INSTITUTIONS

We have developed a business model and a technical solution for setting up a Pension premium institution (Premie Pensioeninstelling, or PPI, in Dutch). A PPI is a Dutch organisation that manages pension schemes and accumulates pension capital without bearing the risk itself.

SOLUTIONS FOR INSURERS

SETTLEMENT OF MISLEADING POLICIES

We have the know-how and the technical solutions to help insurers in the correct settlement of what are now considered misleading unit-linked insurance policies (known as woekerpolissen in Dutch). They can identify excess fees charged on the basis of BPR charging benchmarks.

POLICY PROCESSING

Ordina has also developed a solution for the management of old policy administrations at much lower cost and reduced capital requirements. Using an automated processing service, we are able to process an enormous backlog of unprocessed data.

ANTI-FRAUD

We offer healthcare insurers an internationally renowned solution which uses pattern recognition to test claims for signs of potential fraud.

INDUSTRY

INDUSTRY SOLUTIONS

In 2013, Ordina began developing industry solutions. In cooperation with Consulting, we offer our clients expertise in the field of Manufacturing Execution Systems (MES) and Advanced Planning & Scheduling (APS). This helps companies optimise their sourcing processes, or monitor, manage and improve their production processes with the aid of information systems.

GENERAL SERVICES

BUSINESS INTELLIGENCE SPECIALIST: VISIONWORKS

VisionWorks creates management information from the data available in or around an organisation via data warehousing and big data solutions. We make data accessible and usable via business analytics and dashboards and organise the customer's data flow in a Business Intelligence Competence Center.

EFFECTIVE DIGITAL SOLUTIONS: CLOCKWORK

Clockwork is a partner with a 20-year proven track record in the field of online customer interaction, social media, mobile and conversion management. For our clients, Clockwork is the obvious partner to design, build and manage effective and efficient interactive applications to help them realise corporate and brand objectives.

CONSULTING

The Consulting division advises clients on improvements to processes and IT.

CONSULTING PUBLIC

Ordina advises (national, provincial and local) government authorities on how they can deliver an ever greater social contribution at lower cost levels. The themes include: more effective cooperation in youth care, reducing the throughput time in the criminal justice chain, decentralising tasks and budgets from national government to provincial or local authorities, regional safety issues and local area development. The main themes of our solutions for the healthcare sector are client services and efficient business operations.

CONSULTING FINANCE

In the financial services market, we focus on risk management and compliance at banks, insurers and pension funds. We offer expertise in Basel III, Solvency II, governance and reporting. We also provide advice on and support the implementation of more effective and efficient business processes for credit services, payment processing, securities services and insurance services.

CONSULTING INDUSTRY

We provide our clients in the industry sector with advice on business transformations, we assess IT landscapes, assist in the optimisation of operating processes or operational improvements and the execution of cost-cutting measures. We have clients in the telecom, carriers & mainports (transport and (air)ports), media and energy & utilities sectors.

CUSTOMER EXPERIENCE

Ordina advises and supports its clients in the field of innovation and the development and implementation of online strategies. This also includes the effective use of digital marketing and the effective use of social media. The customer journey is at the heart of this advice and support: customer experience, brand experience and customer information must be consistent.

PROCESS AND CHAIN INTEGRATION

We advise and support our clients in restructuring their processes on the basis of an integrated chain approach. We use process optimisations to make improvements in the logistics chain. The Lean Six Sigma training materials Ordina developed in-house are tailored specifically for the Dutch market and culture. We revitalise stranded ERP implementation projects. We also provide advice on the most suitable IT applications and can recommend and select packages.

BUSINESS ARCHITECTURE

Business Architecture is essential when companies are implementing structured and forward-looking changes in products, processes, information flows and IT. We help clients in the restructuring of their organisation, by translating the organisation’s strategy and targets into operating, process and information architectures and the related IT environment.

BELGIUM/LUXEMBOURG

Ordina in Belgium and Luxembourg also provides concrete and efficient IT solutions for its local clients. The division's head office is in Mechlin, Belgium, and we have additional offices in Hasselt, Belgium and Windhof, Luxembourg.

The structure of the Belgium/Luxembourg division reflects the essence of our services: our clients call on Ordina to provide Enterprise Services (ES) and Business Solutions (BS). Our ES solutions take care of our clients' IT problems in the broadest sense. On the BS front, we create solutions for specific sectors on the basis of specific business know-how. The division also has specific know-how in the field of IT for production processes.

SOLUTIONS FOR PRODUCTION PROCESSES

MANUFACTURING EXECUTION SYSTEM

A Manufacturing Execution System (MES) helps production companies to manage, monitor and improve their production processes. These systems are often cumbersome, or lack expansion options. To remedy this, Ordina developed iMESure, a modular MES construction system, based on best practices and in accordance with the ISA-95 standard. We can also integrate the iMESure solution flexibly in other operating processes.

ADVANCED PLANNING & SCHEDULING

Making the most efficient possible use of people and resources without compromising on quality is a delicate balancing act. Ordina optimises and simplifies the planning process for employees and logistics and production operations. The Advanced Planning & Scheduling team operates product-independently and on the basis of a specific company situation. Our planning solutions are therefore geared to a client's specific corporate targets in the field of efficiency, customer service, returns and employee satisfaction.

STRATEGY

AMBITION AND GOALS

Now that we have increased the confidence in our company in the period behind us, we have set our sights firmly on improving returns and growth in the coming years.

OUR MEDIUM TERM GOALS:

- To raise customer satisfaction to an Ordina Promotor Score (OPS) of at least 70
- To improve returns, with a recurring EBITDA margin of 10%
- To realise growth
- To rank among the top IT employers, with an employee engagement score of above 7
- To realise an innovative and sustainable profile in the market.

STRATEGY

Ordina manages its operations on the basis of a management agenda to achieve the goals we have set for ourselves. We drew up the management agenda on the basis of our mission ‘Partnerships in Sustainable Innovation’.

PARTNERSHIPS

Ordina is convinced that effective IT solutions can only be found in close cooperation between a client and their supplier. We aim to develop close, long-term relationships with our clients and to monitor our relationships, we conduct our own annual client satisfaction survey, the Service Excellence Programme. Ordina managers visit our major clients to interview them about our services. These interviews are always conducted by managers who are not personally involved in our activities for the client in question.

Employee engagement is another vital part of our strategy. Our employees are the face of Ordina in the market. Enthusiastic and committed employees are the best guarantee for a good performance. We encourage employees to increase shared involvement and cooperation. This requires creativity and a true dialogue between management and employees. We measure employee engagement annually.

Finally, we have deliberately opted for a regional approach to the market. We service our clients from a number of regional offices and know-how of the local market is one of our top priorities. We are close to our clients. The regional offices also serve as a base for our employees in the region, which allows us to reduce travel time.

SUSTAINABLE

There are many elements to sustainability. We take a three-pronged approach to sustainability: social projects, sustainable business and sustainable services. You will find more information on this subject elsewhere in this report.

Sustainability also plays a role in our strategy. We want to provide sustainable solutions that truly help people to move forward. These are solutions that are created without wasting resources or people’s time and effort. In other words, solutions that do what they are designed to do and are easy to manage and maintain, which in turn also makes them durable. This is why Ordina favours long-term relationships with our clients *and* with our employees, so that the know-how and expertise of our employees is available to our clients long into the future.

We use integrated performance management to constantly raise the quality of our services. We measure and compare the performances of the various units in our company on the basis of three crucial factors: the composition of our workforce, the quality of the leadership, and the strength of our portfolio. Integrated performance management encourages the company, its departments and its teams to improve their performance on an ongoing basis.

INNOVATION

The solutions to major problems frequently involve innovation. Ordina believes that innovation is possible if we can get right to the essence of a problem. That requires know-how, but more importantly it requires the ability to apply that know-how in a client-specific context. We use various tools to achieve this, including Connect Cafes in which we initiate a dialogue with our clients and our employees about the challenges our clients are facing. This dialogue frequently generates new insights and improvements to existing solutions.

Ordina also launched the Innovation Challenge for the healthcare sector in 2013. This contest provides the participants with a chance to present their innovative e-health solutions. In 2014, we will launch the Public Sector challenge, in which we will search for innovative solutions for the public sector.

We focus on eight innovation themes to boost our portfolio: Big Data, Cloud Computing, Mobile, Security, Smart Sourcing, Social Media, Unified Communications & Collaboration, and IT Talent Development.
We use cross-segment company teams to enhance our know-how on these subjects and make the link with our core competences, which we can in turn use to help our clients with the transformations they are facing in these fields.

MARKET DEVELOPMENTS

Ordina's market remains under pressure due to the current economic recession. Uncertainties about future economic developments, cost savings and budget cuts in the public sector have resulted in a decline in spending. We have seen a drop in the number of tenders for large-scale IT projects and clients are cautious about hiring external staff. We have, however, noted a return to growth in the industry and healthcare markets.

RECENT DEVELOPMENTS

The public sector is postponing major IT investments and is cutting back on interim staff. Large numbers of self-employed IT specialists are now finding work in the public sector via interim employment agencies. The 2013 bankruptcy of one of these interim agencies could diminish the role played by such agencies, as the bankruptcy threatened the continuity of services. We believe the public sector's reluctance to invest in IT will persist for the time being. However, we expect to see an increase in IT spending in the long term, as we believe IT will play a vital role in the continued cost reduction and improvement of client services.

The market for financial services, where Ordina has traditionally been a strong player, is showing signs of recovery. Clients in this market are cautiously shifting their focus from rates to the quality of the services offered. For instance, there is a growing need for intermediaries between the demand organisation of financial services institutions and their offshore parties. With our extensive know-how of regulations, security, risk management and outsourcing, Ordina is in a good position to step into this role. We are also seeing an increase in demand for mobile apps and customer interaction.

The industry sector is full of opportunities for Ordina. Although companies remain cautious in their spending, they continue to show an interest in IT solutions with added value. The return on this kind of spending is getting a lot more attention in the industry market than in the public sector, where organisations are more focused on spending cuts. We use concrete propositions and specific know-how to reach a growing number of clients, helped by our relatively large share of the industry market and our region-based approach. Our services in the field of ERP systems and application management are especially in demand.

The healthcare market is a clear growth sector. A growing number of people are dependent on care, which is raising the overall costs in the sector. At the same time, there is pressure on the market to increase efficiency due to the pressure healthcare insurers are putting on budgets. This is creating opportunities for new forms of patient care in which internet and IT will play an ever greater role.

LONG-TERM DEVELOPMENTS

Despite the current delay in the development of IT markets, IT will play an increasingly important role in the society of the future. The transformation of IT from the initial automation of secondary corporate processes, via local and global networks, to our current digital transaction society, will continue for the foreseeable future. This is also supported by the various stimulus packages for the IT sector under the European Commission's Digital Agenda.

There are numerous developments that may also generate new opportunities in the market. We outline some of these below:

- The Internet of Things is on its way – intelligent devices connected to the internet.
- The humanisation of technology – in other words, technology will increasingly be adapted to human nature rather than the other way around. Technology is embedding itself rapidly in our lives, close to us and even inside us, which means technology knows more and more about us and is starting to acquire human traits. At the same time, technology requires less and less space to do this and is disappearing into the background. It is becoming more compact, smarter, more personal, more intuitive and more anticipatory.
- Cloud computing – sourcing based on use could well take off and IT will shift from being an investment to an expense item for many companies.

- User-centric devices – devices are becoming smarter and user interfaces ever more intuitive. The adaptation and use of IT will only increase.
- Continued strong growth of the amount of data. This data has be transported and stored and kept accessible.
- Security – in the old days, a computer failure could spark a crisis, while in the future that computer's security will be the main issue.
- Consumerisation of IT – a growing number of people are becoming familiar with IT technology. They create and share content and build their own applications using standard components.

SHAREHOLDERS

INFORMATION ON THE SHARE

Ordina provides its shareholders with transparent information about the strategy of the company, developments at clients, personnel developments and our performance. The Management Board, together with the director of Investor Relations, maintains contact with shareholders and analysts. We provide our shareholders with all the relevant information they need through the annual report, interim reports, the General Meeting of Shareholders, press releases and our website. We also publish our presentations for analysts on our website, including audio webcasts.

STOCK EXCHANGE LISTING

All outstanding ordinary shares in Ordina N.V. are listed on the NYSE Euronext Amsterdam. Ordina N.V. shares are traded on the Small Cap Index (AScX) of NYSE Euronext Amsterdam.

SHARE CAPITAL

In the first half of 2013, Ordina issued a total of 252,781 shares. This issue was related to the share-based component of the variable long-term remuneration of the members of the Management Board. In the fourth quarter of 2013, Ordina issued an additional 133,173 shares. This was related to the earn-out obligation for a participation Ordina acquired. At year-end 2013, the total number of outstanding shares stood at 92.3 million.

No preference shares were outstanding at year-end 2013.

One priority share was outstanding at year-end 2013.

VOTING RIGHTS

Each listed ordinary share in Ordina N.V. entitles the holder to one vote.

Per-share information

(In euro's)	2013	2012	2011	2010
Per-share information				
Equity	1.55	2.25	3.95	3.62
Cash generated from operations	0.12	0.09	0.11	0.10
Net earnings per share	-0.70	0.00	-0.30	-0.14
Net earnings per share fully diluted	-0.70	0.00	-0.30	-0.14

SHARE PRICE DEVELOPMENT

The price of Ordina shares rose 69.6% over the course of 2013 (2012: 13.0%). The share price gains were realised primarily in the fourth quarter of 2013. By year-end 2013, the SmallCap index was up 25% compared to the start of the year. The volume of Ordina shares traded in 2013 was an average of 389,000 per day (2012: 190,000). At 31 December 2013, the Ordina share was listed at EUR 1.90 (year-end 2012: EUR 1.12).

Relative price movement with respect to AEX 2013
In euros

ACT ON THE DISCLOSURE OF MAJOR HOLDINGS IN LISTED COMPANIES

Within the framework of the Dutch act on the disclosure of major holdings in listed companies (*Wet melding zeggenschap in ter beurze genoteerde vennootschappen*), Ordina received the following notifications in 2013:

- Shareholding 20 to 25%: Project Holland Fonds
- Shareholding 5 to 10%: Teslin Capital Management (Todlin N.V.)
- Shareholding 5 to 10%: Lazard Freres Gestion SAS
- Shareholding 3 to 5%: Dimensional Fund Advisors LP

In early 2014, we received a number of new notifications under the disclosure of major holdings act. We refer to the Ordina website for an overview of the most recent notifications, or alternatively to the register of 'substantial holdings' on the website of the Dutch Financial Markets Authority AFM. All notifications received in 2014 will be included in the 2014 annual report.

SHAREHOLDINGS MEMBERS OF THE MANAGEMENT BOARD

Stépan Breedveld: 678,320 shares.
Jolanda Poots-Bijl: 66,000 shares.

In accordance with the required procedure, both members of the Management Board have asked permission from the Chairman of the Supervisory Board to privately acquire shares in Ordina N.V. The Chairman of the Supervisory Board approved the request and Stépan Breedveld and Jolanda Poots-Bijl subsequently acquired 250,000 and 66,000 shares in Ordina N.V. respectively.

SHAREHOLDINGS MEMBERS OF THE SUPERVISORY BOARD

Johan van der Werf: 100,000 shares.

DIVIDEND POLICY

Ordina's dividend policy is based on a dividend payment of 25% of the net profit.

INVESTOR RELATIONS

Ordina believes it is important to be transparent and accessible for its shareholders, to give investors the best possible basis to make an informed assessment of the value of the company's shares and of the company itself.

An active and open dialogue with shareholders, analysts and banks helps Ordina to increase the visibility of its share among institutional and private investors. Ordina organises quarterly conference calls or meetings and these are also available as webcasts via www.ordina.com.

Ordina organises roadshows in Amsterdam, London and Frankfurt twice a year.

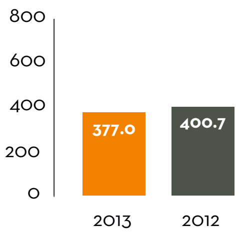
KEY DATES

14 May 2014	Trading update
14 May 2014	Annual General Meeting of Shareholders
26 August 2014	Publication of half-year results for 2014
4 November 2014	Trading update
19 February 2015	Publication of annual results for 2014
30 April 2015	Trading update
30 April 2015	Annual General Meeting of Shareholders

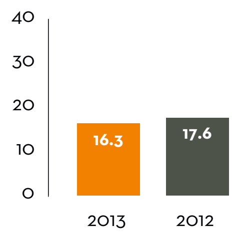
RESULTS

KEY FIGURES

Revenue
In millions of euros

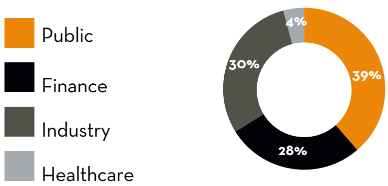


Recurring EBITDA*
In millions of euros

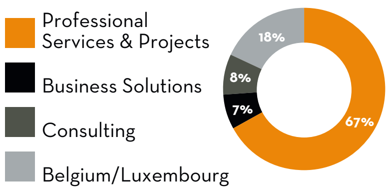


* Adjusted for redundancy costs and vacancy provision

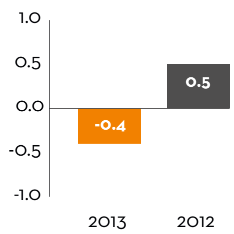
Breakdown of revenue by market segment 2013



Breakdown of revenue per division 2013

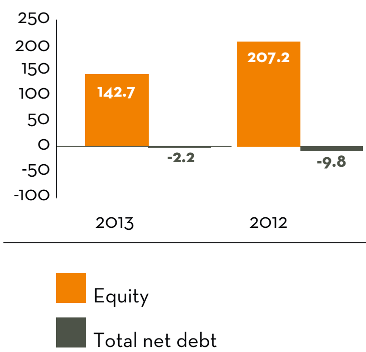


Recurring net profit for the year*
In millions of euros

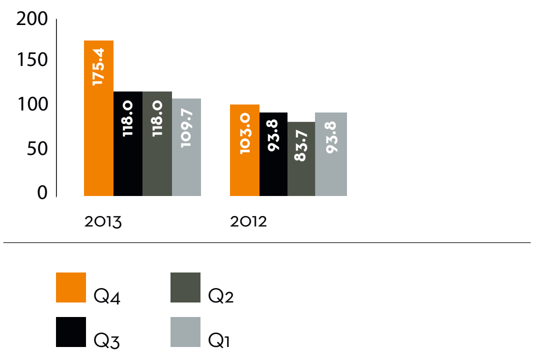


* Adjusted for goodwill impairment and vacancy provision

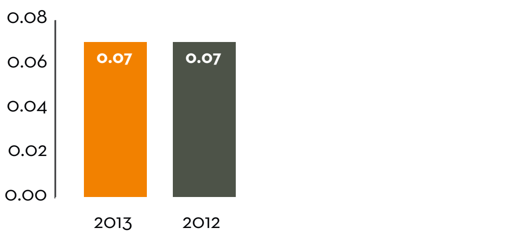
Equity and total net debt
In millions of euros



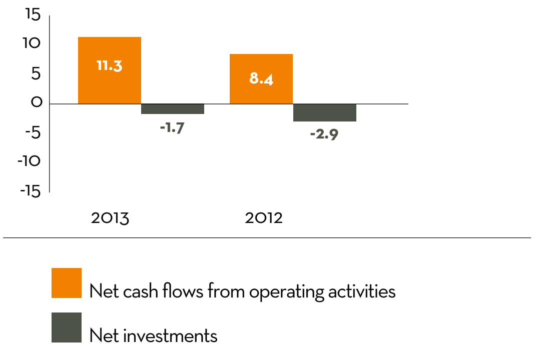
Market capitalisation
In millions of euros



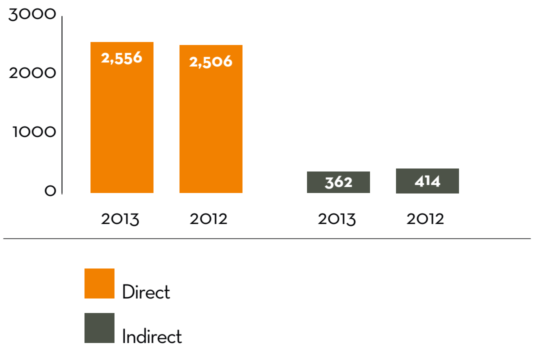
Recurring net earnings per share before amortisation of intangible assets due to acquisitions
In euros



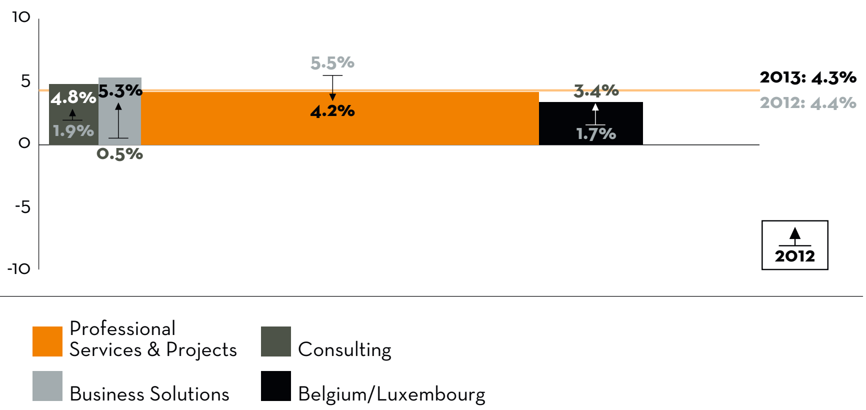
Net cash flows from operating activities and net investments
In millions of euros



Number of employees direct and indirect
In FTEs at year end



Recurring EBITDA-margin 2013 versus 2012*
In %



* Adjusted for redundancy costs and vacancy provision

Key figures

(in millions of euros, unless stated otherwise)	2013	2012	2011	2010
Revenue	377.0	400.7	426.3	455.9
EBITDA	2.9	13.6	3.2	9.1
Recurring EBITDA	16.3	17.6	16.3	18.1
Recurring EBITDA margin as a %	4.3	4.4	3.8	4.0
Net profit	-65.0	0.5	-15.8	-7.0
Net profit margin as a %	-17.2	0.1	-3.7	-1.5
Cash generated from operations	11.3	8.4	5.9	4.8
Net debt/adjusted EBITDA	0.2	0.6	0.8	2.4
Equity	142.7	207.2	206.7	179.7
Capital asset ratio	60	65	63	52
Intangible assets	130.2	193.0	199.4	211.5
Tangible assets	8.4	10.6	11.4	12.1
Trade receivables (exclusive of VAT) as a % of turnover	13	14	13	14
Average DSO (Days Sales Outstanding)	47	52	46	52
Average DPO (Days Payable Outstanding)	57	58	62	61
Average number of staff (FTE)	2,961	2,938	3,147	3,839
Number of staff at year-end (FTE)	2,918	2,920	3,035	3,330
Number of shares outstanding at year-end (in millions)	92.3	91.9	91.9	50.1

FOCUS ON THE MARKET

IMPORTANT DEVELOPMENTS

WE EXPANDED OUR INNOVATIVE POSITION IN HEALTHCARE

In 2013, Ordina strengthened its position in the Dutch healthcare market with innovative (consultancy) services. The most prominent examples are Quli, the pre-configured ERP solution for the healthcare sector, and the Innovation Challenge.

Quli, short for Quality of Life, is an e-health platform that improves people's self-sufficiency, offers them preventative tools and allows them to maintain control over their healthcare and wellbeing. The social network function makes it easier for people to learn, work and get assistance. Users can exchange medical information with their social network via their personal medical file, which results in less travel and paper consumption and reduces CO_2 emissions. Quli also contributes to more effective and more affordable healthcare. Quli is the combined initiative of a number of healthcare institutions and Ordina.

Ordina is helping the Martini Ziekenhuis hospital in Groningen to realise cost savings in the coming five years by optimising the purchasing process and implementing a healthcare-specific ERP system. To achieve this, we have set up an ERP system in line with best practices, which has helped to reduce implementation time and keep costs under control.

Ordina launched the Ordina Innovation Challenge for the healthcare sector in 2013. This contest gives start-ups, students with good ideas and other change-agents a chance to get their innovative e-health solution off to a flying start. Ordina's Innovation Challenge gives start-ups in the healthcare sector a platform to take the development of their innovative ideas one step further.

Ordina continued to expand its position in the healthcare sector with some outstanding management projects. In 2012, we won the contract for the entire IT environment of healthcare foundation Stichting Dichterbij. In 2013 the healthcare institutions umbrella body CVZ awarded Ordina the contract for the development and maintenance of tailor-made applications.

WE BOOKED SUBSTANTIAL GROWTH IN THE INDUSTRY SECTOR

Our focus on a number of specific segments in the industry sector has strengthened our position in this market. We are seeing growing demand for combined consulting and IT teams, alongside the traditionally strong demand for secondment. In the Netherlands, we increased revenues thanks to the implementation of innovative solutions, such as a pre-configured ERP solution specifically geared to the food industry. This Food Solution helps companies reduce implementation time and keep costs down. We also strengthened our position in the industry sector thanks to the fact that ProRail chose Ordina as its strategic partner. Ordina is one of the preferred suppliers for the development and maintenance of tailor-made applications. In Belgium, we closed a cooperation agreement with Phoenix Contact, a successful player in the field of industrial automation.

NEW GOVERNMENT CONTRACTS DESPITE SPENDING FREEZE

Public sector bodies continue to postpone major IT investments and remain reluctant to launch large-scale change processes. This is despite the fact that IT can be seen as a major enabler in efforts to realise structural cost reductions and to increase the quality of services. While the public sector is reviewing various forms of cooperation with IT services providers, Ordina sees opportunities to join forces with the public sector to make the best possible use of the real strength of IT as a catalyst for cost savings, efficiency and interaction with the public. We are seeing an increasing number of tenders being put out on the basis of Best Value Procurement, with the client opting for a solution with the best price/quality ratio. One example is the Tax Office tender for the digitalisation of the migration tax-form, which we won in 2013. Ordina also won some notable contracts from various ministries and government bodies. Ordina continues to generate added value for its clients, even in the current uncertain market.

COST CUTTING IN THE FINANCIAL SERVICES MARKET

The financial services market is still focused strongly on cost cutting. At the same time, financial services providers are constantly confronted with changing laws and regulations they have to comply with. This is creating a growing demand in areas such as risk management, security, regulations and process optimisation. The execution of these contracts is changing and is increasingly becoming a playing field for teams of consultants and IT specialists who work together to adapt both processes and the related IT systems. We are also seeing a shift towards mobile client services and increased interaction with clients. Ordina is in an excellent position to meet these changing requirements.

In 2013, we booked a number of notable successes in the financial services market. For instance, under the header Ordina Top Talent, we teamed up with a Dutch bank to launch an initiative to recruit and train young IT staff in increasingly scarce IT skills. We also played a key support role as an independent local player for another bank in a major outsourcing process.

CUSTOMERS

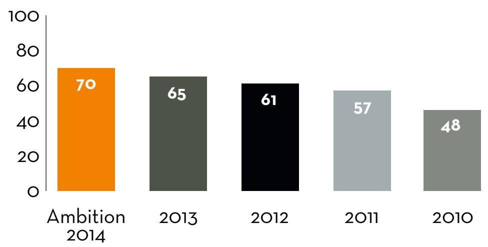
Since 2009, Ordina has used the Service Excellence Programme to evaluate exactly how satisfied our clients are with our services. Because we use this programme, Ordina can:

- monitor developments in customer satisfaction
- identify potential areas for improvement in its services
- define internal and external improvement measures
- monitor whether the improvement measures have been effective.

As part of the Service Excellence Programme, Ordina managers conduct regular interviews with clients.

One of the questions we ask our clients is: "How likely is it that you would recommend our company to a friend or colleague?" We use the response to calculate the Ordina Promotor Score and measure customer satisfaction. The OPS has improved considerably in recent years, which is also shown in the overview below:

Ordina Promotor Score (OPS)
In %



We take a very pro-active approach to increasing the OPS. Our ambition to realise an OPS of 70 in 2014 is part of our management agenda for 2014.

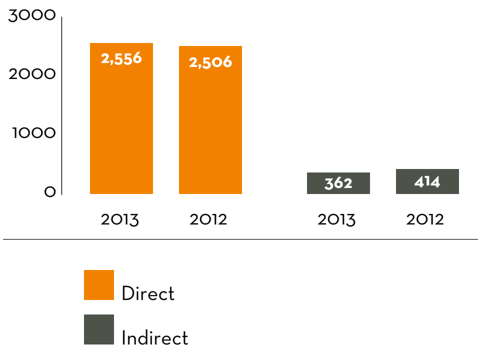
EMPLOYEES

TALENT, PASSION AND PRIDE

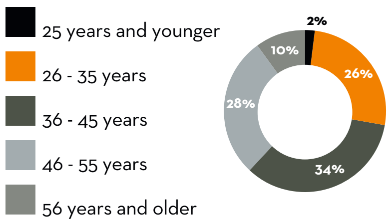
PROUD OF ORDINA

Employees make the difference. To Ordina that is not just a cliché, it is our core business. Our professionals are more than the face of Ordina; they are Ordina. Every day, they make of use their talents for our clients, with passion and with pride. To us, the employee engagement score is a strategic benchmark. Our ambition is to score higher than 7, which will put us among the very best in the IT market.

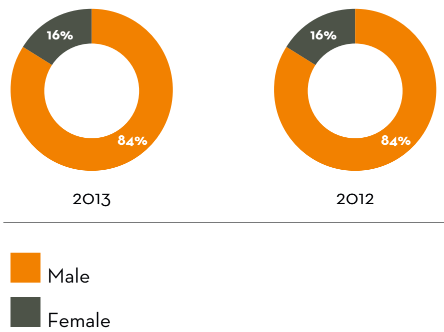
Number of employees (at year end)
In FTEs



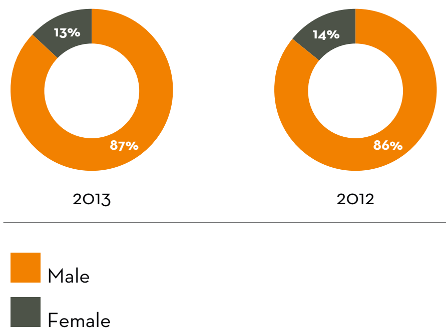
Vital Statistics 2013



Male/female ratio



Male/female ratio in managerial positions



WHERE WE WANT TO BE

Ordina's HR policy has three components: we want to be an attractive employer, we want a profitable and energetic workforce and we want engaged employees and managers. By working on these three components, we make it easier, more fun and more attractive for our employees to excel at our clients. In other words: to use their talents with passion and pride.

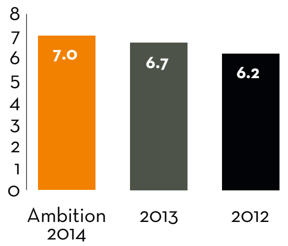
We translate these strategic goals into direct action through dedicated efforts to address issues such as training, sharing know-how, vitality and wellbeing and our remuneration policy. We see our employee engagement score as a key benchmark of how successful we are in achieving these goals. We also measure our success in these areas through feedback from clients, job applicants and our industry peers.

WHAT DID WE ACHIEVE IN 2013?

WE SAW A FURTHER INCREASE IN EMPLOYEE ENGAGEMENT

Employee engagement rose by 0.5 of a point for the second year in a row. In 2013, the employee engagement score rose to 6.7 from 6.2. That puts our goal of a score above 7 well within our reach. The rising score confirms that our employees go to work more gladly and that confidence in Ordina continued to rise last year. We will continue to invest in the dialogue with our employees and our management, through efforts such as leadership dialogues and Connect initiatives, which include opportunities for informal discussions with the members of the Management Board and others.

Ordina Employee involvement
In %



WE CREATE VALUE THROUGH EMPLOYEE DEVELOPMENT

The reason Ordina attaches so much importance to growth is because employee development has a direct impact on the added value an employee can deliver to a client. We continued to shape career paths and perspectives in 2013. In one move, we introduced a new job house and career perspectives that are in line with International Project Management Association (IPMA) standards. This benefits both the employees and our clients because it makes a direct and visible contribution to the quality of the services we offer and the career prospects of our employees. We also provided an overview of additional career opportunities for younger employees who may be starting in a Project Management Office role. The continuous attention we devote to employee development is firmly anchored in our HR policy and we actively support our managers in their contacts and conversations with employees.

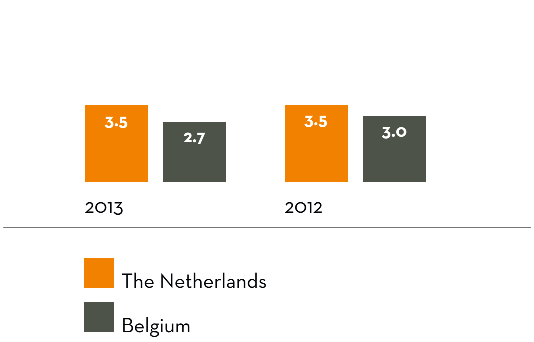
WE CONTINUED TO PROFESSIONALISE ORDINA ACADEMY

The Ordina Academy, Ordina's department dedicated to learning and development, has expanded the training courses it offers and has used even more new training methods. We are now also calling on our own in-house trainers more frequently. Not only does this guarantee a greater exchange of know-how and improve the development opportunities for employees, it also helps us to keep costs down. This year we once again organised an Ordina Summer Academy, where no less than 450 professionals participated in one of the training courses on offer.

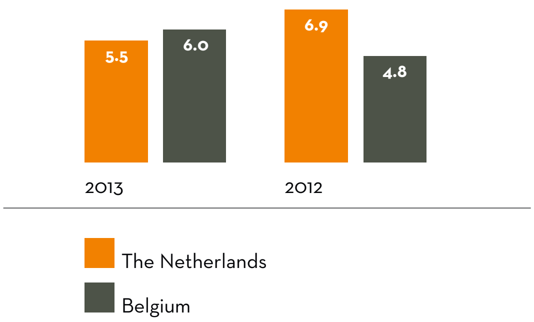
WE KEPT ABSENTEEISM DOWN

Our policy of giving absenteeism coaches a more prominent role in the process is paying off. In terms of hours spent, it has resulted in a shift in hours away from the company doctor to the absenteeism coaches. We see employees getting assistance more quickly, so they can get back to work. The starting point is now 'what you can do' not 'what you can't do'. This has helped to get a number of people on long-term sick leave back to work more quickly. Unfortunately, these efforts have not yet resulted in lower absenteeism. This was certainly not helped by the outbreak of a major flu epidemic of unprecedented duration at the beginning of the year. However, despite the flu epidemic, we did keep overall absenteeism at more or less the same level as in 2012.

Employee absenteeism rate
In %



Employee absenteeism rate
In average number of days



WORKS COUNCIL

The works council had a tumultuous year in 2013. The need for cost reductions resulted in consultancy processes that sadly resulted in the departure of much appreciated and highly valued colleagues. We used a new redundancy plan for these processes, one we had agreed earlier in the year, based on the principle 'from work to work'.

In the second half of the year, the works council was asked to make an extra effort to discuss the plans for a restructuring of the organisation as quickly as possible. The discussions on the subject were intense and generally positive with a critical note. Thanks to the tremendous efforts of the members of the works council, we booked some excellent results last year.

The dialogue between management and works council has always been open and will continue to be so. We maintain reciprocal respect and trust, with the common goals of safeguarding a solid future for Ordina and securing its position as a good employer.

HIGHLIGHTS FINANCIAL RESULTS

WHAT DID WE ACHIEVE IN 2013?

WE STRENGTHENED OUR FOUNDATIONS

In 2013, we took a number of measures to improve our future returns:

- We launched a cost-saving programme to reduce indirect costs by circa EUR 8 million a year
- We cut the number of direct staff we could not deploy with sufficient regulartiy, while the total number of direct FTEs increased
- We adjusted our organisational structure as per 1 January 2014, to both improve our client-side execution and to boost the returns from the various business models.
- We saw customer and employee satisfaction increase in 2013.

These measures put Ordina in an excellent position to take advantage of future growth opportunities.

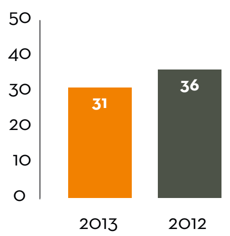
WE CUT NET DEBT SUBSTANTIALLY

We cut our net debt substantially, to EUR 2.2 million at year-end 2013 (year-end 2012: EUR 9.8 million). The ratio of net debt/adjusted EBITDA stood at 0.2 at year-end 2013 (2012: 0.6), within the boundaries of the bank covenants.

LONG-TERM CONTRACTS

The proportion of revenue we generate from long-term contracts (outsourcing, long-term projects and long-term management contracts) fell to 31% in 2013 (36% in 2012). The decline was largely due to the loss of the offshore component of the Rabobank contract.

Revenue share from long-term contracts
In %



REVENUES PER MARKET

In 2013, revenues dropped by 0.5% compared with 2012. In the second half of 2013, we increased revenues by 1.4% compared with the year-earlier period, thanks to revenue growth in the industry and healthcare markets, as well as in the financial services sector. Revenues have been corrected for one working day less in 2013 and the loss of the offshore component of the Rabobank contract. Excluding these corrections, revenues came in 5.9% lower.

Revenues per market

In thousands of euros	2013	2012	2012 adjusted[1])	Development in 2013 compared to 2012
Public	145,738	155,100	154,805	-5.9%
Finance	104,402	125,516	104,154	0.2%
Industry	112,752	110,610	110,376	2.2%
Healthcare	14,086	9,440	9,422	49.5%
Total	**376,978**	**400,666**	**378,756**	**-0.5%**

1. Adjusted for the effect of a workday less and the loss of the offshore component within the Rabobank contract.

MARKET DEVELOPMENTS

PUBLIC SECTOR

Revenues in the Public sector fell by 5.9% to EUR 145.7 million (2012: EUR 154.8 million). The main reason for this was a drop in the number of large projects and in consultancy services. In Belgium/Luxembourg, on the other hand, Ordina booked revenue growth due to the delivery of IT services to the European Union.

FINANCIAL SERVICES

In the Financial Services sector, Ordina booked revenues of EUR 104.4 million in 2013, a rise of 0.2% on 2012 revenues (EUR 104.2 million). Revenues in this segment have been corrected for one working day less and the loss of the offshore component of the Rabobank contract.

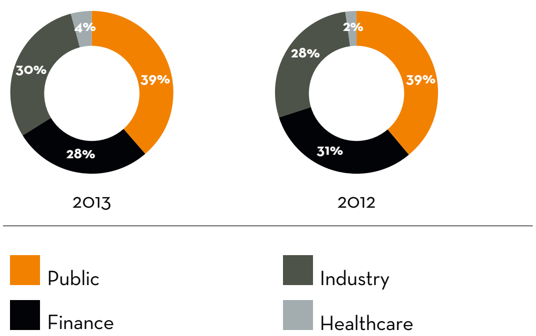
INDUSTRY

Revenues from the Industry market segment rose by 2.2% to EUR 112.8 million (2012: EUR 110.4 million). This growth was concentrated in the Netherlands. In Belgium/Luxembourg, where the proportion of revenues from this market is traditionally high, we saw a decline in revenues.

HEALTHCARE

Revenues in the Healthcare segment by 49.5% to EUR 14.1 million (2012: EUR 9.4 million). The healthcare sector is faced with new legislation and regulations, budget cuts and decentralisation. Ordina helps organisations in this sector with consultancy services and innovative IT solutions.

Breakdown of revenue by market segment



RESULTS PER DIVISION

REVENUE AND PROFIT PER DIVISION

Ordina's recurring revenue came in at EUR 377.0 million in 2013, a drop of 0.5% from 2012 (EUR 378.8 million). Total revenues have been corrected for the effect of one working day less and the loss of the offshore component of the Rabobank contract. Excluding this correction, revenues were down by 5.9% year-on-year. In view of the declining market and revenues, we launched a cost-savings programme in the first half of 2013, which has led to a structural reduction of indirect costs of some EUR 8 million per year from 1 January 2014. In 2013, the resulting cost saving was around EUR 2 million. The recurring EBITDA, excluding the provision for the empty office space at our head office in Nieuwegein, dropped by EUR 1.4 million to EUR 16.3 million in 2013 (2012: EUR 17.6 million). Ordina's recurring EBITDA margin remained virtually unchanged at 4.3% in 2013 (2012: 4.4%).

Revenue per division

In thousands of euros	2013	2012	2012 adjusted[1])	Development in 2013 compared to 2012
Professional Services & Projects	261,500	281,006	259,517	0.8%
Business Solutions	26,197	30,467	30,406	-13.8%
Consulting	32,297	34,970	34,936	-7.6%
Belgium/Luxembourg	70,460	71,450	71,338	-1.2%
Mutual services	-13,476	-17,227	-17,441	-22.7%
Total	**376,978**	**400,666**	**378,756**	**-0.5%**

1. Adjusted for the effect of a workday less and the loss of the offshore component within the Rabobank contract.

Recurring EBITDA per division

In thousands of euros	2013	2013	2012	2012
Professional Services & Projects	10,954	4.2%	15,575	5.5%
Business Solutions	1,378	5.3%	161	0.5%
Consulting	1,553	4.8%	680	1.9%
Belgium/Luxembourg	2,370	3.4%	1,205	1.7%
Total	**16,255**	**4.3%**	**17,621**	**4.4%**

PROFESSIONAL SERVICES & PROJECTS

The Professional Services & Projects (PS&P) division designs, builds and manages applications for clients. The division offers these services via various forms of contract, from time & material to service level agreements, using its own employees, external hires and offshore and nearshore partners. The division's revenue rose by 0.8% to EUR 261.5 million in 2013 (2012: EUR 259.5 million), corrected for the effect of the loss of the offshore component of the Rabobank contract. Rabobank renewed its contract with Ordina for application design, building and testing at year-end 2012. Upon renewal, Ordina and Rabobank agreed that the bank itself would take over the management of the offshore partner. The revenue related to this component of the contract amounted to around EUR 20 million in 2012. PS&P's higher revenues came from both in-house staff and from external hires. PS&P's EBITDA margin fell to 4.2% in 2013 (2012: 5.5%), largely due to lower productivity levels.

BUSINESS SOLUTIONS

Business Solutions combines business know-how and technical expertise to devise solutions in the fields of business intelligence, digital client interaction, wealth accumulation and mortgages. The division's revenue fell by 13.8% to EUR 26.2 million (2012: EUR 30.4 million), largely due to the termination of low-return activities. The EBITDA margin increased to 5.3% in 2013 as a result (2012: 0.5%).

CONSULTING

The Consulting division advises clients on how they can improve processes and IT. The division's revenues fell by 7.6% to EUR 32.3 million in 2013 (2012: EUR 34.9 million). The dip in revenues was largely due to the continued fall in demand from the public sector. We have therefore reduced our capacity in this market even further. The EBITDA margin increased to 4.8% in 2013 (2012: 1.9%) thanks to higher productivity and fewer external hires.

BELGIUM/LUXEMBOURG

The Belgium/Luxembourg division saw revenues dip by 1.2% to EUR 70.5 million in 2013 (2012: EUR 71.3 million). This division did achieve growth in the Financial Services and Public Sector segments, but revenues were hit by the absence of recovery in the Industry segment. The Belgium/Luxembourg division launched a programme in 2012 aimed at improving profitability. The programme continued in 2013 and has led to a substantial reduction in indirect costs. Thanks to this, the division improved its EBITDA margin to 3.4% last year (2012: 1.7%).

COST DEVELOPMENTS

In 2013, Ordina successfully completed a cost-saving programme, which will result in a structural reduction of around EUR 8 million in indirect costs. Ordina managed to realise around EUR 2 million of these EUR 8 million annual cuts in 2013.

STAFF COSTS

Ordina introduced wage moderation measures in 2013, and these led to a drop in staff costs per FTE of around 0.4%, corrected for the cost of severance packages. Ordina increased average staff numbers by 23 FTEs and the total workforce came in at 2,961 FTEs in 2013 (2012: 2,938 FTEs). The cost-saving programme also led to the loss of around 100 indirect staff in 2013.

Total redundancy costs amounted to EUR 7.4 million in 2013 (redundancy costs 2012: EUR 4.0 million).

Due to the increase in the average workforce and the higher redundancy costs, total staff costs rose by around 1.8% to EUR 252.3 million in 2013 (2012: EUR 247.9 million).

COSTS OF WORK CONTRACTED OUT

Ordina outsources work to offshore and nearshore partners and freelance IT staff, if we have insufficient internal capacity or lack specific competencies. We managed to partly offset the declining demand in the Dutch IT market by reducing the amount of outsourced work. Thanks to this, we reduced the costs of outsourced work by around 22% in 2013.

In 2012, the costs of outsourced work also included the costs of the offshore component of the Rabobank contract (OBT). At the end of 2012, Rabobank renewed the contract with Ordina for the design, building and testing of applications. At the same time, Ordina and Rabobank agreed that the bank would take over the management of the offshore partner. This meant that Rabobank would no longer be invoiced for this work via Ordina. If we correct 2012 costs taking this into account, then the costs of outsourced work fell by 7.1%.

In 2013, Ordina continued to expand the operations of its in-house broker SourcePower. SourcePower gives Ordina its own independent intermediary for freelance IT staff, who serve as a flexible layer around our core staff. It also gives us the opportunity to bind freelancers to the company much more efficiently, using just a small group of internal staff.

OTHER COSTS

Other costs rose to EUR 24.2 million, from EUR 15.2 million. This was largely due to the provision for vacant office space (EUR 5.9 million), the increase in legal consultancy fees relating to the redundancies, the provision for accounts receivable relating to the bankruptcy of a large broker and one-off income in 2012 from the sub-let of office space to the government's department of public works (Rijkswaterstaat).

OPERATING PROFIT

Ordina's recurring EBITDA came in at EUR 16.3 million in 2013 (2012: EUR 17.6 million). EBITDA came in at EUR 2.9 million. The recurring EBITDA margin stood at 4.3% in 2013 (2012: 4.4%). The difference between recurring EBITDA (EUR 16.3 million) and EBITDA (EUR 2.9 million) was due to the cost of severance packages (EUR 7.4 million) and the provision for vacant office space at the head office in Nieuwegein (EUR 5.9 million).

Explanation recurring EBITDA

(rounded figures, in millions of euros)	2013	2012
Operating profit (EBIT)	-64.2	3.0
Amortisation & impairment	62.0	4.7
Depreciation related to continuing operations	5.1	5.9
EBITDA	**2.9**	**13.6**
Non recurring restructuring costs	7.4	4.0
Provision office building	5.9	0.0
Recurring EBITDA	**16.3**	**17.6**

INTEREST EXPENSES, AMORTISATION, TAX RATE AND DISPOSALS

INTEREST EXPENSES

Ordina booked net interest expenses of EUR 1.5 million in 2013 (2012: EUR 1.5 million).

IMPAIRMENT OF GOODWILL

In 2013, Ordina booked an impairment of goodwill related to its Professional Services & Projects and Consulting divisions. The valuation conducted as part of the IFRS-based impairment test was based on current projections with regards to the future results of these business units (discounted projected future cash flows). The projected results are determined on the basis of assumptions for the future. As a result of the current economic situation in the Benelux region, these assumptions for the coming years have been adjusted downward, which resulted in a valuation that was lower than the value of the assets on the balance sheet. The total impairment of goodwill amounted to EUR 60.1 million in 2013 (2012: nil).

EFFECTIVE TAX RATE

The effective tax rate was 1.0% in 2013. This tax rate is the result of a pre-tax operating loss of EUR 65.6 million, in combination with relatively high non-deductible costs. These non-deductible amounts are related to components of the results which cannot be charged to the taxable results and include goodwill impairment, share-related bonuses and the non-deductible component of so-called mixed costs.

DISPOSALS

In 2013, Ordina did not sell any participations and made no other disposals.

NET RESULT

Ordina's booked a recurring net loss of EUR 0.4 million in 2013 (2012: profit of EUR 0.5 million). This was largely due to redundancy costs of EUR 7.4 million (2012: EUR 4.0 million). The recurring net result has been adjusted for the one-off impairment of goodwill (EUR 60.1 million) and the provision for vacant office space after corporate income tax (EUR 4.5 million).

Excluding the adjustment for these two provisions and after deduction of other amortisations, interest expenses and taxes, Ordina booked a net loss of EUR 65.0 million in 2013.

Consolidated income statement

(rounded figures, in millions of euros)	2013	2012
Revenue	**377.0**	**400.7**
Cost of hardware, software and other direct costs	6.5	6.8
Work contracted out	91.1	117.1
Personnel expenses	252.3	247.9
Depreciation	5.1	5.9
Amortisation	1.9	4.7
Impairment	60.1	0.0
Other operating expenses	24.2	15.2
Total operating expenses	**456.2**	**397.7**
Operating profit	**-64.2**	**3.0**
Finance costs - net	-1.5	-1.5
Share of profit of associates	0.1	0.1
Net profit before tax	**-65.6**	**1.6**
Income tax expense	0.6	-1.1
Net profit	**-65.0**	**0.5**

Explanation recurring net result

(rounded figures, in millions of euros)	2013	2012
Reported net result	-65.0	0.5
Impairment	60.1	0.0
Provision office building - net of tax	4.5	0.0
Recurring net result	**-0.4**	**0.5**

FINANCING POSITION

MAIN POINTS OF THE CURRENT FINANCING FACILITY

In December 2011, Ordina agreed a EUR 55 million committed senior financing facility with ING, ABN AMRO Bank and NIBC. This senior financing facility comprises a long-term loan for an initial sum of EUR 20.0 million and a EUR 35.0 million current account credit facility with a term to maturity of five years.

Following two repayments of EUR 5.0 million each (22 June 2013 and 22 December 2013), the long-term loan amounted to EUR 10.0 million at 31 December 2013. In 2014, Ordina will make two further repayments of EUR 5.0 million each, after which the long-term loan will be fully repaid.

The two most important elements of the covenants for the financing facility are a maximum Leverage Ratio and an Interest Cover Ratio.

In June 2013, Ordina agreed to a change in the existing agreement with the banks. Pursuant to this change, Ordina will continue to correct EBITDA for one-off charges and reorganisation costs. As specified in the financing agreement and the addendum, this correction was maximised at EUR 5.0 million for 2013 and for 2014, with the maximum combined total correction for the two years set at EUR 8.0 million. The agreement also specifies a more gradual reduction in the maximum Leverage Ratio.

In addition to the above-mentioned correction, Ordina agreed with the banks that income and expenses related to the provision for vacant office space will not be included in the adjusted EBITDA for the calculation of the Leverage Ratio and the Interest Cover Ratio.

On the basis of the financing agreement and the addendum to same, Ordina is subject to the following ratios:

Maximum Leverage Ratio

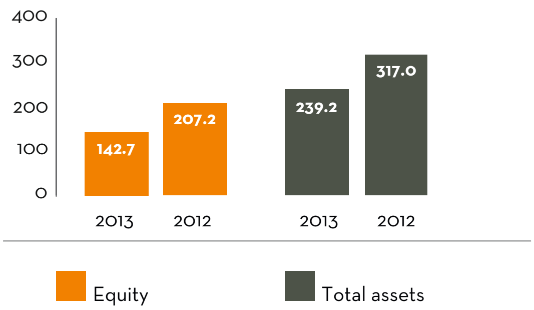
	New	Old	Realisition
01 October 2012 - 30 June 2013	2.00	2.00	
01 July 2013 - 31 December 2013	1.75	1.50	0.20
01 January 2014 - 31 March 2014	1.75	1.25	
01 April 2014 - end date agreement 2016	1.50	1.25	

Minimum Interest Cover Ratio

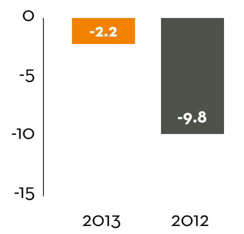
	Norm	Realisation
01 October 2012 - 30 June 2013	5.0	
01 July 2013 - 31 December 2013	5.0	9.2
01 January 2014 - 31 March 2014	5.0	
01 April 2014 - end date agreement 2016	5.0	

Ordina’s total net debt had fallen to EUR 2.2 million at year-end 2013, from EUR 9.8 million at year-end 2012. The Leverage Ratio stood at 0.2 at year-end 2013 (year-end 2012: 0.6). The Interest Cover Ratio was 9.2 (year-end 2012). Both ratios are within the range agreed with the banks.

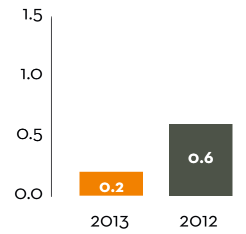
Equity and total assets
In millions of euros



Total net debt
In millions of euros



Ratio total net debt/adjusted EBITDA



CASH FLOW

CASH FLOW MOVEMENTS

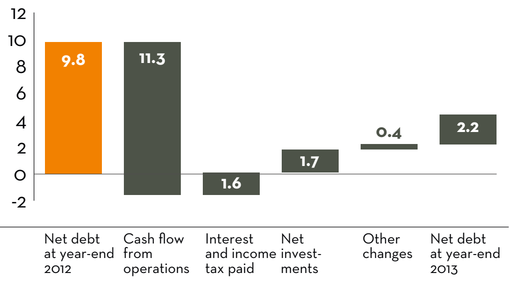
The positive operational cash flow of EUR 11.3 million was largely driven by a reduction in investments and a drop in working capital utilisation.

The net cash flow from investment activities amounted to a negative EUR 1.7 million in 2013.

MOVEMENTS IN TOTAL NET DEBT

Ordina's total net debt stood at EUR 2.2 million at year-end 2013 (year-end 2012: EUR 9.8 million). The most significant movements can be broken down as follows:

Net debt development full year 2013
Rounded, in millions of euros



OUTLOOK

Ordina refrains from giving a forecast for the coming period.

SUSTAINABILITY

VISION AND AMBITION

The best IT solutions are created through partnerships in sustainable innovation, on the basis of effective cooperation with colleagues and co-creation with clients and partners. We can make a real difference by sharing responsibility and by breaking through the traditional client supplier relationship. This begins with investments in reciprocal understanding and trust. That is exactly what Ordina offers its clients: a local player with specific knowledge of its clients and with short lines of communication to their first points of contact.

OUR VISION

Ordina is fully aware of its role in society. And that is exactly what partnerships in sustainable innovation and corporate social responsibility are all about: putting know-how and expertise to use for society, in a sustainable manner. We have defined three themes in our sustainability strategy: social projects, sustainable business and sustainable services. Each of these themes is driven by Ordina's mission statement: Partnerships in Sustainable Innovation.

AMBITION

Ordina wants to be an engaged and sustainable IT company in the Benelux region.

We have defined this ambition in a three-year sustainability plan (2014 through 2016). Ordina's mission: Partnerships in Sustainable Innovation is reflected in the initiatives that we have included in the plan.

What this boils down to is that Ordina wants to make a contribution to society under the header social projects, and use resources such as fuel and energy in a sustainable fashion under the header sustainable business. Ordina also wants to be a reflection of society, in terms of gender and ethnic diversity and providing work for people with a disability, the long-term unemployed and others who find it difficult to enter the job market. We take all of this into account when we are filling vacancies. And to make sure we can monitor our progress, we will take a baseline measurement in 2014 and we will use this to formulate specific targets with respect to our recruitment policy.

In the context of the Sustainable Services theme, Ordina strives to come up with sustainable solutions for our clients, and we test these solutions using clear KPIs.

The following is an outline of the sustainability initiatives:

Sustainability initiatives	2013	2014	2015	2016
Social projects				
Oranje Fonds	n.a.	Together 300 to 500 hours per year	Together 300 to 500 hours per year	Together 300 to 500 hours per year
Ordina Foundation	80 hours			
Sustainable business				
Environment				
Energy, fuel and CO_2 > reduction of 2 percent per year				
MJA3: [1] Energy reduction	2.0%	2.0%	2.0%	2.0%
ISO 14001: CO_2 reduction	ISO certification obtained	2.0%	2.0%	2.0%
Mobility programme: Fuel reduction	Drivers programme defined	2.0%	2.0%	2.0%
CO_2 Performance ladder	Level 3 and 5 achieved	Maintain level 5	Maintain level 5	Maintain level 5
HRM				
Diversity (in a broad sense)	No explicit targets	Baseline measurement	To be determined in 2014	To be determined in 2015
Sustainable services				
All innovations	Start various innovations: QULI, AGRO Sense, Smarter working, Lync and Green IT	100% sustainable	100% sustainable	100% sustainable

[1] The Dutch government's long-term covenant on energy reduction

STAKEHOLDER DIALOGUES

Ordina continued to discuss its sustainability strategy with various stakeholders in 2013. We talked to representatives from clients, suppliers, government bodies, investors and special interest groups and addressed issues divided into three concrete themes. These were:

- Employing people who find it difficult to enter the job market
- How to promote sustainability among employees
- The definition of social themes in which IT can play a positive role.

This dialogue with our stakeholders led to a number of valuable insights. We subsequently incorporated the feedback and input from the various participants in the definition of Ordina' sustainability ambitions and targets.

SOCIAL PROJECTS

We work on our social projects in close cooperation with the Ordina Foundation and the Oranje Fonds. Each year, it carries out around four social projects, which Ordina's employees can suggest themselves. Ordina sets aside between 300 and 500 man hours for these projects each year, in the form of time and expertise.

Social projects		
Oranje Fonds	• Four projects a year	Total donated time between 300 and 500 hours per year
Ordina Foundation	• Four projects a year • Investment of time: approx. two-thirds of the time invested by the employer, and the remaining one-third by the employee	

ORANJE FONDS

In addition to the projects carried out by our own employees, Ordina has teamed up with social cohesion charity the Oranje Fonds. The Oranje Fonds promotes social involvement and participation. Thanks to the help of the Oranje Fonds, people get to meet other people or find a new place in society. The Oranje Fonds wants to stimulate both social cohesion and participation. That makes Ordina and the Oranje Fonds an excellent fit.

Together with the Oranje Fonds, Ordina started a number of initiatives, including a social media workshop and a project we have christened 'IT professional for a day', for organisations supported by the Oranje Fonds. Ordina plans to take part in around four initiatives in 2014.

ORDINA FOUNDATION

The Ordina Foundation's first initiative was our awareness campaign for the Dutch Neurofibromatosis Association (*Neurofibromatose Vereniging Nederland* - NFVN). Neurofibromatosis is the collective name for a number of inherited conditions that primarily affect the skin and connective and nerve tissues. This condition is relatively unknown, which means there is little understanding or sympathy for people suffering from neurofibromatosis. The association is hoping to increase social awareness for the disease by explaining how the condition affects sufferers. Social media would be the ideal stage for such awareness-raising efforts. However, the association lacked have the in-house expertise to develop an effective social media strategy. Ordina has therefore worked with the society to draw up a social media plan for the NFVN.

SUSTAINABLE BUSINESS

Our efforts on the sustainable business front are about two things: environmental initiatives and Ordina's Human Resources policy. Ordina will maintain the targets it has set for ISO14001 certification, the CO_2 Performance ladder and the Dutch government's long-term covenant on energy efficiency (see the table below). These targets also include the use of lease cars, for which Ordina has drawn up a mobility programme. On the HR front, Ordina has committed itself to diversity targets.

Sustainable business	
MJA3: [1] Energy reduction	30% energy savings over the period 2005-2020 and a minimum reduction of 2.0% per year
ISO14001: CO_2 reduction	Reduce CO_2 components of paper use, fuel use and electricity use, lighting and climate control system by 2.0% per year
CO_2 Performance ladder: CO_2 reduction	20% lower CO_2 emissions in 2020 compared to 2010
Mobility programme: Fuel reduction	Main focus is on CO_2 reduction, but also aimed at a 2.0% reduction of fuel costs
Diversity	Ordina wants to reflect the society in which we operate. This includes the ratio of men to women, of Dutch natives to minorities and people who are disabled or find it difficult to enter or re-enter the job market. Ordina takes these factors into account when filling vacancies. To be able to measure our progress, we will perform a baseline measurement in 2014. We will then formulate KPIs on the basis of that measurement.

[1] The Dutch government's long-term covenant on energy reduction

MJA3
Ordina plays an active role in the Dutch government's long-term covenant on energy efficiency (*Meerjarenafspraken energie-efficiëntie* - MJA3). The goal of the covenant is to increase energy efficiency by 30% over a period of 15 years. In 2012, Ordina drew up a new energy-efficiency plan for the period 2013-2016. In 2013, the Dutch government's Enterprise Agency (Agentschap NL) approved this plan, which is on track to realise our goals.

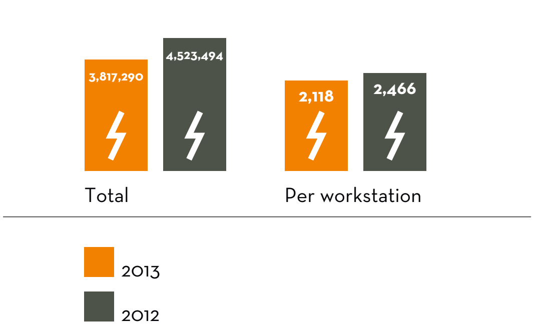
ISO 14001
Ordina gained ISO14001 certification in 2013. ISO14001 defines the key elements for setting up, implementing, maintaining and improving an environmental management system. It is a tool designed to give the environment the attention it deserves within an organisation.

CO_2 PERFORMANCE LADDER
In the summer of 2013, Ordina became the first IT company to score level 5 of the CO_2 Performance ladder, the highest level a company can achieve. The aim of the ladder is to encourage companies to reduce their own CO_2 emissions and those in the chain – at suppliers and clients – that result from the company's own operations and projects. Ordina's target is to reduce CO_2 emissions by 20% in 2020, compared to 2010.

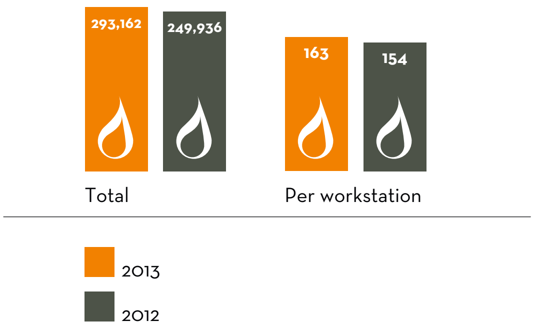
In 2013, Ordina started and (particially) completed the following measures:
- The relocation to energy-efficient data centres; we completed the relocation in 2013
- The optimisation of the design of the data centres, via virtualisation and cold corridors
- The application of sustainability criteria to all supplier selections. This is something we pay attention to on a continuous basis. For instance, in the first half of 2013 we moved our Amsterdam operations to a new office in the city with an A++ energy label
- The optimisation of the number of workstations per square metre by reducing the overall number of square metres in use, for instance through the closure of our Dordrecht office
- The monitoring of green energy purchasing, which reduces CO_2 emissions
- We opted for LED lighting, replacing lighted signage and halogen spotlights wherever possible; in 2013, we started on the replacement of all office lighting.

Last year, Ordina carried out chain analyses for scope 1, 2 and 3 emissions, in accordance with the Greenhouse Gas Protocol, for two operational chains. We conducted a chain analysis for secondment and for management and we then defined specific reduction measures for these services.

Electricity consumption in kWh total and per workstation

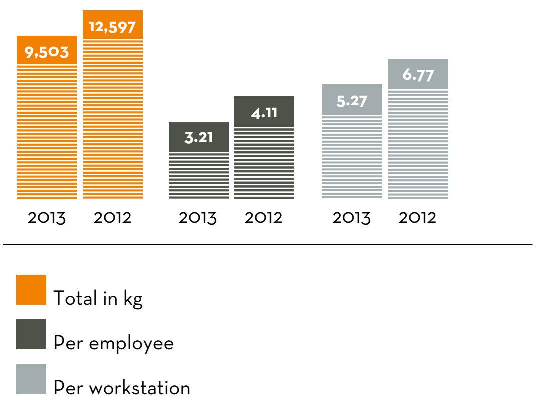


Natural gas in m³ total and per workstation



Ordina's gas consumption increased slightly in 2013, due to the very cold weather in early 2013.

Copypaper 2013 and 2012
In kg



MOBILITY PROGRAMME

The main focus of the mobility programme is on CO_2 reduction, but also aimed at a 2.0% reduction of fuel costs. The three most important elements of the mobility programme are: drivers dashboard, cleaner cars and pilot electric cars.

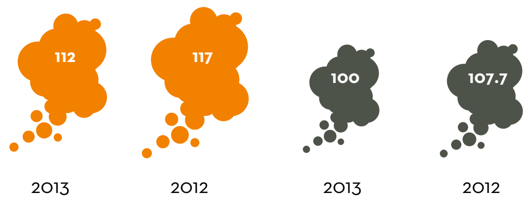
DRIVERS DASHBOARD

Ordina aims to increase its employees' awareness of how they use their lease cars. In concrete terms, we work with the leasing company to give each driver monthly data on the use of their lease car using a drivers dashboard. This shows CO_2 emissions and other aspects of car use.

CLEANER CARS

Ordina signed the Cleaner Car Contract in 2011. This contract is part of our efforts to operate a cleaner fleet of lease cars. The goal of the Cleaner Car Contract is to make sure that each new lease car we order, has average emissions below the 120-grammes of CO_2 per kilometre limit. Our efforts on this front date back to 2010, when we launched an initiative to stimulate the use of lease cars with low absolute CO_2 emissions. Employees are given an incentive if they use a car with maximum emissions of 112 gram/km (diesel) or 124 gram/km (petrol). In 2012 and 2013, more than 90% of the newly-leased cars fell into this energy-efficient category. We have a similar leasing policy in Belgium, where we have set maximum CO_2 emissions for lease cars at 145 gram/km, compared with the previous maximum of 170 gram/km.

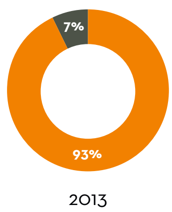
Average CO_2 emissions per car in g/km



Average CO_2 emissions for fleet of vehicles in operation at year end

Average CO_2 emissions for newly acquired vehicles in 2013 and 2012

Percentage new ordered cars with low CO_2 emissions



Cars with low CO_2 emissions (20% addition and less)

Other

PILOT ELECTRIC CARS

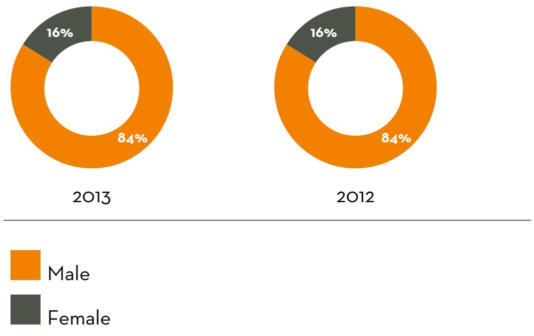
In 2013, Ordina ran a pilot programme to establish how the use of hybrid cars in our fleet would actually help us to reduce CO_2 emissions. However, Ordina was determined to prevent employees from choosing hybrid cars purely for tax reasons and then subsequently using them as normal petrol-driven cars. During the pilot we therefore attached very strict conditions to the use of the hybrid cars. For instance, you can only reduce your CO_2 emissions if you charge your car on a regular basis. So we expect the drivers to make the maximum use of the charging function. The drivers pay for excessive petrol use themselves. We will be evaluating this pilot early 2014 and decide whether we want to continue the hybrid car scheme a wider scale.

DIVERSITY

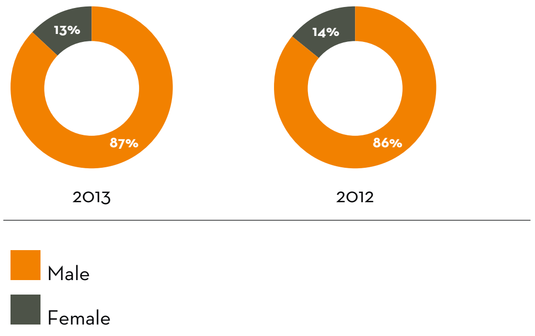
We are convinced that diversity within our organisation gives us a number of advantages, such as creativity and innovative potential. Our aim is therefore to be a reflection of the society we operate in, we see this in terms of gender and ethnic diversity and jobs for disabled people and others who find it difficult to enter or re-enter the job market.

In 2013, the proportion of men to women remained virtually the same, while there was a slight drop in the number of women in management positions. Thanks to the appointment of a female CFO in 2013 and the female member of our Supervisory Board, the proportion of women on Ordina's Management Board and Supervisory Board is now 50% and 25% respectively.

Male/female ratio



Male/female ratio in managerial positions



One example of our initiatives to lower the threshold for people who find it difficult to enter the job market was a joint initiative with a client that last year led to the placement of around 10 people with a 'disability' with that client. To increase the number of such people at this specific client, we have teamed up with the client and suppliers to start *De Normaalste Zaak* initiative. *De Normaalste Zaak* helps companies to become inclusive labour organisations. Companies where not everybody is young, fit and white, and where people can work according to their own specific abilities.

When filling vacancies at Ordina, we take into consideration the extent to which a preferred candidate contributes to our aim of greater diversity.

To make sure we can monitor our progress on this front, we will take a baseline measurement in 2014 and use this measurement to formulate specific KPIs for the year 2015 and 2016.

REPORTING

FIRA

FIRA stands for Firmus Agnitio, which translates into sustainability assurance. FIRA is a sustainability rating system, which helps entrepreneurs to make sustainable choices that fit into their strategy. This platform was launched by ABN AMRO, Achmea, Rabobank and Nevi. Ordina's participation in this initiative makes the company's sustainability performance transparent for its clients. This transparency is also a major advantage in various tender procedures.

GRI 3.0

The Global Reporting Initiative (GRI) has defined guidelines for reporting on a company's sustainability initiatives and targets. Ordina currently reports according to GRI 3.0 guidelines. In 2015, we will apply GRI 4.0 standards, which will specifically focus on the initiatives and targets that differentiate Ordina from other companies.

SUSTAINABLE SERVICES

Ordina wants to create and deliver sustainable solutions that truly help people and companies to move forward. Solutions created without wasting resources or people's time and effort and easy to manage. Ordina believes that co-creation will make a considerable contribution to increasing the sustainability of its services.

ASSESSMENT CRITERIA SUSTAINABLE SERVICES

All innovations Ordina develops must be 100% sustainable and tried and tested on the basis of criteria such as co-creation with our clients, creativity and innovation, future-proofing and durability and the re-use of existing products and components.

GREEN IT

The IT sector is not immune to the consumption of scarce raw materials and energy, and emissions of greenhouse gases. Ordina accepts its responsibility in this respect and wants to play a trendsetting role in the reduction of greenhouse gas emissions and the wastage of scarce resources. We have developed the following initiatives to move full steam ahead on the green IT and sustainable services front.

GREEN IN HARDWARE

Any IT hardware we buy for Ordina has to meet strict sustainability criteria and we recycle this hardware. Ordina also only buys Energy-Star certified hardware, which means the equipment complies with strict energy consumption requirements.

We offer clients the opportunity to outsource their application hosting to us and we use external data centres for those activities. We attach importance in energy efficiency when we are selecting these data centres. The energy efficiency is expressed in power usage efficiency (PUE), which is the ratio of a data centre's total energy consumption to the net energy consumption of the IT equipment used. Our data centre in Groningen is among the greenest in the Netherlands, with a PUE value of 1.2. Just a few years ago, a PUE value of 2.5 was considered the norm for data centres.

The indirect CO_2 emissions of our external data centres are included in Ordina's CO_2 Performance Ladder report. Ordina has also included the reduction of the CO_2 emissions generated by Ordina's external data centres in its overall CO_2 reduction targets.

GREENING THROUGH IT

IT can help companies and organisations to realise their own sustainability targets. To support organisations in these efforts, Ordina has invested in green solutions such as:

- EcoChain: a solution which allows an organisation to take stock of the footprint of its entire chain and calculate the effects of measures across that chain
- Green-Scan: this solution enables Ordina to take a close look at a production chain and identify opportunities for energy savings using IT, or the more efficient use of IT.

GREENER IT

IT itself can be greener, too. Ordina has taken steps in the research into green software, such as the company's support for the Software Energy Footprint laboratory, which is studying the energy-impact of software. Ordina is a member of the Dutch Expertise Centre Green Software (*Kennis Centrum Groene Software*) and has launched its own research project into greener IT.

Ordina offers its clients the opportunity to make use our professionals in a 'green' fashion, by allowing the employees to work close to home and from home.

ORDINA TOPTALENT AND EMPLOYEE DEVELOPMENT

Corporate social responsibility also means making sustainable use of know-how and expertise. A key component in this is an energetic workforce with up-to-date know-how and a good balance between younger and more mature employees. We also see a real need among our clients for young, talented IT staff. But in the current market, it is not always easy to attract and train young talented people. This is why Ordina set up its TopTalent programme, to help our clients find the IT people they need. Basically, Ordina recruits and selects young professionals and trains them for our clients at the Ordina Academy.

Another issue organisations are facing with increasing regularity is their IT staff lacking the skills required to develop in line with the evolving demands that IT will place on those employees in the future. Ordina helps its clients to revitalise their IT staff, for instance by identifying the skill gap and then giving employees the retraining they need.

LYNC IN THE BOX

Ordina's Lync in the Box offers clients a solution that simplifies and streamlines communication between clients, employees and suppliers. The use of Lync leads to a drastic reduction in communication and travel costs, as well as a reduction in CO_2 emissions.

Employees can use the Lync in the Box solution to switch quickly and easily between various communication channels, such as e-mail, landline and mobile telephony, instant messaging and audio or video conferences – all completely regardless of their location.

QULI

Quli is short for Quality of Life. It is a joint initiative of a number of healthcare institutions (Dr. Leo Kannerhuis, Arq, Pluryn, Amarant Groep and Dichterbij) and Ordina, aimed at increasing innovation in healthcare. Quli is a healthcare platform that allows people to remain independent, offers preventative tools and puts patients firmly in charge of their own healthcare and wellbeing. The social network component enables people to learn, work and get help more easily. Users can exchange medical information from their personal medical files with their own social network, which reducing travel and paper consumption, and therefore leading to reduced CO_2 emissions.

ANCHORING SUSTAINABILITY

STRUCTURE

Ordina's sustainability policy is one of the priorities on the company's agenda, which is why the policy is owned by the Management Board itself. Each of the three separate sustainability themes – social projects, sustainable business and sustainable services – is governed by a member of the Executive Committee.

STEERING GROUP SUSTAINABILITY

Ordina also has a dedicated sustainability steering group, responsible for supervising the execution of the sustainability strategy. The steering group comprises the three theme-owners and reports to the Management Board on progress of the execution of the sustainability policy and the progress and success of ongoing initiatives. The steering group is also responsible for communication with Ordina's various internal stakeholders on the sustainability themes and initiatives.

RISK

RISK APPETITE

The most important risks Ordina faces can be summarised as a number of strategic and market risks, financial risks and operational risks. Ordina identified these risks by conducting a thorough analysis, and weighed both the likelihood of the risks occurring and the impact if they did indeed materialise. Based on that assessment, we also determined our risk acceptance level and when we no longer consider risks acceptable: our risk appetite. Reasons to qualify risks as unacceptable are:

- Risks to our reputation in the field of compliance and integrity or our continuity
- Potential material impact on our revenues and, more specifically, our profitability

Based on this risk analysis, we have incorporated the main risks in this annual report. These risks are directly related to market developments, our market positioning and our operations. We describe these risks and Ordina's approach to risk management in greater detail below.

We update our risk assessment twice a year.

STRATEGIC AND MARKET RISKS

The main strategic and market risks are:

SENSITIVITY TO ECONOMIC FLUCTUATIONS

Fluctuations in the economy combined with an high fixed cost structure has a direct impact on our results.

PRESSURE ON SECONDMENT RATES

The rates for the secondment of commodity services may come under increasing pressure from freelancers and interim agencies.

ORDINA'S SCALE

Ordina's size in comparison with the size of a client can sometimes be a cause of doubt or concern for (potential) clients.

MEASURES

The central position of our sales organisation in combination with our focus on innovative themes and sustainable cooperation enables us to develop a closer relationship with our clients. We are also taking measures to achieve a structural reduction of our cost base, the continued professionalization of the flexible component of our workforce and to increase the focus on revenue from long-term contracts. We have also reduced our net debt. All of this combined will reduce our sensitivity to economic fluctuations and strengthen our position in the Benelux.

FINANCIAL RISKS

The key financial risks are:

LIMITED FINANCING OPPORTUNITIES
The increasingly critical attitude of financiers limits our financing opportunities.

SOLVENCY PARTNERS
Market conditions may create solvency or continuity problems among clients or suppliers.

OPERATIONS ABROAD
Our (foreign) operations in Belgium and Luxembourg are geographically further removed from our head office and operate in their respective markets with their own employees, clients and management. This creates the risk that these businesses will start to operate with too much autonomy, reducing the Management Board's insight into the operations.

MEASURES
Ordina's intensive monitoring of its working capital and the structural reduction of our cost levels helped us to reduce our net debt position to a low level at year-end 2013. We will continue with these efforts to further reduce our net debt in the year ahead. We are supporting this process by making scrupulous and selective investment decisions. As part of these efforts, we have implemented various transparent processes, such as our Deal Review System.

The foreign operations are part of the division Belgium/Luxembourg. The director of the division Belgium/ Luxembourg is a member of the Executive Committee, which safeguards closer ties to the rest of the company. In early 2014, a second director from this division joined the Executive Committee.

OPERATIONAL RISKS

The key operational risks are:

GROWING RISK PROFILE OF CLIENT PROJECTS
There is growing demand among clients to place the responsibility for a project with the supplier. This delivery commitment combined with a rapidly evolving claim culture raises the risk profile of our projects.

REPUTATION DAMAGE
In this day of rapid communications, it is not inconceivable that dissatisfied clients or other negative reports in the media may damage our reputation. The various contractual non-disclosure agreements may on occasion prevent us from successfully defend ourselves in those instances.

MEASURES
We adjusted our organisational structure as from 1 January 2014. The resulting management structure is more balanced and simpler and creates room for clearer focus and improved customer relations. We believe that success is founded on long-term cooperation and that preventing conflicts is the best remedy against such risks. In addition, we take a very selective approach to market opportunities, supported by our Deal Review System. Next to feasability, client intimacy and long-term relationships are key criteria in this selection process.

The management of the divisions and the Management Board discuss the status of all high-risk contracts and key opportunities on a weekly basis.

GOVERNANCE

BUSINESS PRINCIPLES

Our business principles provide guidance for the actions and behaviour of both management and staff. We operate our company according to sound economic principles, we are a loyal and reliable supplier, a socially-responsible employer and a reliable stock exchange-listed company, and we take our corporate social responsibility seriously.

COMPLIANCE

We comply with all relevant European and national laws and regulations and those of the countries where we cooperate with partners. Ordina has specific regulations and guidelines for its managers, employees, suppliers and shareholders and ensures that the relevant target groups are aware of same. We also monitor the compliance with same.

INTEGRITY

Our management and employees always act according to strict principles of honesty, openness and integrity. We strongly condemn any direct or indirect payment of bribes. We expect our employees to never allow their personal interests to conflict with Ordina's interests. Our administrative organisation is geared towards ensuring that we can account for all business transactions fully and correctly. The Management Board has drawn up guidelines with respect to the ownership and trading in shares in the company. These guidelines have been laid down in Ordina's insider trading regulations (*Reglement Inzake Voorwetenschap Ordina N.V.*). Employees can report any wrongdoings they are aware of without any danger to their position in the company, in line with Ordina's whistle blower's code, which is available on the website.

FAIR COMPETITION

We advocate honest and open competition in all markets in which we are active. We refrain from agreements with other players in our sector, which might have an adverse effect on a client's freedom of choice.

TRANSPARENCY

Ordina's annual and interim reports are publicly available and published on our website. We report our performance, faithfully, carefully, in a timely fashion and transparently. We draw up our annual and interim reports in accordance with the principles for financial reporting as accepted in the Netherlands and any legal requirements Ordina is subject to as a listed company. Ordina reports immediately on any and all events that may affect its share price, via press releases and in line with all prevailing regulations.

SOCIAL POLICY

Ordina's employee policy is geared at finding a good balance between the company's interests and those of its employees. We offer employees equal opportunities in terms of career and development and strive to arrive at fair treatment in the event of a conflict. We do our utmost to promote the wellbeing of our employees through an active vitality policy and by providing good working conditions.

CORPORATE SOCIAL RESPONSIBILITY

Ordina is aware of its role in society. Partnerships in sustainable innovation and corporate social responsibility are a precise embodiment of the principles: using know-how and expertise sustainably to benefit society. We have identified three themes in the context of our sustainability strategy: social projects, sustainable business and sustainable services. Each of these themes is an expression of Ordina's mission: Partnerships in Sustainable Innovation.

SOUND MANAGEMENT

Internal governance is a high priority for Ordina. It is subject to continuous assessment and continued professionalisation, a process in which we constantly evaluate and improve our governance structure, processes, systems and controls.

One of our priorities is to raise awareness of corporate governance among management and employees. They must be aware of just how important it is for them to apply our internal governance correctly. This is becoming increasingly important in our rapidly evolving industry.

BUILDING BLOCKS OF INTERNAL GOVERNANCE AND CONTROL

Our internal governance comprises the following building blocks:

- Strategy development
- Translation of strategic targets into business plans and long-range goals
- Analysis of results and forecasts and the internal reporting cycle
- Transparent administrative organisation
- Project control
- Control self-assessment and audits

STRATEGY DEVELOPMENT

Ordina scrutinises its strategy and the related targets and ambitions on an annual basis. Where necessary, we make adjustments based on market developments and the opportunities and threats we have identified. We evaluate whether adjustments are necessary by analysing our strengths and weaknesses and by conducting a strategic risk assessment. This is the responsibility of the Management Board. The Board also discusses Ordina's strategic direction extensively with the Supervisory Board at least once a year.

TRANSLATING STRATEGIC TARGETS

Ordina's Management Board draws up the company's strategic targets, including the main opportunities and risks, in cooperation with the Executive Committee. Ordina's overall strategic targets and the different divisions' contributions to achieving those targets serve as the basis for our business plans and long-term plans.

We have calculated various scenarios in the context of our long-term planning. The various scenarios are based on the developments in Ordina's markets in the Netherlands and Belgium/Luxembourg.

The business plan includes a budget for each division. It also includes several concrete business targets that have been translated into a number of Key Performance Indicators (KPIs), which we monitor continuously for progress throughout the year.

ANALYSIS OF RESULTS, FORECASTS AND INTERNAL REPORTING CYCLE

We analyse the financial results of the divisions and their forecasts on a monthly basis, both at a local and at corporate level.

We hold divisional-level risk management assessments at least twice a year. We translate risks that have been identified into concrete measures. The management then reports periodically on the results of these measures. When circumstances change dramatically, we hold interim risk assessments if we deem these necessary.

The divisional management and business controllers submit monthly written progress reports. They report to the members of the Management Board on the status of the targets defined in their business plan, the related KPIs and their division's financial performance. Based on these reports, we then hold monthly progress meetings to discuss at least:

- actions agreed upon during prior reviews
- relevant commercial developments
- any current client issues
- the financial performance in the past month and updated forecasts
- progress in terms of the risks identified
- turnover and recruitment of staff
- progress in the execution of key contracts

The forecast is only adapted per month if there have been any significant changes.

TRANSPARENT ADMINISTRATIVE ORGANISATION

At Ordina, we have formalised responsibilities, mandates, the division of tasks, guidelines, procedures and processes within the company in a clear and accessible manner. They have been compiled in the Business Management Framework (BMF), a digital manual for our quality control system. This also serves as the basis for the continued development and professionalisation of the company's risk management system. The divisional management and business controllers are responsible for the correct application of processes and systems.

Ordina set up and continues to develop its management system using the ISO 9001 standard as a minimum requirement. During the re-certification procedure in 2013, the certifying institution identified the following positive points:

- Monitoring and improvement are key components of the system
- Ordina's cascaded planning alongside the lines of business
- Application of project health checks
- Employee engagement and client satisfaction surveys

Our financial administration runs on SAP, which is Ordina's primary system for the administration and business operations.

The emphasis on ever greater integration of our sustainability targets in our processes and the continued optimisation and practical implementation of the operational steering were in line with the strategy in 2013.

On the sustainability front, Ordina gained ISO 14001 certification and achieved level 5 on the CO_2 Performance Ladder in 2013. This makes Ordina the first IT company and the 100th company in the Netherlands to achieve the highest level.

PROJECT MANAGEMENT

DEAL REVIEW SYSTEM

Ordina strives for the effective management of projects for which we bear bottom-line responsibility. This begins with a critical review of opportunities and threats during the commercial process. We also review the mandatory involvement of management at the right level, depending on the size of a potential contract.

We launched the Deal Review System (DRS) to make sure we do this consistently. This system enables us to make informed decisions at every stage of the bidding process and on whether or not to submit a bid (bid, no bid) for a project or tender. Key elements of the DRS include the assessment of risks and the measures we have available to mitigate those risks.

When we accept projects and management contracts, of course we accept a certain level of risk, but we believe these risks have to be manageable. Our track record, experience, stringent project management and contractual agreements with our clients, including liability limits, are all factors that play a role in the mitigation of these risks. Our Assurance department monitors the consistent application of the DRS.

EXCELLENCE IN PROJECT EXECUTION

Ordina has developed an approach to project execution and dubbed it excellent Project execution or xPx. The xPx approach is in line with Prince2, with the addition of a number of steps aimed at generating buy-in and commitment among all those involved in a project.

For Ordina, sound project management is a key condition to realising project targets and we therefore apply xPx to all our projects. Our project managers are trained in both Prince2 and xPx and have extensive practical experience. We also devote considerable attention to the composition of our project teams. At Ordina, we refer to 'inspired project teams', by which we mean project teams that have the required experience and know-how, work on the basis of passion for their field of expertise and can cooperate well, both with other team members and with representatives from the client's organisation. We want to provide our clients with added value by maintaining a clear focus on what helps them to achieve their own business goals and by making sure that the project targets continue to facilitate those goals.

We discuss the progress of key projects at the monthly divisional review meetings, along with the key findings of our Assurance department.

CONTROL SELF-ASSESSMENT AND AUDITS

The final element in our internal governance structure is the divisional management's written confirmation of their compliance with the processes and procedures formalised in the Ordina quality control system during the reporting period. We subsequently conduct or commission internal and external audits.

The Assurance department, which reports directly to the Chief Financial Officer, audits the divisions for their correct application of, and compliance with, internal procedures and guidelines. We conduct both financial and operational audits. The goal is the continuous professionalization of our internal control structure based on the audit findings. Very importantly, these formalised procedures also help us to increase risk awareness within Ordina.

External audits are conducted by organisations such as KPMG, DNV and our external auditor PricewaterhouseCoopers. The external audits cover both our quality control system and the administrative organisation and financial results. We also provide clients with independent assurance on application outsourcing in terms of the presence and operation of relevant processes and control measures.

The external auditor focuses also on the correct design, application and operation of internal control procedures that are necessary to draw up the financial statements. The external auditor reports the findings of their audits to the Management Board and to the Supervisory Board, both verbally and in writing.

INTERNAL CONTROLS

CONCLUSION

The Management Board is responsible for the strategy, associated risk profile, and the design and effectiveness of our internal risk management and control systems. These systems are designed to help ensure that we are reasonably certain at all times of the extent to which we are achieving our strategic and operational goals. The systems also serve to guarantee that our financial reporting is reliable, to make sure that we act in accordance with the laws and regulations that apply to our company.

Ordina sees the configuration of our internal risk management and control systems for our strategic, operational, compliance and financial (reporting) risks as a high priority. We constantly refine and improve these systems in light of internal and external developments. Following the evaluation in 2012, Ordina made further improvements in the year under review.

In the year under review, we assessed the configuration and operation of our existing risk management and control systems. The outcome of that assessment, including our risk profile, was discussed with the Supervisory Board. These systems can never provide absolute certainty: Ordina's reporting could also contain material misstatements.

MANAGEMENT BOARD STATEMENT

Based on the evaluation of our internal control structure, it is the Management Board's opinion that the internal risk management and control systems functioned properly in the year under review and that they provide reasonable assurance that the financial information is free from material misstatement.

In view of the above, Ordina complies with best practice provisions II.1.4 and II.1.5 of the Dutch Corporate Governance Code.

In addition to this, the Management Board hereby declares, in accordance with section 5.25c of the Dutch Financial Supervision Act, that to the best of its knowledge:

- The financial statements as per 31 December 2013, presented on pages 79 through 139 of this annual report, and which are in accordance with IFRS, give a true and fair account of the assets and liabilities and the financial position and results of Ordina N.V. and its consolidated entities; and that
- the annual report gives a true and fair account of Ordina N.V.'s position as per 31 December 2013 and the course of events during the financial year 2013 and that of its related entities whose financial information has been consolidated in the Company's financial statements and that the annual report describes the principal risks that Ordina N.V. faces.

Nieuwegein, The Netherlands, 5 March 2014

Management Board Ordina N.V.
Stépan Breedveld, CEO
Jolanda Poots-Bijl, CFO

SUPERVISORY BOARD

The Supervisory Board's primary duty is to supervise Ordina's management, from both a strategic and an operational perspective. The role, tasks and composition of the Supervisory Board are described in the Supervisory Board regulations.

The members of the Supervisory Board are (from left to right):
Johan van der Werf, Pamela Boumeester, Dirk Anbeek and Aloys Kregting.




Johan van der Werf (1952) has been a member of Ordina's Supervisory Board since May 2010 and its Chairman since August 2010. He is the Chairman of the Supervisory Board of the Blauwtrust Group, the Vice-Chairman of the Supervisory Board of Delta, the Chairman of the Supervisory Committee of the NOS, and Chairman of the Supervisory Committee of the Utrecht University Medical Centre. He is also a member of the Supervisory Boards of ONVZ and De Lotto. Mr. Van der Werf was appointed on 11 May 2010. He is due to step down under the prevailing rotation schedule in 2014. Mr. Van der Werf will no longer be eligible for reappointment to the Board after May 2018.

Pamela Boumeester (1958) was appointed as a member of the Supervisory Board of Ordina in May 2009. Ms. Boumeester's other positions include the chair of the Supervisory Committee of the Twente School of Management. Ms. Boumeester is also a member of the Supervisory Boards of Jaarbeurs, Persgroep Nederland, Heijmans and Ziggo. Ms. Boumeester was appointed on 6 May 2009 and reappointed for a four year period on 15 May 2013. Ms. Boumeester will no longer be eligible for reappointment to the Board after May 2017.

Dirk Anbeek (1963) was appointed as member of the Ordina Supervisory Board in May 2012. Mr. Anbeek has been Chief Executive Officer of Wereldhave since 2012. Mr. Anbeek is due to step down in 2016 under the prevailing rotation schedule. Mr. Anbeek will no longer be eligible for reappointment to the Board after May 2020.

Aloys Kregting (1967) was appointed as a member of the Supervisory Board of Ordina in May 2011. Mr. Kregting has been Chief Information Officer at DSM and Executive Vice President DSM Business Services since 2008. He is due to step down in 2015 under the prevailing rotation schedule. Mr. Kregting will no longer be eligible for reappointment to the Board after May 2019.

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION

In this report, we provide information about how the Supervisory Board carried out its supervisory tasks. In 2013, Ordina succeeded in recording a cautious recovery in revenues in the second half of the year and managed to create a solid basis for a healthy development of margins in 2014 and beyond. In the year under review, Ordina positioned itself as an organisation with a clear mission and an innovative and sustainable profile and recorded improvements in both client satisfaction and employee engagement compared with 2012. In addition, Ordina significantly improved its net debt position.

AGENDA

The year 2013 was a year of two halves for Ordina. The first half of the year was dominated by the difficult market conditions. In the second half of the year, the economic conditions improved and we welcomed our new CFO, Jolanda Poots-Bijl as a member of the Management Board. We also celebrated Ordina's 40th anniversary together with our clients.

The difficult market conditions in the first half of the year had an impact on the demand for IT services and therefore also on Ordina's results. In the year under review, the Supervisory Board kept a close eye on the company's financial strategy. We believe it is our task to use our supervisory role to make an active contribution to improving the company's overall health. We held extensive discussions with the Management Board about the reduction of indirect costs, the consolidation and - where possible - expansion of market shares and the improvement of the net debt position, also in the context of the ratios agreed with our banks. We also discussed the impairment of goodwill with the Management Board. This led to a reduction of EUR 60.1 million in goodwill in 2013. The Board also addressed the issue of the EUR 5.9 million provision related to the vacant office space in part of the Nieuwegein office building leased by Ordina.

In 2013, the company was in better shape than in the previous financial year. In the second half of the year, Ordina noted the first signs of a cautious recovery in revenues. The healthcare and industry markets recorded growth. Revenues in the financial services market declined in the first two quarters, but booked a return to growth in the second half of the year (taking into account the loss of the offshore component of the Rabobank contract). Revenues in the public sector declined. Ordina also created a solid basis for a healthy development of margins in 2014: by increasing the management focus on returns though the adjustment of the organisation, but also through a considerable structural reduction of indirect costs, an increase in production capacity and a strong improvement in the net debt position.

Ordina also created an innovative and sustainable profile by fleshing out its chosen mission 'Partnerships in Sustainable Innovation' and by placing the focus on innovation. In addition, Ordina refined and enhanced its sustainability strategy and defined its sustainability ambitions for the next three years. The promotion of diversity within the company is a part of this strategy. Ordina attaches great importance to diversity and supports structural measures and internal initiatives aimed at increasing diversity across the company. Finally, last year Ordina booked an improvement in the perception of the company among its clients and employees compared with 2012. Both client satisfaction and employee engagement scores were higher in 2013, continuing the trend seen in previous years.

The Supervisory Board sought and received extensive information about the above plans and discussed same in detail with the Management Board. Our supervision includes ensuring that the measures introduced do in fact result in improvements. We also wish to emphasise that as in previous years we devoted a good deal of time and effort to Ordina's Human Resources policy in the year under review. The subject was a regular item on the agenda in 2013. It is vital to a knowledge intensive organisation such as Ordina to recruit and retain the right employees and to increase the engagement of the existing workforce. We are therefore pleased to note that the efforts on this front have been fruitful and employee engagement increased once again last year.

We also sought and received information on succession management and received information on the results of the assessment of the Executive Committee members. We were also given extensive information on the newly-appointed members of the Executive Committee as a result of the organisational changes. The appointment of these new members took into account potential upward moves and continued development, with a view to the continuity of the company. The Supervisory Board now has a good impression of the talent available to fill future (top) management vacancies. The development and training of Ordina professionals was another item on our agenda last year. We fully support the Management Board's policy of continued investments in know-how and leadership development with a view to future growth. The number of direct employees increased slightly and we hope that this growth can continue in 2014.

The Supervisory Board also devoted specific attention to Ordina's operations in Belgium and Luxembourg in the year under review. The Management Board informed us about the measures introduced to improve Ordina's results in Belgium and Luxembourg. The Management Board also took concrete steps to improve the cooperation between the Dutch division and the operations in Belgium and Luxembourg, with the aim of creating synergy benefits. Finally, Jo Maes, who was already employed at Ordina, was appointed CEO of Ordina Belgium, effective 1 January 2014.

MEETINGS

The Supervisory Board held six meetings with the Management Board in the year under review, all according to a prearranged schedule. The Supervisory Board and the Management Board also held seven additional meetings on specific subjects, such as management development and the adjustment of the organisation.

Some of these meetings were conducted by telephone or in the form of a workshop. In the regular meetings, we also discussed a number of other fixed agenda items, such as the budget, operational and financial developments, cost controls, strategy and risk management. We discussed the interim results and the full-year results in the presence of the independent external auditor.

In our annual meeting with the Works Council, we discussed Ordina's strategic position and the improvements in revenues. The Supervisory Board determined that the relationship between the Management Board and the Works Council is healthy.

In addition to the scheduled meetings, the chairman of the Supervisory Board was in frequent contact with the chairman of the Management Board. All or nearly all of the members of the Supervisory Board attended all of the meetings. Mr. Kregting had to excuse himself from attending on one occasion, but passed on any comments and/or questions he had to both the Management Board and the Supervisory Board in advance.

In addition to the above meetings, all members of the Supervisory Board attended one meeting in the absence of the Management Board and the Supervisory Board members frequently consulted with each other between meetings. During the above consultations, we discussed a range of subjects, including the functioning of the Management Board. We concluded that the Management Board is functioning well. The Supervisory Board also consulted with the company's external auditor, both in the presence of the Management Board and in its absence.

CHANGE MANAGEMENT BOARD

In the year under review, we bid farewell to Bart de Jong as our CFO. The severance agreement with Bart de Jong was agreed amicably in mutual consultations, taking into account all the relevant regulations as recorded in law, the Corporate Governance Code and Ordina's remuneration policy.

As contractually agreed, upon his departure Bart de Jong received a severance payment of six times his monthly salary, in addition to the six months' paid notice (a total gross sum of EUR 265,680). In addition, we fixed his performance-related remuneration for 2013 at EUR 86,667 gross. We would like to thank Bart de Jong for his contribution to Ordina's development.

We found a successor for Bart de Jong in Jolanda Poots-Bijl. On the basis of a carefully drawn-up profile with selection criteria, we entered into talks with a number of candidates via our own network, including Jolanda Poots-Bijl. After various conversations with her, we established, together with the chairman of the Management Board, that she was the best candidate. Jolanda Poots-Bijl comes to Ordina with the kind of know-how and experience that fit both our profile and the phase in which Ordina finds itself as a company. Jolanda Poots-Bijl started in her new position on 1 April 2013. Her appointment was discussed at the General Meeting of Shareholders on 15 May 2013 and the Supervisory Board subsequently appointed her as statutory director and CFO of Ordina as from 1 June 2013.

REMUNERATION POLICY MANAGEMENT BOARD

REMUNERATION DEVELOPMENT

As in previous years, the Supervisory Board has decided not to raise the fixed remuneration of the members of the Management Board as per 1 January 2014.

SHORT-TERM BONUS

In accordance with the Remuneration Policy Management Board Ordina N.V., the short-term bonus is based on financial and qualitative targets, in which the financial targets carry greater weight than the qualitative targets. The same targets apply to each of the members of the Management Board.

Ordina's partially realised its financial targets in 2013. Profit levels are not yet at the targeted level. However, the company has taken timely measures to realise a structural annual reduction of EUR 8.0 million in indirect costs. These savings made a positive contribution in 2013, but also resulted in high redundancy costs. This has resulted in a structural improvement in profit potential from 2014 onwards. The Management Board also made a concerted effort to achieve a substantial reduction of net debt. Finally, in the second half of 2013, Ordina booked slight growth in revenues in a shrinking market. All of this has contributed to creating a good foundation for a solid and profitable company.

In 2013, we saw a further increase in client satisfaction and employee engagement. We also raised the profile of our innovation themes in the market and continued to sharpen the focus of our sustainability strategy. We shared our innovation themes with our clients during the celebrations of Ordina's 40th anniversary. The theme of the anniversary was based on our conviction that IT has to work *for* people again. This is inherent in our new mission: 'Partnerships in Sustainable Innovation'. Working with our clients on sustainable innovations, to create solutions that really do what the user needs them to do. We also continued to improve Ordina's image in 2013. These positive developments have all helped to put us in a much better position for the future.

Based on the above, the Supervisory Board has decided to grant Stépan Breedveld (CEO) and Jolanda Poots-Bijl (CFO) a percentage of 92.6 % of the on-target amount of the short-term variable bonus. In the case of Jolanda Poots-Bijl, we have taken into consideration the fact that she was employed at Ordina for nine months of the year in 2013.

At the request of the Management Board, the short-term bonus will be paid in shares rather than cash, with a lock-up period of two years. The number of shares was granted on the basis of the closing price on 31 December 2013, with a compensation of 10% for the lock-up period. Taking the above into account, we granted Stépan Breedveld the unconditional right to 103,177 shares and Jolanda Poots-Bijl the right to 69,644 shares.

LONG-TERM BONUS

The long-term bonus, like the short-term bonus, is based on financial and qualitative targets, in which the financial targets carry more weight than the qualitative targets. These targets too are the same for all members of the Management Board. With respect to the long-term bonus schemes that ended on 31 December 2013, we have determined the following.

Each member of the Management Board has been granted three performance-related bonus schemes, on the basis of which they may be granted performance-related shares. This is a scheme with a term from January 2011 through December 2013, a scheme with a term from January 2012 through December 2014 and a scheme with a term from January 2013 through December 2015. We have determined that the Management Board performed well in the context of financial targets under the 2011-2013 scheme, although the profit has yet to reach the target level. However, the profit potential for 2014 and beyond has improved considerably, as a result of the above-mentioned reduction of indirect costs. Revenue development was satisfactory across the quarters, with the last two quarters of the year under review showing slight growth in a shrinking market. In addition, the Management Board achieved a substantial reduction of Ordina's net debt.

The Management Board has created a solid basis for a profitable future. The company has invested in its relationships with clients and employees, the company's innovative strength has increased and Ordina launched a different way of working with its new mission, geared towards making IT work *for* people again. Combined with a very low net debt and structurally reduced cost levels, this gives the company a strong basis for the future.

In view of the above, we have unconditionally granted Stépan Breedveld 102,367 performance-related shares. We have also unconditionally granted Jolanda Poots-Bijl 23,032 performance-related shares. This is equivalent to a payment percentage of close to 100% of the on-target bonus for the Management Board, while taking into account that Jolanda Poots-Bijl was in Ordina's employ for nine months of 2013 and that in line with the remuneration policy she qualifies for the long-term bonus scheme pro rata until she has served a full financial year with the company.

In addition to the above 2011-2013 scheme, the Supervisory Board has determined the following with respect to the other two schemes. With respect to the scheme from January 2012 through December 2014, the Supervisory Board has conditionally granted Stépan Breedveld 199,482 shares and Jolanda Poots-Bijl 104,728 Ordina N.V. shares. The definitive granting of the shares under this scheme will take place in the first quarter of 2015. With respect to the scheme that runs from January 2013 through December 2015, the Supervisory Board has conditionally granted Stépan Breedveld 171,836 Ordina N.V. shares and Jolanda Poots-Bijl 141,764 shares. The definitive granting of the shares under this scheme will take place in the first quarter of 2016.

In accordance with the Corporate Governance Code, members of the Management Board are not permitted to sell their shares within two years of those shares being granted unconditionally, unless any sale of such shares is for the sole purpose of paying any levies and premiums due in relation to those shares.

COMPOSITION AND ROTATION SCHEDULE SUPERVISORY BOARD

The composition of the Supervisory Board meets the criteria outlined in the profile posted on Ordina's website.

The composition of the Supervisory Board is such that its members can operate independently of each other, of the Management Board or any other interest, such within the meaning of the Dutch Corporate Governance Code. All members of the Supervisory Board qualify as independent within the meaning of best practice III.2.3 of the Code. No transactions were conducted during the reporting period involving a conflict of interest on the part of the supervisory directors.

The Supervisory Board has a diverse composition in terms of expertise, experience, social background, age and gender. In view of the size of the Supervisory Board, it would be unrealistic in our opinion to apply minimum percentages for the representation of various aspects of diversity.

The General Meeting of Shareholders on 15 May 2013 reappointed Pamela Boumeester for a period of four years.

REMUNERATION OF THE SUPERVISORY BOARD

In the year under review, each member of the Supervisory Board received a remuneration of EUR 30,735. The chairman of the Supervisory Board received a remuneration of EUR 40,980 in the year under review.

In addition to the fixed remuneration, the members of the Supervisory Board also receive an annual expenses allowance of EUR 2,270. The total remuneration for the Supervisory Board members was EUR 133,185 (excluding the expenses allowance) for the 2013 financial year. The remuneration paid is not related to the company's financial performance. Further details are included in the Financial Statements.

The annual indexation of the fixed remuneration in line with the consumer price index as published by the Dutch Central Statistics Bureau CBS remains unchanged. The current expenses allowance of EUR 2,270 per annum also remains unchanged.

PERFORMANCE OF THE SUPERVISORY BOARD

The Supervisory Board noted in the annual report for the financial year 2012 and during the 2013 General Meeting of Shareholders that it would use an external expert, Quist Executive Coaches, to support the process of self-evaluation. The process is based on the completion of a questionnaire, interviews with all members of the Supervisory Board and Management Board and, finally, an oral evaluation.

During that evaluation, we first assess whether we comply with laws, statutory and other rules and regulations (both written and unwritten), procedures, agreements and codes. In addition, we discuss how the Supervisory Board puts the above into effect. And we discuss the cooperation of the Supervisory Board as a collective and the cooperation between the individual members. Finally, we discuss the cooperation between the Supervisory Board and the Management Board. The chairman of the Supervisory Board will provide further information on the outcome of the evaluation during the General Meeting of Shareholders in May of 2014.

CORPORATE GOVERNANCE

The Supervisory Board and the Management Board bear joint responsibility for Ordina's corporate governance. The new Corporate Governance Code was entered into law at the end of 2009. In response to this and the more recent changes in legislation (such as the Act on Management and Supervision), the Supervisory Board and the Management Board evaluated Ordina Group's corporate governance structure and a number of related documents and regulations. We analysed the amended Code point by point to determine the extent of Ordina's compliance. The resultant 'comply or explain' statement is available elsewhere on the Ordina website.

The conclusion is that Ordina complies with virtually all points of the Code and applies same where applicable, with the following exceptions:

- Ordina aims for diversity within its Supervisory Board in terms of age, gender, expertise and social experience and background. However, in view of the size of the Supervisory Board, which has four members, it is unrealistic to use minimum percentages in terms of their representation. The Supervisory Board will do its utmost to realise the legal target percentages with respect to gender diversity when filling any vacancies (best practice III.3.1).
- In view of the rapid developments within the IT industry, a Supervisory Board member can in principle serve a maximum of two four-year terms on the Supervisory Board of Ordina N.V., rather than three (best practice III.3.5).
- Individual presentations for investors cannot be followed simultaneously via webcasts. Ordina makes any presentations used during such meetings available on its website afterwards, if they are not on the website already (best practice IV.3.1).

In the year under review, Ordina evaluated the profile of the Supervisory Board, its regulations and the Corporate Governance statement. These documents are available in the Corporate Governance section of the Ordina website.

DIVIDEND POLICY

Under Ordina's dividend policy, the company pays out 25% of the net profit as a cash dividend. During the General Meeting of Shareholders in May 2013, the Supervisory Board and the Management Board announced a review of the existing dividend policy.

That review will take stock of and analyse the views on the current dividend policy of all stakeholders, including large and small shareholders in the Netherlands and abroad, clients and corporate finance consultants. The outcome of that review will be used to decide if and how the existing dividend policy should be amended. A proposal on this subject will be put to the General Meeting of Shareholders in 2014.

FINANCIAL STATEMENTS AND DISCHARGE

PricewaterhouseCoopers Accountants N.V. has audited the annual accounts and you can find their independent auditor's report on page 141 of this annual report.

The Supervisory Board and the Management Board discussed both the annual accounts and the external auditor's findings on the basis of their audit of the accounts in a meeting in the presence of the external auditor. The members of the Supervisory Board have approved and signed the financial statements in accordance with the provisions of article 2:101, section 2 of the Dutch Civil Code. We propose that the General Meeting of Shareholders adopt the financial statements for 2013 as presented. We ask the General Meeting of Shareholders to discharge the Management Board for their management and, independently of same, also discharge the Supervisory Board for their supervision of said management.

FINAL REMARKS

In the year under review, in which Ordina booked a cautious recovery of revenues and laid the foundations for a healthy margin development on the basis of a clear and transparent mission, the company was able to switch its focus to one of renewed growth. We wish to express our gratitude to the Management Board, the management and all employees for their efforts and we are confident that Ordina will be able to continue this positive trend in 2014.

Nieuwegein, The Netherlands, 5 March 2014

Johan van der Werf, Chairman
Pamela Boumeester, Vice-Chairman
Dirk Anbeek
Aloys Kregting

PROVISIONS IN THE ARTICLES OF ASSOCIATION AND OTHER INFORMATION

PRIORITY ACCORDING TO THE ARTICLES OF ASSOCIATION

The objective of Stichting Prioriteit Ordina Groep, the priority trust holding the priority share issued by the Company, is to promote the sound governance of the Company. Designated by the General Meeting of Shareholders, the priority trust is authorised to issue shares and restrict or exclude pre-emption rights. Designation of another body authorised to issue shares and restrict or exclude pre-emption rights is subject to a proposal by the priority trust. If the paid-up amount on preference shares is lower than their par value, additional payments can be called up only following a resolution of the priority trust, while a resolution to reduce the issued capital is subject to a proposal by the priority trust and any management decision to amend the articles of association or wind up the Company is subject to the approval of the priority trust. In addition, the priority trust determines the number of managing and supervisory directors under the articles of association. The supervisory directors are appointed upon nomination by the priority trust.

Ms. P.G. Boumeester, Messrs J.G. van der Werf and S. Breedveld are on the board of the trust. In 2013, the Supervisory Board and the Management Board evaluated the role, expedience and necessity of the Stichting Prioriteit. Information about the outcome of the evaluation relating to the Stichting Prioriteit will be presented to the General Meeting of Shareholders in 2014.

STATUTORY APPROPRIATION OF PROFITS ACCORDING TO THE ARTICLES OF ASSOCIATION

If any financial statements submitted by the Supervisory Board and adopted by the Annual General Meeting of Shareholders should disclose that profit has been made in the year under review, the Annual General Meeting shall determine how that profit shall be appropriated. Dividends on preference shares shall not exceed the statutory interest rate prevailing at the date the dividends are declared. If applicable, dividends on preference shares are calculated on the basis of the paid-up amount of their par value.

APPROPRIATION OF PROFIT

Taking into account extraordinary charges, Ordina recorded a negative result in the year under review. No proposal will therefore be submitted to the General Meeting of Shareholders for the appropriation of profits over 2013.

TREASURY SHARES

The Annual General Meeting of shareholders held on 15 May 2013 authorised the Management Board – subject to the approval of the Supervisory Board – to purchase treasury shares as referred to in article 8 of the articles of association for a period of 18 months commencing on 15 May 2013. The treasury shares will be purchased on the stock exchange or otherwise, up to 10% of the issued capital as at 15 May 2013 and at a price ranging between (i) the shares' par value and (ii) the share price plus 10%. The share price referred to above shall be equivalent to the average closing price of Ordina N.V. shares as stated in the Official List of Euronext Amsterdam N.V. for five consecutive trading days immediately prior to the date of purchase.

IMPORTANT CONTRACTS WITHIN THE MEANING OF ARTICLE 1 (J) OF THE DECREE IMPLEMENTING ARTICLE 10 OF THE DIRECTIVE ON TAKEOVER BIDS

The Company has one contract within the meaning of article 1(j) of the Decree Implementing article 10 of the Directive on Takeover Bids. This involves the credit facility described in Note 18 of the Consolidated Balance Sheet in this annual report. If, at any time, a shareholder or a group of shareholders acting jointly should acquire more than 50% of the total issued share capital, control more than 50% of the total number of voting rights or acquire the right to appoint the majority of the Management Board members, these credit facilities will be terminated. If the facilities are thus terminated, any unused borrowing capacity will lapse and issued facilities will become payable.

APPOINTMENT OF SUPERVISORY DIRECTORS

The Supervisory Board of Ordina N.V. has been appointed by the Company as the body referred to in the Decree dated 26 July 2008 implementing article 41 of Directive 2006/43/EC (Bulletin of acts, order and Decrees 2008, 323) and fulfils the role of audit committee for the purposes of this Decree.

FINANCIAL STATEMENTS

CONTENT

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013 OF ORDINA N.V.

(in euro thousands)	Notes	2013	2012
Assets			
Non-current assets			
Intangible assets	7	130,175	193,021
Property, plant and equipment	8	8,438	10,640
Investments in associates	9	490	396
Loans	10	0	313
Deferred income tax assets	20	17,616	16,420
Total non-current assets		**156,719**	**220,790**
Current assets			
Transition costs	11	2,504	1,277
Trade and other receivables	13	72,481	85,391
Cash and cash equivalents	14	7,446	9,528
Total current assets		**82,431**	**96,196**
Total assets		**239,150**	**316,986**

(in euro thousands)	Notes	2013	2012
Equity and liabilities			
Equity			
Paid-up and called-up share capital	15	9,231	9,192
Share premium reserve	16	135,060	134,692
Retained earnings	16	63,341	62,913
Profit for the year	16	-64,969	451
Total equity		**142,663**	**207,248**
Liabilities			
Non-current liabilities			
Long-term borrowings - other	17	0	9,284
Employee related provisions	18	3,880	3,762
Other provisions / long term	19	5,950	0
Deferred income tax liabilities	20	0	331
Total non-current liabilities		**9,830**	**13,377**
Current liabilities			
Borrowings	14/17	9,672	10,000
Other provisions / short term	21	2,558	350
Trade and other payables	22	73,998	85,694
Current tax payable		429	317
Total current liabilities		**86,657**	**96,361**
Total liabilities		**96,487**	**109,738**
Total equity and liabilities		**239,150**	**316,986**

The notes 1 through 38 are an integral part of these annual accounts.

CONSOLIDATED INCOME STATEMENT FOR 2013

(in euro thousands)	Notes	2013	2012
Revenue	6	**376,978**	**400,666**
Cost of hardware, software and other direct costs		6,461	6,793
Work contracted out		91,116	117,143
Personnel expenses	23	252,336	247,920
Amortisation	7	3,582	6,956
Depreciation	8	3,465	3,665
Impairment	7	60,059	0
Other operating expenses	24	24,181	15,177
Total operating expenses		**441,200**	**397,654**
Operating profit		**-64,222**	**3,012**
Finance income	25	13	134
Finance costs	25	-1,510	-1,650
Finance costs - net	25	**-1,497**	**-1,516**
Share of profit of associates	9	94	80
Profit before tax		**-65,625**	**1,576**
Income tax expense	26	656	-1,125
Net profit for the year		**-64,969**	**451**

(in euros)	Notes	2013	2012
Basic earnings per share	27	**-0.70**	**0.00**
Diluted earnings per share	27	**-0.70**	**0.00**

The notes 1 through 38 are an integral part of these annual accounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in euro thousands)	Notes	2013	2012
Profit for the year	16	-64,969	451
Other comprehensive income not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans	16/18	-13	-187
Tax on items taken directly to or transferred from equity	16/20	3	47
Other comprehensive income for the year, net of tax		**-10**	**-140**
Total comprehensive income for the year		**-64,979**	**311**

The notes 1 through 38 are an integral part of these annual accounts.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in euro thousands)	Notes	Issued capital	Share premium reserve	Other	Total
At 1 January 2012		**9,185**	**134,619**	**62,851**	**206,655**
Profit for the year	16	0	0	451	451
Other comprehensive income					
Actuarial gains and losses	16/18/20	0	0	-140	-140
Total comprehensive income for the year		**0**	**0**	**311**	**311**
Transactions with owners					
Share issue	15/16	0	0	0	0
Issue at acquisitions	15/16/31	0	0	0	0
Share-based payment	15/16/23	7	73	202	282
Total transactions with owners		**7**	**73**	**202**	**282**
At 31 December 2012		**9,192**	**134,692**	**63,364**	**207,248**

(in euro thousands)	Notes	Issued capital	Share premium reserve	Other	Total
At 1 January 2013		**9,192**	**134,692**	**63,364**	**207,248**
Profit for the year	16	0	0	-64,969	-64,969
Other comprehensive income					
Actuarial gains and losses	16/18/20	0	0	-10	-10
Total comprehensive income for the year		**0**	**0**	**-64,979**	**-64,979**
Transactions with owners					
Share issue	15/16	0	0	0	0
Issue at acquisitions	15/16/31	13	187	0	200
Share-based payment	15/16/23	26	181	-13	194
Total transactions with owners		**39**	**368**	**-13**	**394**
At 31 December 2013		**9,231**	**135,060**	**-1,628**	**142,663**

The notes 1 through 38 are an integral part of these annual accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in euro thousands)	Notes	2013	2012
Cash flows from operating activities			
Net profit for the year		**-64,969**	**451**
Adjustments for			
Finance costs -net	25	1,497	1,516
Share of profit of associates	9	-94	-80
Taxes	26	-656	1,125
		747	**2,561**
Operating profit		**-64,222**	**3,012**
Adjustments for			
Amortisation & impairments	7	63,641	6,956
Depreciation	8	3,465	3,665
Share-based payment	15/16/23	194	282
		67,300	**10,903**
Operating profit before changes in working capital and provisions		**3,078**	**13,915**
Movements in transition costs		-1,227	-1,277
Movements in receivables		12,180	-5,764
Movements in current liabilities		-8,835	1,619
Movements in provisions		6,055	-81
		8,173	**-5,503**
Cash generated from operations		**11,251**	**8,412**
Interest paid		-875	-1,170
Income taxes paid		-755	-1,350
Net cash from operating activities		**9,621**	**5,892**

(in euro thousands)	Notes	2013	2012
Cash flows from investing activities			
Acquisition of subsidiaries	31	-913	0
Divestment of subsidiaries/activities	10	1,043	557
Purchases of intangible assets	7	-570	-537
Purchases of property, plant and equipment	8	-1,467	-2,917
Divestment of property, plant and equipment	8	204	0
Net cash used in investing activities		**-1,703**	**-2,897**
Cash flows from financing activities			
Repayment of borrowings	17	-10,000	0
Net cash used in financing activities		**-10,000**	**0**
Net decrease in cash and cash equivalents		**-2,082**	**2,995**

(in euro thousands)	2013	2012
Net decrease/increase in cash and cash equivalents	-2,082	2,995
Cash and cash equivalents at beginning of year	9,528	6,533
Cash and cash equivalents at end of year	**7,446**	**9,528**

The notes 1 through 38 are an integral part of these annual accounts.

1. GENERAL INFORMATION

Ordina N.V., a public limited liability company, was incorporated in 1973 and has its registered office in Nieuwegein, the Netherlands. Ordina implements strategy and policy at the level of company processes and IT solutions. We specialise in solving issues affecting businesses and communities. Our professionals, who work in multidisciplinary teams, forge close ties with clients. We provide our services in the Benelux to organisations operating in finance, the public sector, healthcare and the industrial sector.

The consolidated financial statements for 2013 comprise the financial information of the company and all its group companies (referred to jointly as Ordina). The Management Board drew up the financial statements on 5 March 2014 and the statements were discussed in the Supervisory Board meeting of 5 March 2014. They will be submitted for adoption to the Annual General Meeting of Shareholders on 15 May 2014. The Supervisory Board also approved their publication on 5 March 2014.

Pursuant to Section 402, Book 2 of the Netherlands Civil Code, the company financial statements of Ordina N.V. only disclose the share of profit of associates net of taxes, given the fact that the financial information of these associates has been consolidated.

The ordinary shares in Ordina N.V. are listed on the NYSE Euronext Amsterdam stock exchange and included in the Small Cap Index (AScX).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied by Ordina to all periods presented in these financial statements.

2.1. GENERAL

The consolidated financial statements of Ordina N.V. have been prepared in accordance with the International Financial Reporting Standards (IFRS), which have been accepted by the European Union, and their interpretations as adopted by the International Accounting Standards Board (IASB) and the legal provisions of Part 9, Book 2 of the Dutch Civil Code.

The financial statements are published in both Dutch and English. The Dutch version is leading.

The financial statements are denominated in euros (EUR). Amounts are in thousands of euros, unless indicated otherwise. The euro is the functional and presentation currency of Ordina N.V. The accounting policies are based on the historical cost convention. Defined benefit plans and jubilee benefits are stated at actuarial value. Derivative financial instruments are stated at fair value. An asset or a liability is classified as current if it is expected to be realised or settled within 12 months of the balance sheet date.

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. Estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying amounts of the recognised assets and liabilities. Actual results and circumstances may differ from these estimates.

The estimates and underlying assumptions are continually evaluated and adjusted where appropriate. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Assumptions and estimates made by management in the application of IFRS that have significant effect on the financial statements and future periods are disclosed in Note 5.

a) New and amended standards adopted by Ordina

Amendment of IAS 1, 'Financial statement presentation', regarding other comprehensive income. The most important change relates to the obligation to separate the changes presented in the consolidated statement of comprehensive income (OCI) into changes that will not be settled against income and those that may be settled against income.

IAS 19, `Employee benefits´. Under the new standard, actuarial gains and losses are recognised in the consolidated statement of comprehensive income immediately as they occur. Ordina currently recognises actuarial gains and losses in the consolidated statement of comprehensive income, so this amendment does not therefore affect Ordina. Under the new standard, gains from fund investments that are recognised in the consolidated statement of comprehensive income are determined on the basis of the cash value of the obligation for committed pension plans, rather than the expected return on those fund investments. The revised standard was approved by the European Union in 2012. This revised standard has no significant impact on Ordina's consolidated financial statements.

IFRS 10, `Consolidated financial statements´ is based on existing standards in which the control criterion determines whether an entity must be included in the consolidated financial statements of the parent company. The standard helps assess whether a controlling interest is in place by means of a supplementary explanation. This revised standard has no effect on the consolidated financial statements and the recognition of participations in which Ordina held less than 50% of the shares at year-end 2012 or year-end 2013, in view of the fact that with respect to these participations there is no question of dominant control on the basis of which Ordina could direct the activities of said participations.

IFRS 12, ´Disclosure of interests in other entities´ relates to the disclosure obligation of all forms of interests in other entities, including joint ventures, collaborations, special entities and other entities not shown on the balance sheet.. This revised standard has no significant impact on Ordina's consolidated financial statements.

IFRS 13, ´Fair value measurement´, aims to increase consistency in application and reduce complexity by providing an exact definition of the fair value concept and the publication requirements across all IFRS standards. The requirements, which are largely the same for IFRS and US GAAP, do not extend the method of disclosure based on fair value, but provide an explanation for situations in which the method of disclosure is already required or permitted under existing standards within IFRS. This revised standard has no significant impact on Ordina's consolidated financial statements.

Amendments to IAS 36, 'Impairment of assets', pertaining to the obligation to disclose the recoverable value of non-financial assets. On the basis of this amendment, several disclosure obligations relating to the recoverable amount of cash-generating units are no longer valid. This amendment is mandatory as per 1 January 2014. However, Ordina has decided to apply this amendment early, from 1 January 2013.

b) New standards, amendments and interpretations of existing standards published that Ordina has not applied early.

A number of new standards, amendments to existing standards and interpretations are mandatory for reporting years that commenced after 1 January 2013, which have not been applied by Ordina when drawing up the financial statements for 2013. Ordina does not expect any of the new standards, amendments or interpretations to have a significant impact on its consolidated financial statements

2.2. CONSOLIDATION

The consolidation includes Ordina N.V. and all group companies in which it exercises direct or indirect control. Control exists when the Ordina Group has the power, either directly or indirectly, to govern the financial and operating policies of an entity, generally accompanying a shareholding of more than one half of the voting rights. The financial information of such group companies is included in the consolidated financial statements of Ordina N.V. from the date that control is transferred to it until the date that control ceases. All group companies included in the consolidated financial statements for 2012 and 2013 are wholly owned by Ordina. Consequently, there is no non-controlling interest.

The cost of an acquisition is measured as the fair value of the assets given and, if applicable, equity instruments issued (i.e. shares) to finance the acquisition, such at the date of exchange.

Associates are all entities over which Ordina has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Section 2.7).

Intercompany balances, transactions and unrealised gains on transactions between group companies are eliminated. Transactions with associates are eliminated in the consolidation where Ordina´s share in the associate in question is concerned.

The accounting policies for the balance sheet and the income statement as included in these financial statements apply to all consolidated group companies.

2.3. SEGMENT REPORTING

Information per segment is provided according to how the internal governance, reporting lines and decision-making are organised within Ordina. Ordina presents segment information for Professional Services and Projects, Business Solutions, Consulting and Belgium/Luxembourg. The segments Professional Services and Projects, Business Solutions, and Consulting together form Ordina Netherlands. Management information related to balance sheet positions and the analyses of same is aggregated at the level of Ordina Netherlands or Ordina Belgium/Luxembourg. Segment information related to balance sheet positions is therefore provided at the level of Ordina Netherlands and Ordina Belgium/Luxembourg. Segment revenues, assets and liabilities are items that are directly attributable to the segment in question. See Note 6 for further information.

2.4. FOREIGN CURRENCY TRANSLATION

2.4.1. FUNCTIONAL AND PRESENTATION CURRENCY

All group companies use the euro as their functional currency. Consequently, the consolidated financial statements are presented in euros, Ordina´s functional and presentation currency.

2.4.2. TRANSACTIONS AND BALANCES

Foreign currency transactions and balances are translated into the functional currency (the euro) using the exchange rates prevailing at the dates of the transactions and at the balance sheet date respectively. Foreign exchange gains and losses are recognised in the income statement.

2.5. INTANGIBLE ASSETS

2.5.1. GOODWILL

Acquisitions are accounted for using the purchase method of accounting. Goodwill results from the acquisition of group companies. Goodwill represents the excess of the cost of an acquisition over the fair value of Ordina´s share of the net identifiable assets of the acquired entity, including contingent liabilities, at the date of acquisition. Any payments related to the acquisition are stated at fair value upon acquisition. Contingent elements in the purchase price are carried as a liability upon acquisition, with variances due to revaluations being recognised through profit or loss. Any costs directly attributable to an acquisition are recognised through profit or loss for the year in which they are incurred. Goodwill is stated at cost less accumulated impairment losses.

Costs pertaining to an acquisition are stated as a charge to the results at the time they are incurred.

Goodwill is allocated to cash-generating units. Impairment of goodwill is recognised as an expense where appropriate. Impairment losses recognised for goodwill will not be reversed in a subsequent period. If an entity in which control is exercised is sold, the carrying amount of the goodwill is recognised in profit or loss.

Any negative goodwill arising on an acquisition is recognised directly in the income statement.

Goodwill on acquisitions of associates is included in ´investments in associates´.

2.5.2. SOFTWARE
Software is stated at historical cost less accumulated amortisation and impairment losses. Amortisation is based on the assets´ estimated useful lives.

2.5.3. INTANGIBLE ASSETS RELATED TO CUSTOMERS
This item relates to intangible assets of acquisitions identified in conformity with IFRS 3 (Business Combinations) and includes brand names, customer lists and contract portfolios. These assets are measured at their fair values at the acquisition date. The fair value at acquisition qualifies as cost at that time. The cost of the identifiable intangible assets related to customers is amortised based on the useful life of each individual component and recognised in the profit and loss account.

2.5.4. INTERNALLY GENERATED INTANGIBLE ASSETS
Development costs related to internally generated intangible assets are capitalised only when it is probable that they will serve to generate the future economic benefits embodied in the specific asset to which they relate for a period of more than one year. Employee activities directly related to internally generated intangible assets are capitalised at cost. Any third-party services contracted for the purposes of the internally generated intangible assets are capitalised at cost. Internally generated intangible assets are amortised from the date they are available for use.

2.5.5. AMORTISATION
Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives. Goodwill is tested annually for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:
- software: 3 years
- brand names: 2-3 years
- customer lists: 5 years
- contract portfolios: 1-2 years

The assets´ useful lives are reviewed and adjusted where appropriate.

2.6. PROPERTY, PLANT AND EQUIPMENT
2.6.1. FREEHOLD PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or manufacture of the items. Subsequent costs are included in the asset´s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Ordina and the cost of the item can be measured reliably. Repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Gains or losses on the sale of property, plant and equipment are included in depreciation.

2.6.2. LEASEHOLD PROPERTY, PLANT AND EQUIPMENT
Leases of property, plant and equipment where Ordina has substantially all the risks and rewards of ownership are classified as finance leases. Any initial direct costs are added to the amounts recognised as assets.
All other leases are classified as operating leases.

Property, plant and equipment acquired under finance leases are stated at the lower of fair value of the leased asset and present value of the minimum lease payments, less accumulated depreciation and impairment losses. Each finance lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are charged directly to the income statement. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Payments made under operating leases are charged directly to the income statement (see Note 23 for costs recognised for car leasing and Note 24 for costs recognised for the lease of buildings).

2.6.3. DEPRECIATION

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or re-measured amounts to their residual values over their estimated useful lives. The estimated useful lives are as follows:

- equipment: 3-4 years
- fixtures and fittings: 3-5 years
- building alterations: 2-15 years

Building alterations are depreciated based on the shorter of the remaining terms of the leases for the respective buildings and their useful lives.

The residual value, which is usually set at nil, and remaining useful lives of property, plant and equipment are reviewed annually on the balance sheet date and adjusted as appropriate.

2.7. INVESTMENTS IN ASSOCIATES

Associates are all entities over which Ordina has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are recognised at cost at the time Ordina enters into the investment commitment.

Ordina´s investments in associates include goodwill identified on acquisition, net of any accumulated impairment losses.

Ordina´s share of its associates´ post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. When its share of losses in an associate equals or exceeds the carrying amount of the associate, including any other unsecured receivables, Ordina does not recognise further losses, unless it has issued guarantees for the associate, or incurred obligations or made payments on behalf of the associate. In the event of obligations not shown on the balance sheet relating to associates for which Ordina can be held liable, these are included in the commitments and contingencies (see Note 30).

2.8. DERIVATIVES

Ordina may use derivative financial instruments, such as interest rate swaps, to hedge the risks of interest rate fluctuations. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance sheet date.

The fair value of derivative financial instruments is determined based on available market valuations. The gains or losses resulting from re-measurement are recognised in the income statement, unless the derivative is designated as a cash flow hedge. The purpose of a cash flow hedge is to reduce the exposure to variability attributable to currency or interest rate fluctuations of cash flows that will probably be generated in the future.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised directly in the income statement. If a derivative does not qualify as a cash flow hedge, changes in the fair value are recognised in the income statement.

The gains or losses associated with cash flow hedges are transferred from equity and reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. The ineffective portion of any gain or loss is directly recognised in profit or loss. When a cash flow hedge expires or is sold or terminated, or the hedge contract is broken but the forecast transactions is still expected to occur, any cumulative gain or loss existing at that time remains in equity and is recognised when the forecast transaction ultimately occurs, at which time settlement takes place as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.9. INVENTORIES

2.9.1. TRANSITION COSTS

Transition costs arise upon the acquisition or implementation of long-term management contracts and are related to the installation of systems and processes which occur after said contacts have been acquired. Transition costs are valued at cost price. Transition costs pertain primarily to costs related to the conversion of existing systems to Ordina standards. These costs are primarily personnel costs and costs of sub-contractors.

Transition costs are charged to income during the period in which the management activities are carried out. Transition costs are recognised under the purchase value of hardware and software and other direct costs

2.9.2. WORK IN PROGRESS

Costs directly attributable to work in progress commissioned by third parties, whose results cannot be reliably estimated are recognised as work in progress only when it is probably that future economic benefits associated with the project will flow to Ordina. Receivables related to fixed-price contracts are presented as `other receivables´ (see Section 2.10). In this regard, reference is made also to the accounting policies for revenue recognition (see Section 2.19).

2.10. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that Ordina will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset´s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within `other operating expenses´.

Other receivables include unbilled turnover for services already provided, other receivables and accrued income. Accrued income also includes amounts receivable for projects in progress at the balance sheet date insofar as these receivables have already exceeded the amounts billed for these projects. If the amounts billed for current projects exceed the sum of costs incurred and gains realised, the balance of these projects is recognised within `other payables´.

2.11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances and demand deposits, and are stated at fair value. Bank overdrafts are presented as a component of cash and cash equivalents for the purpose of the statement of cash flows. For details on non-current borrowings at year-end 2013, see Note 17.

2.12. ASSETS AND LIABILITIES HELD FOR SALE

Non-current assets are classified as held for sale if their sale is more likely than not and their carrying amounts will be recovered through this sale. For this to be the case, the assets must be available for immediate sale and their sale must be highly probable. Assets held for sale are presented separately on the face of the balance sheet. Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The liabilities included within a disposal group classified as held for sale are also presented separately from other liabilities on the face of the balance sheet.

2.13. IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life as well as assets that are not yet available for use are not subject to amortisation but tested annually for impairment. Assets that have a definite useful life are amortised and tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which an asset´s carrying amount exceeds its recoverable amount.

2.13.1. CALCULATION OF RECOVERABLE AMOUNT

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.13.2. REVERSAL OF IMPAIRMENT LOSSES

Impairment losses recognised for goodwill will not be reversed in a subsequent period.

In respect of all other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset´s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. It is assessed at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is re-determined and the impairment loss adjusted where the assessment so warrants.

2.14. EQUITY

2.14.1. SHARE CAPITAL

The authorised capital of Ordina N.V. consists of 100,000,000 ordinary shares, 24,999,995 preference shares and one priority share. At year-end 2013, no preference shares had been issued. The issued and paid-up priority share and the issued and paid-up ordinary shares are classified as equity.

Costs directly related to the issue of ordinary new shares are charged (after deduction of taxes) immediately upon issue as a correction to the proceeds of the issue and charged to the shareholders´ equity.

2.14.2. TREASURY SHARES

Where Ordina N.V. purchases equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company´s equity holders until the shares are cancelled, re-issued or sold. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company´s equity holders.

2.14.3. DIVIDENDS

Dividends distributed to shareholders of Ordina N.V. are classified as liabilities as soon as the Annual General Meeting of Shareholders declares them.

2.15. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. In the event that refinancing involves a new financing agreement, the activated transaction costs relating to the old financing agreement are charged to the result using the effective interest method, at the time of the transaction. In the event that refinancing involving a change to an existing agreement, the activated transaction costs of the old financing agreement are charged to the result using the effective interest method during the life of the changed financing agreement.

Borrowings relating to finance lease obligations are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding lease obligations with a term of more than one year are included in `non-current liabilities´. Lease commitments with a term of less than one year are recognised within `current liabilities´.

2.16. EMPLOYEE BENEFITS

2.16.1. PENSION PLANS

Ordina has both defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which Ordina pays fixed contributions to an insurance company. Ordina has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

2.16.1.1. DEFINED CONTRIBUTION PLANS

Any contributions to defined contribution plans are recognised as expenses in the income statement in the period to which they relate. Ordina has no other obligations in relation to defined contribution plans.

2.16.1.2. DEFINED BENEFIT PLANS

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised directly in other comprehensive income. Pension costs incurred during the year (including contributions, interest cost and expected returns on plan assets) are recognised as expenses.

2.16.2. JUBILEE BENEFITS

Ordina´s terms of employment include a jubilee scheme, based on which employees who celebrate an anniversary with the company receive a gross bonus. Under IAS 19 (Employee Benefits), a provision is formed for the liability associated with these jubilee benefits.

The provision for jubilee benefits is calculated in the same manner as that for defined benefit plans. Actuarial gains and losses are recognised directly in the income statement.

Jubilee benefits paid to employees during the year are charged to the provision. Any movements in the provision for jubilee benefits are recognised in the income statement.

2.16.3. SHARE-BASED PAYMENT

On the basis of IFRS 2 `Share-based Payment´, the fair value of is charged to the income statement. The value of option and share schemes is measured using a Monte Carlo simulation model for the valuation of options. The recognition of costs relating to options granted unconditionally has resulted in a corresponding adjustment to equity as well.

Proceeds received when exercising options pursuant to personnel option schemes are credited to share capital (par value) and the share premium reserve (difference between exercise price and par value).

The members of the Management Board are entitled to long-term profit-sharing and bonus benefits in the form of Ordina N.V. shares. For the purposes of these long-term benefits, performance criteria are determined annually for each upcoming three-year period. Based on these performance criteria, the number of shares to be awarded is determined annually and for each individual three-year period. The shares that are expected to be awarded are valued based on the price of Ordina N.V. share at the grant date and estimates of the extent to which the relevant targets will be achieved. Any awarded shares will be subject to a lock-up period of two consecutive years. This lock-up does not apply to the sale of part of the shares with a view to paying any taxes due on the grant of the shares. In valuing the shares, allowance was made for the share lock-up, as well as for expected dividend payments.

The change in long-term profit-sharing and bonus benefits is recognised in the income statement at the reporting date based on current estimates. The total expense is recognised during the `vesting period´, the period during which certain vesting conditions must be met. As the liability by virtue of long-term benefits involving a payment in shares in Ordina N.V. is disclosed as an equity component, the expense recognised in the income statement results in a corresponding adjustment to equity. The recognised value of the share-based payment is disclosed as a payment on the issued shares at the time of payment.

2.17. PROVISIONS

Provisions are recognised in the balance sheet when:

- there is a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount necessary to settle the obligation can be reliably estimated.

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

In addition to the provisions for pension and jubilee benefits (see Sections 2.16.1 and 2.16.2 respectively), provisions are recognised for restructuring costs, vacant buildings under lease, warranty and project commitments, and onerous contracts.

A provision for restructuring costs will be formed when Ordina has a detailed formal plan for the restructuring and has started to implement the restructuring or has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to those affected by it. Costs relating to future operating activities are not included in the restructuring provision.

The provision for vacant buildings is formed to cover the future rent, including directly attributable costs less expected sub-lease payments, for the period in which Ordina does not expect to use these buildings. If the buy-out of a lease contract is lower, the provision is determined at this lower value.

A provision is recognised for warranty commitments pending at the balance sheet date; this provision is based on the activities that are expected to be associated with these commitments. The warranty provision is determined at the cost of the expected activities.

The provision for project commitments relates to activities expected to be performed with regard to onerous contracts. The amount of the provision corresponds to the excess of the unavoidable costs of meeting the obligations under such contracts over the economic benefits expected to be received under them.

2.18. TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

2.19. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of Ordina´s activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Ordina recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company´s activities as described below. Revenue is not recognised if there are significant uncertainties about the probability that the costs incurred will be recovered.

Ordina bases its recognition method on the type of transaction and the specifics of each arrangement.

2.19.1. CONTRACTS BASED ON CONTRACTUAL RATES AND SUBSEQUENT COSTING
Revenue from services provided under contracts based on contractual rates and subsequent costing is recognised in the period the services are provided, irrespective of the contracts´ terms to maturity.

2.19.2. FIXED-PRICE CONTRACTS
Revenue from fixed-price contracts for delivering design services is recognised by reference to the stage of completion of a transaction as a proportion of the total transaction (percentage of completion (POC) method), where the services performed on the balance sheet date can be reliably measured and the costs incurred for the transaction and the costs required to complete the transaction can be reliably estimated. Under the POC method, revenue is recognised based on the services performed to date as a percentage of the total estimated costs to meet the contractual obligations. This estimate is primarily based on the services/hours already performed/booked in relation to the services/hours still to be performed/booked.

If circumstances arise that may change the original estimates of extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

If the outcome of a transaction cannot be estimated reliably, revenue is recognised only to the extent that it is probable that the economic benefits associated with the transaction will flow to Ordina. The receivable associated with this revenue is recognised within work in progress (see Section 2.9.2). Transaction costs are recognised as an expense in the period in which they were incurred. When it is probable that the total costs of a transaction will exceed the total revenue generated by it, the expected loss is directly recognised as an expense.

2.19.3. OUTSOURCING AND MANAGEMENT CONTRACTS
Individual activities performed under outsourcing and management contracts are not separately identifiable. As a result, revenue generated from such contracts is recognised based on fixed periodic amounts, in accordance with the contractual arrangements. If additional activities are performed, the related revenue is recognised in accordance with Sections 2.19.1 and 2.19.2, depending on the nature of the additional activities.

2.19.4. LICENCES
Revenue from the sale of licences is fully recognised on the transfer date where Ordina has no further obligations at the time of transfer.

As soon as a licence is integrated into a project and the licence is not separable from the project as a whole, the related revenue is recognised as a proportion of total services to be performed in the accounting period (percentage of completion). Within the project, additional services are provided by Ordina with regard to the licence, including integration, modification and customisation.

Revenue arising from the sale of acquired and retransferred licences where Ordina does not provide any material additional services is recognised up to the amount of the margin realised at the time of the transfer.

2.19.5. IDENTIFICATION OF A TRANSACTION
The valuation principles as described in Sections 2.19.1 through 2.19.4 are applied to each separate transaction. If there is any question of a separately identifiable component within a contract (so-called multiple element contracts), the principles are applied as they are applicable to each separately identifiable component.

2.20. COSTS

2.20.1. COST OF HARDWARE, SOFTWARE, OTHER DIRECT COSTS AND WORK CONTRACTED OUT

Cost of hardware, software, other direct costs and work contracted out is recognised at historical cost in the period in which it is incurred.

2.20.2. OPERATING LEASE PAYMENTS

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.20.3. FINANCE LEASE PAYMENTS

Payments made under finance leases are allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Depreciations on tangible fixed assets obtained under financial lease agreements are shown under the depreciations on tangible fixed assets.

2.20.4. GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that: Ordina will comply with all attached conditions; and the grants will be received.

Government grants relating to study cost allowances are recognised in the income statement within `personnel expenses´.

2.20.5. FINANCE INCOME AND COSTS

This item includes interest received for loans extended, on bank balances, as well as interest received in relation to the settlement of tax claims.

It also comprises interest paid on bank borrowings, as well as interest due on the settlement of tax claims.

Finance costs include the interest charged by banks on withdrawals, as well as the interest incurred for the settlement of tax obligations. This item also includes the interest component of finance lease obligations.

2.21. INCOME TAXES

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Current and deferred tax is recognised in the income statement, except to the extent that the tax arises from a transaction or event which is recognised directly in other comprehensive income. In that case, the associated tax is recognised directly in other comprehensive income as well.

Tax expense (income) for the accounting period includes income tax on taxable profit, which is calculated based on tax rates expected to be applied, making allowance for tax-exempt profit components and non-deductible amounts, as well as any adjustments for current tax of prior periods.

Deferred taxes are recognised for temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets for tax losses are recognised only when it is probable that taxable profits will be available against which they can be utilised.

Deferred income tax assets and liabilities that have the same term and relate to the same taxable entity are offset in the balance sheet if Ordina has a legally enforceable right of set-off.

3. PRESENTATION OF THE STATEMENT OF CASH FLOWS

Ordina reports cash flows using the indirect method. Cash flows are classified by operating, investing and financing activities. Net cash flows from operating activities include cash payments and refunds of income taxes, as well as interest received and paid. Cash flows arising from the acquisition or disposal of equity or debt instruments of other entities and interests in joint ventures are included in cash flows from investing activities; allowance is made for cash and cash equivalents embodied in such instruments. Dividends are included in cash flows from financing activities.

4. FINANCIAL RISK MANAGEMENT

Ordina´s activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. Ordina´s risk management programme, which is prescribed by the Management Board, encompasses more than just financial risks. It focuses on identifying key risks and managing these using guidelines, procedures, systems, best practices, specific controls and audits. Our financial risk management focuses specifically on risks that are relevant to Ordina in this regard. Ordina has used derivative financial instruments solely to hedge interest rate risk exposures.

The Management Board bears the ultimate responsibility for the design and the implementation of the supervision of the risk management program within Ordina. Risk management policies and systems are evaluated regularly and if necessary adjusted to changes in market conditions and the activities of Ordina. .

4.1. MARKET RISK

Market risk pertains to risk that Ordina´s income is influenced by changes in market prices, such as interest rates and exchange rates. The management of market risks is aimed at keeping market risk positions within acceptable boundaries while optimising returns.

4.1.1. INTEREST RATE RISK

Ordina is exposed to interest rate risk, which is limited to the Eurozone. Ordina´s interest rate risk policy seeks to limit the entity´s exposure to interest rate risk on borrowings. Interest rate risk arises both on non-current and current borrowings. Ordina continually analyses developments in cash flows in relation to available overdraft facilities and interest rate fluctuations.

At year-end 2013, Ordina´s non-current borrowings amounted to approximately EUR 9.7 million, consisting of the long-term loan with a principal of EUR 20.0 million arranged in 2011. In view of the fact that the full remaining liability pursuant to the long-term loan has a life of less than a year, at year-end 2013 Ordina recognised this liability as a current liability. The long-term loan is a floating rate loan. In view of expected interest rate development and the size, life and repayment schedule of the loan, Ordina has decided to refrain from arranging an interest rate swap for the long-term loan. An interest rate swap changes a floating interest rate into a fixed interest rate. Ordina assesses the expected interest rate developments on a constant basis. If the outlook with respect to interest rate developments warrants same, Ordina will consider arranging an interest rate swap with respect to the long-term loan for the remaining life at that time.

The floating rate of interest due on the current borrowings is dependent on the term to maturity of the borrowings plus a margin. The term to maturity of the current borrowings fluctuates depending on cash requirements and ranges between one and three months. The margin depends on the ratio of adjusted EBITDA to Ordina´s net debt position at the end of each quarter, and ranges between 2.25% and 3.75%.

If the floating rate of interest on non-current and current borrowings had been 0.1% higher/lower with all other variables remaining constant during 2013, then this would have had no significant impact on the post-tax profit for the year. The 0.1% interest rate is based on the volatility of interest rates during 2013.

4.1.2. CURRENCY RISK

All Ordina divisions are based, and most of their revenue is realised, in the Eurozone. Therefore, Ordina has chosen the euro as its functional and presentation currency. Ordina has no assets or liabilities outside the Eurozone. The Management Board qualifies the currency risk at year-end 2013 as extremely limited.

4.2. CREDIT RISK

Ordina has exposure to credit risk. Credit risk is the risk of financial losses for Ordina if a client or counterparty of a financial instrument defaults on an assumed contractual obligation. Credit risk is mostly incurred on receivables from customers.

Credit risk is managed on a group basis. Credit risk arises on cash and cash equivalents, derivative financial instruments and transactions with customers, including credit exposures. For banks and financial institutions, only independent professional parties based in the Netherlands are accepted, with risks being spread over a range of parties.

The credit quality of customers is assessed in advance using project acceptance criteria. If available, external credit ratings are used. If there is no independent rating, Ordina assesses the credit quality of customers based on internal guidelines, taking into account their financial position, past experience and other factors. The exposure to credit risk on customers is assessed on an ongoing basis using the internal guidelines. Concentration of credit risks associated with trade and other receivables is identified particularly within the Public market. The concentration of credit risk on other customers is limited considering the strong and independent position of the different customers. Ordina has done business with a large proportion of customers for many years and in the past there have only been occasional instances of customers defaulting on their obligations. Customers are assessed continually and individually for compliance with payment terms. The findings are periodically reported to the Management Board.

The Management Board qualified the credit risk related to customers as limited at year-end 2013. Risk did increase in situations that involved the intervention of so-called broker parties. Due to market conditions, such parties could experience solvency or continuity issues.

Ordina N.V. does not in principle issue guarantees to its group companies unless for urgent commercial reasons. Ordina N.V. has filed a declaration of joint and several liability for the majority of its Dutch group companies with the respective competent Trade Registries.

4.3. LIQUIDITY RISK

Liquidity risk is the risk that Ordina finds it difficult to meet its obligations pursuant to financial obligations to be settled in cash or other financial assets. The premise of liquidity risk management is that insofar as possible there should be sufficient liquidity for the company to meet its current and future financial obligations in both normal and difficult circumstances, without this entailing unacceptable losses or the threat of damage to Ordina´s reputation.

Cash management within Ordina has been centralised with use being made of the centrally managed senior financing facilities that Ordina contracted at year-end 2011. At year-end 2013, Ordina was able to draw on a senior committed facility of EUR 45.0 million in total. The committed facility comprises a long-term loan of EUR 10.0 million with a principal life of three years and a revolving facility of EUR 35.0 million with a principal five-year life. The initial amount of the long-term loan was EUR 20.0 million. Ordina paid off EUR 10.0 million in 2013. For information on the available credit facilities, we also refer you to explanatory note 17 in this annual report.

Cash management is aimed at putting Ordina´s available cash resources and overdraft facilities to the best possible use. To this end, cash flow forecasts are prepared periodically for both the short and medium terms. These forecasts are revised periodically based on actual results and revised forecasts, if any.

Within Ordina, the covenant calculation is, in principle, performed four times a year, i.e. on 31 March, 30 June, 30 September and 31 December. If, at any two consecutive calculation dates, the ratio between total net debt and EBITDA is shown to be below 1.50, there will be two forward calculation dates, namely 30 June and 31 December of each calendar year. The total net debt is the sum of borrowings net of cash and cash equivalents plus finance lease commitments. On the specified dates, EBITDA is calculated for the preceding 12 months. EBITDA can be adjusted for specific non-recurring expense items in 2013 and 2014, such as those agreed in the supplement to the initial financing agreement. Furthermore the EBITDA will in 2013 and future years be corrected for the change related to the provision for vacant office space in Nieuwegein for the calculation of leverage ratio and the interest cover ratio. At year-end 2013, the total net debt was 0.2 times the (adjusted) EBITDA (year-end 2012: 0.6 times the (adjusted) EBITDA). We refer to explanatory note 17 for an explanation of the applicable covenants.

The table below analyses Ordina´s financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts disclosed are the unconditional, contractual, undiscounted cash flows. Future interest payments are included in the disclosed cash flows where applicable.

	Carrying amount	Maturity date		
		Less than 1 year	1-2 years	Over 2 years
At 31 December 2013				
Borrowings/Term Loan	-9,672	-10,000	0	0
Trade and other payables	-26,099	-26,099	0	0
At 31 December 2012				
Borrowings/Term Loan	-19,284	-10,000	-10,000	0
Trade and other payables	-28,949	-28,949	0	0

4.4. CAPITAL RISK MANAGEMENT

Capital is managed centrally to safeguard Ordina´s ability to continue as a going concern and to maintain an optimal capital structure in order to reduce the cost of capital and provide returns for shareholders.

Instruments for achieving an optimal capital structure are dividend policy, the option to purchase treasury shares and the option to issue new shares, in particular to fund potential acquisitions or to reduce debt.

Ordina´s objective is to maintain a minimum gearing ratio (ratio of shareholders equity to the balance sheet total) of 25%. The gearing ratio at year-end 2013 was around 60% (year-end 2012: 65%). The drop in gearing ratio compared with 2012 was primarily due to the impairment of goodwill. If, based on a sensitivity analysis, it is assumed that there will be additional impairment of 20%, the gearing ratio at year-end 2013 was 55%.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management of Ordina makes estimates and assumptions concerning the future on an ongoing basis. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

5.1. IMPAIRMENT OF GOODWILL

Ordina tests annually for impairment of goodwill per cash-generating unit (see Section 2.13). An impairment of goodwill is recognised when the book value exceeds the recoverable value. These calculations involve certain assumptions. The recoverable value is the higher of fair value, less disposal costs, and the value in use. For a more detailed explanation of the impairments recognised see Note 7.5.

5.2. REVENUE RECOGNITION

Ordina uses the percentage of completion method in accounting for fixed-price contracts. Use of this method requires Ordina to estimate the services performed to date as a proportion of the total services to be performed (see Section 2.19.2). Estimates are based on periodically available information regarding the stage of completion of the projects in question.

5.3. RESTRUCTURING PROVISION

Ordina recognises a restructuring provision when it has prepared a detailed formal plan for the restructuring and has started to implement the restructuring or has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to those affected by it. Restructuring provisions include estimates and assumptions involving redundancy and severance payments. The actual situation may differ from these estimates.

5.4. ONEROUS CONTRACTS

The amount of the provision corresponds to the excess of the unavoidable costs of meeting the obligations under such contracts over the economic benefits expected to be received under them. The actual situation may differ from these estimates.

5.5. INCOME TAX EXPENSE

Ordina assesses annually the extent to which tax losses are expected to qualify for set-off (see Note 20.1). The actual set-off may differ from these estimates.

6. SEGMENT INFORMATION

Ordina provides segment information for Professional Services and Projects, Business Solutions and Consulting (together Ordina Netherlands) and Ordina Belgium/Luxembourg. Segment revenues, assets and liabilities are items that are directly or reasonably attributable to a segment. The prices and terms of inter-segment transactions are determined on an arm´s length, objective basis. Segment capital expenditure is the total amount incurred during the period to acquire segment assets that are expected to be used for more than one period. Segment revenues do not include interest revenue or interest expense, income tax, or proceeds from the sale of associates.

6.1. OPERATING SEGMENTS

Ordina discloses segment information on the basis of how internal governance, reporting and decision-making is organised within the company. Ordina provides segment information for Professional Services and Projects, Business Solutions and Consulting and Belgium/Luxembourg. The segments Professional Services and Projects, Business Solutions and Consulting together form Ordina Netherlands. Management information for balance sheet positions (including amortisations on fixed assets) and the analyses of same is aggregated at the level of Ordina Netherlands or Ordina Belgium/Luxembourg. Segment information for balance sheet positions (including amortisations on fixed assets)is therefore provided at the level of Ordina Netherlands and Ordina Belgium/Luxembourg.

6.1.1. PRIMARY SEGMENT INFORMATION

The segment information for the year ended 31 December 2012 is as follows:

	Notes	PS&P	Business Solutions	Consulting	Belgium/ Luxembourg	Total
Total segment revenue		281,006	30,467	34,970	71,450	417,893
Inter-segment revenue		-6,988	-6,095	-3,792	-352	-17,227
Revenue		**274,018**	**24,372**	**31,178**	**71,098**	**400,666**
EBITDA		**13,829**	**-353**	**-404**	**561**	**13,633**
Amortisation	7					-6,956
Depreciation	8					-3,665
Operating profit						**3,012**
Finance costs – net	25					-1,516
Share of profit of associates	9					80
Profit before tax						**1,576**
Income tax expense	26					-1,125
Profit for the year						**451**

The segment information for the year ended 31 December 2013 is as follows:

	Notes	PS&P	Business Solutions	Consulting	Belgium/ Luxembourg	Total
Total segment revenue		261,500	26,197	32,297	70,460	390,454
Inter-segment revenue		-5,978	-3,353	-3,717	-428	-13,476
Revenue		**255,522**	**22,844**	**28,580**	**70,032**	**376,978**
EBITDA		**1,377**	**359**	**-752**	**1,900**	**2,884**
Amortisation	7					-63,641
Depreciation	8					-3,465
Operating profit						**-64,222**
Finance costs – net	25					-1,497
Share of profit of associates	9					94
Profit before tax						**-65,625**
Income tax expense	26					656
Profit for the year						**-64,969**

In 2013, Ordina recognised no revenues from the sale of licences (2012: approximately EUR 0.2 million).

One Dutch client accounted for more than 10% of total revenue in 2013. The revenue generated from this client was approximately EUR 56.0 million (2012: two clients with revenue of approximately EUR 72.2 million and EUR 41.2million respectively). Six clients together accounted for more than 20% of total revenue.

Other segment items included in the income statement for 2012 are as follows:

	Notes	the Netherlands	Belgium/ Luxembourg	Total
Amortisation	7	4,979	1,977	6,956
Depreciation	8	2,939	726	3,665

Other segment items included in the income statement for 2013 are as follows:

	Notes	the Netherlands	Belgium/ Luxembourg	Total
Amortisation	7	62,629	1,012	63,641
Depreciation	8	2,925	540	3,465

The amortisation for 2013 related to intangible fixed assets in the Netherlands includes an impairment of goodwill of around EUR 60.1 million. For details on this impairment see Note 7.5.

The segment assets and liabilities at 31 December 2012 and capital expenditure for the year then ended were as follows:

	Notes	the Netherlands	Belgium/ Luxembourg	Total
Assets		275,725	41,261	316,986
Liabilities		92,557	17,181	109,738
Purchases of intangible assets	7	537	0	537
Purchases of property, plant and equipment	8	2,697	220	2,917
Carrying amount of intangible assets	7	175,102	17,919	193,021
Carrying amount of property, plant and equipment	8	9,340	1,300	10,640

The segment assets and liabilities at 31 December 2013 and capital expenditure for the year then ended were as follows:

	Notes	the Netherlands	Belgium/ Luxembourg	Total
Assets		201,717	37,433	239,150
Liabilities		83,253	13,234	96,487
Purchases of intangible assets	7	487	308	795
Purchases of property, plant and equipment	8	1,063	404	1,467
Carrying amount of intangible assets	7	112,960	17,215	130,175
Carrying amount of property, plant and equipment	8	7,274	1,164	8,438

7. INTANGIBLE ASSETS

This item can be broken down as follows:

	Goodwill	Software	Related to customers	Total
At 1 January 2012				
Cost	194,537	13,111	97,742	305,390
Accumulated amortisation	-10,119	-8,298	-87,533	-105,950
Carrying amount at 1 January 2012	**184,418**	**4,813**	**10,209**	**199,440**
Movements in carrying amount				
Additions	0	0	0	0
Internally generated	0	537	0	537
Amortisation	0	-2,272	-4,684	-6,956
Impairments	0	0	0	0
Disposals	0	0	0	0
Carrying amount at 31 December 2012	**184,418**	**3,078**	**5,525**	**193,021**
At 31 December 2012				
Cost	194,537	12,207	97,742	304,486
Accumulated amortisation and impairments	-10,119	-9,129	-92,217	-111,465
Carrying amount at 31 December 2012	**184,418**	**3,078**	**5,525**	**193,021**
Of which internally generated	0	1,984	0	1,984

	Goodwill	Software	Related to customers	Total
At 1 January 2013				
Cost	194,537	12,207	97,742	304,486
Accumulated amortisation	-10,119	-9,129	-92,217	-111,465
Carrying amount at 1 January 2013	**184,418**	**3,078**	**5,525**	**193,021**
Movements in carrying amount				
Additions	225	570	0	795
Internally generated	0	0	0	0
Amortisation	0	-1,676	-1,906	-3,582
Impairments	-60,059	0	0	-60,059
Disposals	0	0	0	0
Carrying amount at 31 December 2013	**124,584**	**1,972**	**3,619**	**130,175**
At 31 December 2013				
Cost	194,762	9,688	97,742	302,192
Accumulated amortisation and impairments	-70,178	-7,716	-94,123	-172,017
Carrying amount at 31 December 2013	**124,584**	**1,972**	**3,619**	**130,175**
Of which internally generated	0	1,380	0	1,380

7.1. INVESTMENTS AND DISPOSALS

The investment in goodwill in 2013 pertains to the definitive determination of the earn-out obligation related to ITG Consulting Group, which company Ordina acquired in 2007. On the basis of IFRS 3R, deviations from the estimated provisional elements in the purchase price related to acquisitions made after 1 July 2009 are charged or credited to the income statement. In view of the fact that Ordina acquired ITG Consulting Group before 1 July 2009 (i.e. in 2007) the adjustment of the earn-out obligation has been credited to goodwill.

7.2. IMPAIRMENT AND REVERSAL OF IMPAIRMENT LOSSES

In 2013, Ordina recognised an impairment on intangible assets of EUR 60.1 million. For details of this impairment see Note 7.5.

No prior-year impairment losses on intangible assets were reversed in 2013.

7.3. GOODWILL

Goodwill is allocated to Ordina´s recognised cash-generating units. Up to and including 2012, Ordina recognised the cash-generating units the Netherlands and Belgium/Luxembourg. Following the reorganisation as this was implemented in 2012, the goodwill that was previously allocated to the cash-generating unit the Netherlands, is now on the basis of the situation in early 2012 allocated to the cash-generating units Professional Services & Projects, Business Solutions and Consulting. In 2012, the impairment test was carried out primarily at the level of the cash-generating unit the Netherlands. This test did not result in any impairment. An impairment test carried out at the level of the cash-generating units Professional Services & Projects, Business Solutions and Consulting also did not result in any impairment in 2012.

The table below shows goodwill per cash flow generating unit.

	2013	2012
PS&P	89,045	141,593
Business Solutions	8,768	8,768
Consulting	9,629	17,140
Belgium/Luxembourg	17,142	16,917
At 31 December	**124,584**	**184,418**

7.4. INTANGIBLE ASSETS RELATED TO CUSTOMERS

This item relates to the measurement at acquisition of brand names, customer lists and contract portfolios. The different components are amortised based on the individual components over their estimated useful lives. Intangible assets related to customers are allocated to Ordina´s cash-generating units. The table below shows the intangible assets related to clients, per cash-generating unit.

	2013	2012
PS&P	3,619	4,523
Belgium/Luxembourg	0	1,002
At 31 December	**3,619**	**5,525**

Over the next few years, intangible assets related to customers will be amortised as follows:

(in euro millions)	2014	2015	2016	2017	2018
Amortisation of intangible assets due to acquisitions	0.9	0.9	0.9	0.9	0.0

7.5. IMPAIRMENT TESTING FOR CASH-GENERATING UNITS WITH GOODWILL AND OTHER INTANGIBLE ASSETS

Ordina carries out annual impairment tests on the goodwill and other intangible assets of the relevant cash-generating units (see also Sections 2.5, 2.13 and Note 5.1). Ordina recognises the cash-generating units Professional Services and Projects (PS&P), Business Solutions and Consulting (through 2012 recognised as cash-generating unit the Netherlands) and Belgium/Luxembourg. An impairment is recognised if the recoverable amount of the cash-generating unit falls below the book value.

The recoverable amounts of the various cash-generating units to which goodwill and intangible assets can be allocated are determined by calculating their value in use. These calculations use future cash flows based on projections for the next five years, which are partly based on the available relevant market data pertaining to the forecasts for the short and medium term. The market data include sector reports from research agencies, sector organisations and financial institutions. These five-year projections include calculations related to revenue growth, direct costs and indirect costs, as well as assumptions regarding developments in investments and working capital. In previous years, projections have been based on market recovery within a planning horizon of five years. For several years, this market recovery has failed to materialise. In the absence of any substantial market recovery, Ordina has decided to estimate the growth percentages included in the five-year projections for the impairment test more conservatively. The average revenue growth per five-year projection varies per cash-generating unit, from zero to more than 4%. The average annual EBITDA margin for the years 2014 through 2018 in the long-term projections amounts to 6.5%. The EBITDA margin for the years after 2018 in the long-term projections amounts to 7.5%.The useful life upon which cash flows are discounted is indefinite in principle. In comparison with previous years, estimated forward growth rate has been lowered to 1.0% from 2.0%.

Future cash flows are discounted on a post-tax basis at an interest rate specific to each cash-generating unit. At year-end 2013, the discount rate for PS&P, Business Solutions and Consulting stood at 10.0% (year-end 2012: 10.2%) and stood at 10.8% for Belgium/Luxembourg (year-end 2012: 10.1%). The discount rate before taxes for PS&P, Business Solutions and Consulting stood at 12.9% at year-end 2013 (year-end 2012: 13.0%), and stood at 15.5% for Belgium/Luxembourg (year-end 2012:14.1%).

Based on the chosen assumptions, the impairment test we have conducted will lead to an impairment of EUR 52.6 for the cash-generating unit PS&P (on the basis of a value in use of EUR 99.4 million) and of EUR 7.5 million for the cash-generating unit Consulting (on the basis of a value in use of EUR 11.2 million). Ordina has recognised total impairment of EUR 60.1 million for 2013, which is based on the difference between the recoverable value and the book value of the respective cash-generating units.

Supplemental to these measurements, Ordina performed sensitivity analyses. These sensitivity analyses were performed, firstly, on the basis of a higher discount rate in combination with lower forward growth and, secondly, on the basis of a reduction of the EBITDA margin.

The table below shows the impact of the sensitivity analyses on the cash-generating units PS&P, Business Solutions and Consulting and Belgium/Luxembourg, in which the EBITDA margin is reduced by 0.25% and 0.5% respectively, with the discount rate unchanged. This sensitivity analysis resulted in a potential impairment for the cash-generating unit PS&P of EUR 5.9 million and EUR 11.7 million respectively. The sensitivity analysis resulted in a potential impairment for the cash-generating unit Consulting of EUR 0.7 million and EUR 1.3 million respectively. The sensitivity analysis did not result in an impairment for the cash-generating units Business Solutions and Belgium/Luxembourg. The amounts given (in millions of euros) pertain to the impact on the recoverable value on the basis of the sensitivity analysis.

	PS&P	Business Solutions	Consulting	Belgium/ Luxembourg
Decline EBITDA margin				
-0.25%	-5.9	-0.6	-0.7	-1.5
-0.50%	-11.7	-1.2	-1.3	-2.9

The table below shows the impact of the sensitivity analyses on the cash-generating units PS&P, Business Solutions and Consulting and Belgium/Luxembourg, in which, firstly, the discount rate is raised successively by 0.5%, 1.0% and 1.5%, and secondly the forward growth is reduced from 1% successively to 0.5% and zero. This sensitivity analysis resulted in a potential impairment for the cash-generating unit PS&P that varied from EUR 9.6 million to EUR 21.7 million. The sensitivity analysis resulted in a potential impairment for the cash-generating unit Consulting that varied from EUR 1.1 million to EUR 2.5 million. The sensitivity analysis did not result in an impairment for the cash-generating units Business Solutions and Belgium/Luxembourg. The amounts given (in millions of euros) pertain to the impact on the recoverable value on the basis of the sensitivity analysis.

			Discount rate
PS&P	**10.5%**	**11.0%**	**11.5%**
Terminal growth			
0.5%	-9.6	-14.6	-19.1
0.0%	-12.9	-17.5	-21.7
Business Solutions	**10.5%**	**11.0%**	**11.5%**
Terminal growth			
0.5%	-3.0	-4.5	-5.9
0.0%	-4.1	-5.5	-6.8
Consulting	**10.5%**	**11.0%**	**11.5%**
Terminal growth			
0.5%	-1.1	-1.7	-2.2
0.0%	-1.5	-2.0	-2.5
Belgium/Luxembourg	**11.6%**	**12.1%**	**12.6%**
Terminal growth			
0.5%	-3.2	-4.9	-6.4
0.0%	-4.4	-5.9	-7.3

8. PROPERTY, PLANT AND EQUIPMENT

This item can be broken down as follows:

	Equipment	Fixtures and fittings	Renovations	Total
At 1 January 2012				
Cost	15,895	2,098	15,442	33,435
Accumulated depreciation	-11,745	-1,589	-8,713	-22,047
Carrying amount at 1 January 2012	**4,150**	**509**	**6,729**	**11,388**
Movements in carrying amount				
Additions	2,610	106	201	2,917
Depreciation	-2,171	-250	-1,244	-3,665
Disposals	0	0	0	0
Carrying amount at 31 December 2012	**4,589**	**365**	**5,686**	**10,640**
At 31 December 2012				
Cost	17,596	1,894	10,132	29,622
Accumulated depreciation	-13,007	-1,529	-4,446	-18,982
Carrying amount at 31 December 2012	**4,589**	**365**	**5,686**	**10,640**

	Equipment	Fixtures and fittings	Renovations	Total
At 1 January 2013				
Cost	17,596	1,894	10,132	29,622
Accumulated depreciation	-13,007	-1,529	-4,446	-18,982
Carrying amount at 1 January 2013	**4,589**	**365**	**5,686**	**10,640**
Movements in carrying amount				
Additions	1,153	142	172	1,467
Depreciation	-2,289	-204	-1,095	-3,588
Disposals	-81	0	0	-81
Carrying amount at 31 December 2013	**3,372**	**303**	**4,763**	**8,438**
At 31 December 2013				
Cost	17,613	1,655	10,172	29,440
Accumulated depreciation	-14,241	-1,352	-5,409	-21,002
Carrying amount at 31 December 2013	**3,372**	**303**	**4,763**	**8,438**

8.1. ADDITIONS AND DISPOSALS

Expenditures in 2013 pertain to replacement expenditures Ordina booked a book profit of more than EUR 0.1 million on the disposal of equipment in 2013. This book profit has been recognised under depreciations. There were no disposals of tangible fixed assets in 2012.

8.2. IMPAIRMENT AND REVERSAL OF IMPAIRMENT LOSSES

Ordina did not recognise any impairment losses on property, plant and equipment in 2013. No prior-year impairment losses on property, plant and equipment were reversed in 2013.

8.3. LEASEHOLD PROPERTY, PLANT AND EQUIPMENT

At year-end 2013, Ordina had no tangible fixed assets in lease contracts (year-end 2012: nil). Ordina made no investments in leased tangible fixed assets in either 2013 or 2012.

9. INVESTMENTS IN ASSOCIATES

This item can be broken down as follows:

	2013	2012
At 1 January	396	316
Additions	0	0
Share of profit	94	80
Dividend	0	0
Disposals	0	0
At 31 December	**490**	**396**

Ordina had one associate at year-end 2013, i.e. Passwerk CVBA (Belgium, 37.31% interest).

The following breakdown applies to the associates:

	Assets	Liabilities	Revenue	Profit	Share
Passwerk CVBA	1,598	282	1,823	253	37.3%

10. LOANS RECEIVABLE

The developments in loans receivable can be specified as follows:

	2013	2012
At 1 January	1,043	1,600
Borrowings provided	0	0
Repayments	-1,043	-557
Total	**0**	**1,043**
Presented as current assets	0	-730
At 31 December	**0**	**313**

The loans receivable relate to the deferred purchase price of Finext B.V., the company Ordina sold in 2011. Two loans were issued upon the sale for a total sum of approximately EUR 1.9 million. These were a loan part A of EUR 1.1 million with an interest rate of 5% and a loan part B of about EUR 0.8 million with an interest rate of 6%. Both loans were paid off in full and Ordina received the full deferred purchase price in the first half of 2013.

11. TRANSITION COSTS

Transition costs can be summarised as follows::

	2013	2012
Cost	3,153	1,347
Accumulated expenses	-649	-70
Net carrying amount at 31 December	**2,504**	**1,277**

Transition costs are related the installation of systems and processes which occur after the closing of long-term management contracts pertaining to existing IT applications. Ordina was confronted with such transition processes for the first time in 2012. Said transition costs are valued at cost price and related to the conversion of existing systems to Ordina standards. These costs are primarily personnel costs and costs of sub-contractors. Transition costs are recognised and charged to income during the period in which the management activities are carried out, which period varies between two and five years. With respect to transition costs at year-end 2013, an amount of around EUR 1.8 million has a life of more than one year. At year-end 2012, Ordina recognised transition costs in fixed assets. With effect from 2013, transition costs are recognised in current assets. The presentation of the comparative figures for 2012, including the related cash flows, has been adjusted in these financial statements.

12. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Receivables	Other financial liabilities	Total
At 31 December 2012			
Trade and other receivables	66,532	0	66,532
Cash and cash equivalents	9,528	0	9,528
Borrowing (excluding finance lease liabilities)	0	-19,284	-19,284
Trade and other payables	0	-85,694	-85,694
Total at 31 December 2012	**76,060**	**-104,978**	**-28,918**

	Receivables	Other financial liabilities	Total
At 31 December 2013			
Trade and other receivables	57,728	0	57,728
Cash and cash equivalents	7,446	0	7,446
Borrowing (excluding finance lease liabilities)	0	-9,672	-9,672
Trade and other payables	0	-73,998	-73,998
Total at 31 December 2013	**65,174**	**-83,670**	**-18,496**

All - borrowings (year-end 2013: EUR 9.7 million; year-end 2012: EUR 19.3million) qualify as \`other financial obligations´.

13. TRADE AND OTHER RECEIVABLES

Trade and other receivables can be summarised as follows:

	2013	2012
Trade receivables	43,674	50,248
Provision for impairment of trade receivables	-2,602	-1,571
Trade receivables - net	**41,072**	**48,677**
Unbilled receivables	14,054	16,284
Receivables related to fixed price contracts	10,641	13,265
Other receivables	421	967
Prepayments and accrued income	6,293	6,198
At 31 December	**72,481**	**85,391**

The fair value of the trade and other receivables approximates to their net carrying amount.

As at 31 December 2013, trade receivables of approximately EUR 7.0 million (year-end 2012: approximately EUR 7.4 million) were past due but not provided for. These relate to a number of customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2013	2012
Trade receivables not impaired and not past due	**34,077**	**41,321**
Trade receivables not impaired and past due:		
Up to 1 month	5,127	5,179
1 to 2 months	1,176	1,163
2 to 3 months	314	701
Over 3 months	378	313
	6,995	**7,356**
Trade receivables - net	**41,072**	**48,677**

Movements in the allowance for doubtful debts were as follows:

	2013	2012
At 1 January	1,571	906
Provision for receivables impairment	1,092	782
Receivables written off during the year as incollectible	-14	-84
Unused amounts reversed	-47	-33
At 31 December	**2,602**	**1,571**

Trade receivables are denominated exclusively in euros. Ordina does not have any receivables that are denominated in a currency other than the euro.

The creation and release of the provision have been included in `other operating expenses´ in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

Prepayments and accrued income include prepaid expenses and other amounts receivable. Other receivables fell due in less than one year at both year-end 2013 and 2012.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. Ordina does not hold any collateral as security.

The maximum credit risk exposure to trade receivables and unbilled receivables pertaining to work already carried can be broken down as follows (by geographical area):

	2013	2012
the Netherlands	43,798	51,302
Belgium/Luxembourg	13,930	15,230
At 31 December	**57,728**	**66,532**

The maximum credit risk exposure to trade receivables can be broken down as follows (by client category):

	2013	2012
Public	16,776	14,829
Finance	4,463	12,343
Other	22,435	23,076
Trade receivables	**43,674**	**50,248**

14. CASH AND CASH EQUIVALENTS

The balances disclosed in this item are at Ordina´s free disposal. For details on the committed overdraft facilities, see Note 17.

At the balance sheet date, Ordina had no financial derivatives.

The cash and cash equivalents have been deposited with professional market parties who have a good credit rating. The following is a breakdown of available cash and cash equivalents based on the external credit rating of these market parties:

	2013	2012
A+	0	8,931
A	6,823	0
A-1	623	571
A-2	0	26
At 31 December	**7,446**	**9,528**

15. SHARE CAPITAL

Movements in paid-up and called-up capital in 2012 and 2013 were as follows:

(In thousands)	Number of outstanding shares	Issued capital in EUR
At 1 January 2012	91,853	9,185
Issue of shares	0	0
Issue at acquisitions	0	0
Share-based payment	72	7
At 31 December 2012	**91,925**	**9,192**

(In thousands)	Number of outstanding shares	Issued capital in EUR
At 1 January 2013	91,925	9,192
Issue of shares	0	0
Issue at acquisitions	133	13
Share-based payment	253	26
At 31 December 2013	**92,311**	**9,231**

15.1. PAID-UP AND CALLED-UP SHARE CAPITAL

The total authorised number of shares at year-end 2013 was 124,999,995 shares with a par value of EUR 0.10 per share and one priority share of EUR 0.50, divided as follows:

- priority shares: 1
- preference shares: 24,999,995
- ordinary shares: 100,000,000

At year-end 2013, 1 priority share and 92,310,835ordinary shares were fully paid up (year-end 2012: 1 priority share and 91,924,881ordinary shares).

The share issues in 2013 pertain to share-based remuneration (252,781 shares) and to earn-out payments related to the acquisition of ITG Consulting Group (total of 133,173 shares).

The share issue in 2012 pertained to the issue of approximately 72,000 shares in connection with share-based remunerations.

Ordina did not incur any issue costs related to the share issues in 2013 or 2012.

At year-end 2013, Ordina N.V. had not purchased any treasury shares. For details of the issued priority share, see the provision relating to the priority share in the company's articles of association. .

15.2. SHARE OPTIONS

In 2009, 240,000 conditional options in total were granted to a select group of employees. The exercise price will be EUR 4.55, which was based on the closing price of the Ordina N.V. share on the day preceding the conditional grant date. Vested options have been exercisable since 2 April 2010. The options will lapse as of 2 September 2014.

Under the share option schemes, the option exercise price is at least equal to the closing price of the Ordina N.V. share on the day preceding the grant date. The option schemes include a repayment obligation by virtue of which part of the benefit enjoyed upon exercise of the option rights must be repaid if an employee leaves the company within three years of the grant date.

Share option schemes are paid in shares. At year-end 2013, Ordina N.V. had not purchased any treasury shares for the purposes of exercising option rights. The number of ordinary shares in the authorised capital allows for future share issues pursuant to the exercise of outstanding option rights. No new option scheme was introduced in 2013.

At year-end 2013, 30,000 options were outstanding under existing option plans (year-end 2012: 45,000). No options were exercised during either 2013 or 2012.

Movements in the total number of outstanding share options in 2012 and 2013 were as follows:

(In thousands)	Outstanding at beginning of the year	Exercised	Lapsed	Outstanding at end of year	Exercise price in euros	Exercise period in years
Movements in 2012						
Option scheme 2009	45	0	0	45	4.55	5
Outstanding at year-end 2012				**45**		

(In thousands)	Outstanding at beginning of the year	Exercised	Lapsed	Outstanding at end of year	Exercise price in euros	Exercise period in years
Movements in 2013						
Option scheme 2009	45	0	15	30	4.55	5
Outstanding at year-end 2013				**30**		

16. RESERVES

Movements in reserves in 2012 and 2013 can be broken down as follows:

	Share premium reserve	Retained earnings	Profit for the year	Total
At 1 January 2012	134,619	78,674	-15,823	197,470
Prior-year retained earnings	0	-15,823	15,823	0
Issue at acquisitions	0	0	0	0
Share-based payment	73	202	0	275
Profit for the year	0	0	451	451
Actuarial gains and losses	0	-140	0	-140
At 31 December 2012	**134,692**	**62,913**	**451**	**198,056**

	Share premium reserve	Retained earnings	Profit for the year	Total
At 1 January 2013	134,692	62,913	451	198,056
Prior-year retained earnings	0	451	-451	0
Issue at acquisitions	187	0	0	187
Share-based payment	181	-13	0	168
Profit for the year	0	0	-64,969	-64,969
Actuarial gains and losses	0	-10	0	-10
At 31 December 2013	**135,060**	**63,341**	**-64,969**	**133,432**

Following the allocation of the loss booked in 2013, retained earnings amount to EUR 1.6 million negative. The retained earnings are therefore not freely distributable (year-end 2012: around EUR 60.9 million was freely distributable). The company financial statements at year-end 2013 include a statutory reserve charged to the retained earnings in the sum of around EUR 1.4 million (year-end 2012: EUR 2.0 million).

17. BORROWINGS

In December 2011, Ordina arranged a committed senior financing facility with ING, ABN AMRO Bank and NIBC totalling an initial EUR 55.0 million. The committed senior facility comprises a long-term loan with an original principal of EUR 20.0 million and a revolving facility of EUR 35.0 million, with a five-year term. As a result of repayments on the long-term loan in 2013, the remaining total committed senior financing facility was EUR 45.0 million at year-end 2013. EUR 10.0 million of the revolving facility was used for a committed bank overdraft.

Movements in non-current borrowings were as follows:

	2013	2012
At 1 January	19,284	18,937
Bank borrowings	0	0
Change due to effective interest method	388	347
Repaid	-10,000	0
Total	**9,672**	**19,284**
Presented as current liabilities	-9,672	-10,000
At 31 December	**0**	**9,284**

The effective interest rate on the long-term loan is 5.77%. The carrying amount of the long-term loan was determined based on the effective interest method. .The fair value of the long-term loan with a carrying value of EUR 9.7 million is approximately EUR 10.1 million.

The repayment schedule of the long-term loan with an original principal of EUR 20 million is as follows:

Repayment due on 22 June 2013	5,000
Repayment due on 22 December 2013	5,000
Repayment due on 22 June 2014	5,000
Repayment due on 22 December 2014	5,000
	20,000

The interest on the long-term loan and the revolving facility is set based on the prevailing base rate (EURIBOR) plus a margin. The base rate is linked to the interest period to be designated by Ordina and may range from one to six months in principle. The margin depends on the ratio of earnings before interest, taxes, depreciation and amortisation (EBITDA) and Ordina´s total net debt at the end of each quarter, and may range between 2.00% and 3.75%.

The years 2011 and 2012 are subject to a correction on the EBITDA relating to extraordinary charges and reorganisation costs as specified in the financing agreement, with a maximum of EUR 13.2 million (2011) and EUR 7.2 million (2012) respectively, while the total correction in this context for the years 2011 and 2012 can be a maximum of EUR 17.2 million.

In June 2013, Ordina agreed to a change in the agreement with the banks. Pursuant to this change, Ordina will continue to correct EBITDA for one-off charges and reorganisation costs for the calculation of the leverage ratio. As specified in the financing agreement and the addendum to same, this correction was maximised at EUR 5.0 million for 2013 and for 2014, with the maximum combined total correction for the two years set at EUR 8.0 million. In addition to the above-mentioned correction, Ordina agreed with the banks that income and expenses related to the provision for vacant office space will not be included in the adjusted EBITDA for the calculation of the leverage ratio and the interest cover ratio.

The interest rate (base rate plus margin) on the long-term loan of EUR 20.0 million was 2.736% at year-end 2013 (year-end 2012: 2.611%), comprising a base rate of 0.236% and a margin of 2.5%. In view of the expected interest rate developments and the size, life and repayment schedule of the loan, Ordina decided to refrain from closing a new interest rate swap for the long-term loan.

At year-end 2013, Ordina had no obligation under the revolving facility (year-end 2012: zero). A commitment fee of 35% of the margin is due on the unused portion of the revolving facility.

The covenants for the loan and the revolving facility come with a maximum leverage ratio of total net debt to (adjusted) EBITDA and an Interest Cover Ratio (determined on the basis of the (adjusted) EBITDA / total net interest, as defined in the financing agreement). The covenants are based on the IFRS-compliant consolidated financial statements. When the agreement was changed in mid-2013, it was also determined that the maximum leverage ratio would be reduced more gradually. The following ratios apply under the financing facility:

Leverage ratio (maximum)

	new	previous
1 October 2012 - 30 June 2013	2.00	2.00
1 July 2013 - 31 December 2013	1.75	1.50
1 January 2014 - 31 March 2014	1.75	1.25
1 April 2014 - December 2016 (maturity date agreement)	1.50	1.25

Interest Cover Ratio (minimum)

1 January 2012 - 31 March 2012	2.50
1 April 2012 - 30 June 2012	3.00
1 July 2012 - 30 September 2012	3.50
1 October 2012 - 31 December 2012	4.00
From 1 January 2013	5.00

At year-end 2013, the ratio of total net debt to (adjusted) EBITDA was 0.2 (year-end 2011: 0.6).
At year-end 2013, the Interest Cover Ratio was 9.2 (year-end 2012: 15.6).

The credit agreement also stipulates that the total EBITDA of the companies that are party to the credit agreement should account for at least 80% of the consolidated EBITDA provided in the credit agreement (the Guarantor Cover Ratio) and that at least 70% of the trade receivables are pledged to the credit provider as security (the Security Cover Ratio). These requirements were also satisfied at year-end 2013. The majority of group companies have assumed joint responsibility for the long-term loan and the revolving facility.

Presented below is a table of estimated future cash flows from the contractual obligations assumed under the long-term loan in the initial sum of EUR 20 million.

	From floating interest	**From repayments**
Estimated future cash flows		
2014	-195	-10,000
2015 to 2016	0	0
Later than 2016	0	0

18. EMPLOYEE BENEFITS

Employee benefits can be summarised as follows:

	2013	2012
Defined benefit obligation	685	751
Jubilee benefits	3,195	3,011
Total employee benefits	**3,880**	**3,762**

18.1. DEFINED BENEFIT OBLIGATION

The defined benefit obligation can be broken down as follows:

	2013	2012
Defined benefit obligation	5,025	4,968
Less: fair value of plan assets	4,340	4,217
Defined benefit obligation	**685**	**751**

Movements in the defined benefit obligation were as follows:

	2013	2012
At 1 January	4,968	22,020
Current service cost	0	0
Interest cost	180	163
Contributions by plan participants	0	0
Benefits paid	-25	-108
Actuarial gains and losses	-98	2,080
Accounting for defined contribution plan	0	-19,187
Defined benefit obligation at 31 December	**5,025**	**4,968**

Movements in the fair value of plan assets were as follows:

	2013	2012
At 1 January	4,217	21,104
Expected return on plan assets	153	131
Employer contributions	80	0
Benefits paid	-25	-108
Actuarial gains and losses	-85	1,893
Accounting for defined contribution plan	0	-18,803
Fair value of plan assets at 31 December	**4,340**	**4,217**

The defined benefit obligation (based on average salary or final salary schemes) is measured at present value in accordance with the provisions of IAS 19 (Employee Benefits). As a result of the harmonisation of the pension schemes, the defined benefit scheme does not have any active members. At year-end 2013, Ordina´s obligations pursuant to the defined benefit pension plans were limited to guarantee and management costs insofar as these are not covered by surplus interest gains. Plan assets are stated at fair value. Actuarial gains and losses are recognised directly in other comprehensive income. All pension plans operated by Ordina are administrated by professional insurers. The plan assets are comprised of qualifying insurance policies.

In 2012, it was determined definitively that with respect to one of the defined pension schemes Ordina´s indexation obligation amounted to nil. The indexation of this scheme is either on the basis of the available surplus, or is charged to the deposit received upon acquisition. Because of this, at year-end 2012 Ordina had no further obligations whatsoever with regard to this scheme, as a result of which this can now be regarded as a defined contribution scheme.. For another defined pension scheme, it was determined definitively in 2012 that the management costs owed would be fully financed from the available surplus, as a result of which Ordina has no obligations whatsoever pursuant to said scheme. On the basis of the definitive qualification of the indexation obligation and consequently the qualification of both of these schemes in 2012, Ordina´s remaining obligation with respect to these schemes is nil. Therefore, the obligations and fair value, as recognized in 2011, have for these schemes been deducted from the total value of the obligations and fair value in the item "qualification as defined contribution scheme´. As a result of the definitive qualification of these two schemes, in 2012 an amount of around EUR 0.4 million was deducted from the obligation pursuant from defined benefit schemes.

The cumulative net change relating to actuarial gains and losses recognised in other comprehensive income was EUR 4.1 million negative (year-end 2012: EUR 4.1million negative).

The amounts recognised in the income statement were as follows:

	Notes	2013	2012
Current service cost		0	0
Interest cost		180	163
Expected return on plan assets		-153	-131
Total, included in personnel expenses	**23**	**27**	**32**

The actual return on plan assets was EUR 0.1 million (2012: EUR 2.0 million negative). Plan assets are comprise qualifying insurance policies that correspond exactly with the amount and timing of all payments to be made pursuant to the plan. The plan assets are equal to the value of the corresponding liabilities, based on the same assumptions used in the calculation of the cash value of the pension obligations.

The principal actuarial assumptions were as follows:

	2013	2012
Discount rate at 31 December	3.70%	3.65%
Expected return on plan assets	3.70%	3.65%

In the event that the discount rate were to be raised or lowered by 0.5% in the context of a sensitivity analysis, the obligation ensuing from the defined benefit scheme would amount to EUR 4.3 million or EUR 5.5 million respectively.

Assumptions regarding life expectancy are based on published statistics. The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2013	2012
Male	22.1	22.0
Female	24.3	24.2

The average life expectancy in years of a person currently 45 years of age retiring at age 65 is as follows:

	2013	2012
Male	23.8	23.7
Female	25.2	25.2

The following is a specification of the valuation of the defined benefit obligation and the fair value of plan assets over the years 2009 through 2013:

	2013	2012	2011	2010	2009
Defined benefit obligation	5,025	4,968	22,020	21,700	22,695
Less: fair value of plan assets	4,340	4,217	21,104	18,293	19,050
Defined benefit obligation	**685**	**751**	**916**	**3,407**	**3,645**
Experience adjustments on plan liabilities	98	-2,080	-25	1,412	653
Experience adjustments on plan assets	-85	1,893	2,044	-1,605	820

18.2. JUBILEE BENEFITS

The jubilee benefit obligation can be broken down as follows:

	2013	2012
Jubilee benefits	3,195	3,011
Less: fair value of jubilee assets	0	0
Jubilee benefits	**3,195**	**3,011**

The terms of employment of various group companies include a jubilee scheme, based on which employees who celebrate an anniversary with the company receive a gross, non-salary-based bonus. Under IAS 19 (Employee Benefits), a provision was formed for the contingent liability associated with this jubilee scheme. Actuarial gains and losses are recognised directly in profit or loss.

The amounts recognised in the income statement were as follows:

	2013	2012
Current jubilee cost	346	338
Interest cost	68	108
Actuarial gains and losses	105	266
Total, included in personnel expenses	**519**	**712**

Movements in the amounts recognised in the balance sheet were as follows:

	2013	2012
At 1 January	3,011	2,740
Charged against profit, standard	414	446
Jubilee benefits	-335	-441
Actuarial gains and losses	105	266
At 31 December	**3,195**	**3,011**

The principal actuarial assumption was as follows:

	2013	2012
Discount rate at 31 December	2.6%	2.4%

The assumptions regarding average term of service for employees at Ordina were applied consistently in 2012 and 2013. The determination of the provision at year-end 2013 took into account the phased raising of the retirement age to 67.

The table below shows a sensitivity analysis pertaining to the obligation based on the jubilee benefit scheme. Ordina conducted this sensitivity analysis on the basis of, firstly, a raising/lowering of the discount rate and, secondly, on a raising/lowering of the chances of redundancy (resulting in shorter/longer term of service at Ordina).

	obligation	in percentage of current obligation
Discount rate + 0,5%	3,094	96.8%
Discount rate - 0,5%	3,301	103.3%
Redundancy likelihood ratio + 25%	2,864	89.6%
Redundancy likelihood ratio - 25%	3,593	112.5%

19. OTHER LONG-TERM PROVISIONS

Other long-term provisions could be broken down as follows at year-end 2013:

	2013	2012
At 1 January	0	0
Additions	5,950	0
Unused amounts	0	0
Used during the year	0	0
At 31 December	**5,950**	**0**

Other long-term provisions pertain to the vacant office space at the Ordina head office in Nieuwegein for which there is a contractual lease obligation. The lease for the office building in Nieuwegein runs to 30 September 2020. The provision pertains to future rent, including the additional direct costs related to the lease for the contract period in which Ordina does not expect to make use of the office space in question. In determining the provision, Ordina took into account the expected income from subletting. The determination of the cash value of the provision took into account an interest rate of 4.2%. The allocation to the provision is recognised under accommodation costs as part of the other operating expenses (see Note 24). With respect to the provision, an amount of approximately EUR 0.5 million has a term of less than one year.

20. DEFERRED TAXES

Deferred taxes can be broken down as follows:

	Notes	2013	2012
Deferred tax assets	20.1	17,616	16,420
Set off deferred tax liabilities		0	0
Defered tax assets net		**17,616**	**16,420**

	Notes	2013	2012
Deferred tax liabilities	20.2	0	331
Set off deferred tax liabilities		0	0
Defered tax liabilities net		**0**	**331**

20.1. DEFERRED INCOME TAX ASSETS

Deferred income tax assets can be broken down as follows:

	2013	2012
Intangible assets and property, plant and equipment	1,344	1,717
Employee related provisions	171	188
Other provisions / long term	1,487	0
Recognised tax losses	14,614	14,515
At 31 December	**17,616**	**16,420**

The deferred income tax asset by virtue of intangible assets and property, plant and equipment relates to temporary measurement differences due to the changed minimal fiscal write-down period. Measurement is at the set tax rates.

The deferred income tax asset by virtue of employee benefits and other provisions relates to temporary measurement differences with respect to pension benefits and other provisions. Measurement is at the set tax rates.

Tax losses are recognised if they are expected to be utilised (total at year-end 2013: approximately EUR 58.5 million; year-end 2012: approximately EUR 58.1 million). Measurement is at the fair value that will apply to future financial years. At year-end 2013, the losses in the Netherlands were measured at a rate of 25.0%. The total tax loss potential at year-end 2013 was approximately EUR 58.5 million (year-end 2012: approximately EUR 58.6 million). Tax losses are measured based on their assumed utilisation potential on the basis of future profits shown in long-range budgets for the next five years. Of the recognised tax losses, EUR 33.7 million is expected to expire in 2018. The remaining recognised tax losses will expire after 2018.

An amount of approximately EUR 0.5 million in recognised tax losses expires after 2013. No deferred income tax asset was recognised on these tax losses.

Of the deferred income tax assets, an amount of approximately EUR 15.1 million had a term of more than one year at year-end 2013 (year-end 2012: EUR 12.9 million). Of the deferred income tax assets, an amount of approximately nil was netted against deferred income tax liabilities at both year-end 2013 and year-end 2012 (see Section 2.21). Movements in deferred income tax assets were as follows in 2012:

	Opening balance 2012	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance 2012
Intangible assets and property, plant and equipment	1,997	-280	0	1,717
Employee related provisions	229	-88	47	188
Other provisions / long term	0	0	0	0
Recognised tax losses	15,406	-891	0	14,515
	17,632	**-1,259**	**47**	**16,420**

Movements in deferred income tax assets were as follows in 2013:

	Opening balance 2013	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance 2013
Intangible assets and property, plant and equipment	1,717	-373	0	1,344
Employee related provisions	188	-20	3	171
Other provisions / long term	0	1,487	0	1,487
Recognised tax losses	14,515	99	0	14,614
	16,420	**1,193**	**3**	**17,616**

20.2. DEFERRED INCOME TAX LIABILITIES

Deferred income tax liabilities can be broken down as follows at year end:

	2013	2012
Intangible assets related to customers	0	331
	0	**331**

The deferred tax liabilities mainly relate to temporary measurement differences that arise in relation to intangible assets related to customers acquired in business combinations. They are measured at the fair value that is expected to apply during the amortisation period of these assets. Of the deferred tax liabilities, an amount of approximately nil has a term of more than one year (2011: approximately EUR 0.7 million). Deferred tax liabilities amounted to nil at year-end 2013 (year-end 2012: approximately EUR 0.3 million). Of the deferred income tax liabilities, an amount of approximately nil was netted against deferred income tax assets at year-end 2013 and year-end 2012 (see Section 2.21).

Movements in deferred income tax liabilities were as follows in 2012:

	Opening balance 2012	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance 2012
Intangible assets related to customers	1,033	-702	0	331
	1,033	**-702**	**0**	**331**

Movements in deferred income tax liabilities were as follows in 2013:

	Opening balance 2013	Recognised in income statement	Recognised in consolidated statement of comprehensive income	Closing balance 2013
Intangible assets related to customers	331	-331	0	0
	331	**-331**	**0**	**0**

21. OTHER SHORT-TERM PROVISIONS

Other provisions could be broken down as follows at year-end 2012:

	Projects	Reorganisation	Other	Total
At 1 January	129	1,393	136	1,658
Additions	223	2,314	0	2,537
Unused amounts	-252	-80	0	-332
Used during the year	-94	-3,294	-125	-3,513
At 31 December 2012	**6**	**333**	**11**	**350**

Other provisions could be broken down as follows at year-end 2013:

	Projects	Reorganisation	Other	Total
At 1 January	6	333	11	350
Additions	409	6,097	0	6,506
Unused amounts	-76	-2	-11	-89
Used during the year	-60	-4,149	0	-4,209
At 31 December 2013	**279**	**2,279**	**0**	**2,558**

The provision for project commitments pertains to outstanding project activities related to loss-making contracts. The restructuring provision is for non-recurring costs associated with the restructuring and initiatives for sustainable margin improvement. At both year-end 2013 and year-end 2012, the other provisions had a term of less than one year.

22. TRADE AND OTHER PAYABLES, ACCRUALS AND DEFERRED INCOME

This item can be summarised as follows:

	2013	2012
Trade payables	21,960	23,397
Advanced billings	5,991	7,287
Taxes and social security	24,543	24,428
Pension contributions	62	754
Other payables	1,971	2,010
Accruals and deferred income	19,471	27,818
At 31 December	**73,998**	**85,694**

The fair value of trade and other payables, accruals and deferred income approximates to their net carrying amount.

The item \`other payables´ relates to earn-out payments by virtue of acquisitions, among other debts. Accruals and deferred income include commitments for holiday allowance, leave day entitlements, other personnel expenses, as well as items charged to profit or loss for the year under the prevailing accounting policies. The other payables and accrued liabilities had a life of less than one year at both year-end 2013 and year-end 2012.

23. PERSONNEL EXPENSES

	2013	2012
Salaries	171,788	168,654
Social charges	29,297	28,322
Defined benefit obligation	27	32
Defined contribution obligation	11,170	10,578
Other personnel expenses	40,054	40,334
Total	**252,336**	**247,920**

Other personnel expenses include car expenses, hotel and travelling expenses, and study costs. This item also includes an amount of about EUR 16.9 million for operating leases for cars (2012: approximately EUR 17.1 million). Additionally, an amount of approximately EUR 7.4million was recognised in this item in 2013 for restructuring costs (2012: approximately EUR 4.0 million).

Personnel expenses included an expense of approximately EUR 0.2 million for share-based payments in 2013 (2012: EUR 0.3 million.

The average workforce in FTEs numbered 2,961 in 2013 (2012: 2,938).

At year-end 2013, Ordina employed 2,918 FTEs (year-end 2012: 2,920 FTEs). The number of FTEs working at the Belgium and Luxembourg-based group companies stood at 523 at year-end 2013 (year-end 2012: 526 FTEs).

24. OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

	2013	2012
Office accommodation costs	14,917	7,788
Marketing and selling expenses	1,208	1,471
Other expenses	8,056	5,918
Total	**24,181**	**15,177**

Other expenses include information management and automation expenses, the cost of insurance, and audit and consulting fees.

The office accommodation costs include an amount of some EUR 6.0 million recognised for operating leases (2012: approximately EUR 6.3 million). The office accommodation costs also include an amount of EUR 5.9 million for the provision related to the to the vacant office space at the Ordina head office in Nieuwegein.

Audit fees recognised in the income statement for 2012 under `other operating expenses´ in the reporting period were as follows:

	PwC the Netherlands	Other PwC network	Total PwC network
Audit of the financial statements	282	136	418
Other audit activities	2	0	2
Tax advise	0	0	0
Other non-audit activities	33	0	33
	317	**136**	**453**

Audit fees recognised in the income statement for 2013 under `other operating expenses´ in the reporting period were as follows:

	PwC the Netherlands	Other PwC network	Total PwC network
Audit of the financial statements	257	88	345
Other audit activities	20	2	22
Tax advise	2	0	2
Other non-audit activities	0	0	0
	279	**90**	**369**

25. FINANCE INCOME AND COSTS

Finance income and costs can be broken down as follows:

	2013	2012
Finance income	13	134
Finance costs	-1,510	-1,650
Total	**-1,497**	**-1,516**

	2013	2012
Loans	13	67
Other finance income	0	67
Total finance income	**13**	**134**

Other finance income includes interest payments on current account cash held by banks and interest payments related to the settlement of tax claims.

Finance costs can be broken down as follows:

	2013	2012
Long Term Debt / Term Loan	-930	-926
Revolving Facility	-278	-356
Other finance costs	-302	-368
Total finance costs	**-1,510**	**-1,650**

The finance costs related to long-term loans pertain to the long-term loans as specified in note 17. The interest costs related to long-term loans also include a sum of more than EUR 0.5 million resulting from the effective interest method (2012: around EUR 0.3 million).

The other finance costs include the interest costs for the current account debt held by banks, availability commissions and interest charges for the settlement of tax debts.

26. INCOME TAX EXPENSE

	2013	2012
Income tax expense for the year	-847	-484
Income tax expense prior years	-20	-85
	-867	**-569**
Deferred income tax for the year	1,533	-489
Deferred income tax prior years	-10	-67
	1,523	**-556**
	656	**-1,125**

	2013	2012
Net profit for the year	-64,969	451
Income tax expense	656	-1,125
Profit before income tax	**-65,625**	**1,576**
Effective tax rate	1.0%	71.4%

As a percentage	2013	2012
Applicable tax rate	25.0	25.0
Differences with foreign tax rates	0.0	-12.3
Unused tax losses	0.0	2.4
Non-deductible expenses	-23.9	56.4
Tax exempt income	-0.1	-3.3
Incidental items	0.0	-6.5
Adjustments for prior years	0.0	9.7
Effective tax rate	**1.0**	**71.4**

The nominal tax burden amounted to 25.0% in 2013, as applicable in the Netherlands. The non-recognised losses in the financial year relate to non-compensable losses for which no deferred tax asset has been recognised. The non-deductible expenses relate to result components which cannot be charged to the pre-tax result and include an impairment of goodwill, share-related payments and the non-deductible part of the so-called mixed costs. The exempt income components relate primarily to the share in the results of associates.

27. EARNINGS PER SHARE

27.1. EARNINGS PER SHARE - BASIC

Basic earnings per share are calculated by dividing profit for the year by the average number of outstanding shares during the year.

	2013	2012
Profit for the year	-64,969	451
Average number of outstanding shares (in thousands)	92,179	91,913
Earnings per share- basic (in euros)	**-0.70**	**0.00**

27.2. EARNINGS PER SHARE - DILUTED

Diluted earnings per share are calculated by dividing the profit for the year by the average number of outstanding shares during the year inclusive of any outstanding option rights whose exercise price is lower than the share price at year end and the shares expected to be issued in the context of share-related bonuses. .

	2013	2012
Profit for the year	-64,969	451
Average number of outstanding shares (in thousands)	92,179	91,913
Adjustment for in-the-money options	0	0
Adjustment for share-based payment obligations	622	581
	92,801	**92,494**
Earnings per share - diluted (in euros)	**-0.70**	**0.00**

28. DIVIDEND PER SHARE

In view of the fact that Ordina recorded a net loss in 2013, there will be no dividend proposal to the General Meeting of Shareholders for 2013. The net loss for 2013 has been charged to the reserves.

29. PREFERENCE SHARES

Ordina N.V.´s authorised capital includes 24,999,995 preference shares with a par value of EUR 0.10 per share. Dividends on preference shares do not exceed the statutory interest rate prevailing at the date the dividends are declared. No preference shares had been issued at year-end 2013.

30. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Ordina N.V. and its group companies have issued guarantees for a total amount of approximately EUR 4.1 million in 2013 (2012: approximately EUR 2.7 million). Of these guarantees, EUR 1.7 million relates to lease commitments, approximately EUR 1.3 million pertained to client relations, while approximately EUR 1.1 million pertained to earn-out obligations.

At year-end 2013, Ordina had an expenditure obligation pertaining to a new ERP licence amounting to approximately EUR 2.0 million. Ordina had no material expenditure obligations with respect to property, plant and equipment at year-end 2013.

Company cars provided to employees are usually acquired under operating leases spanning 36 to 48 months. In this context, Ordina N.V. and its group companies have a total car lease obligation of approximately EUR 19.7 million that falls due in less than one year (2012: EUR 19.3 million).

All buildings where group companies are located are in leasehold. Ordina does not have any buildings in freehold. In addition, Ordina N.V. and its group companies have total building lease obligations of approximately EUR 6.0 million with a duration of less than one year (2012: EUR 6.2 million). Of the building leases that fall due within one year, an amount of EUR 4.4 million relates to the head office in Nieuwegein. The lease for the head office in Nieuwegein runs to 30 September 2020.

The other financial obligations can be specified by duration as follows:

	Cars	Buildings
Not later than one year	19,671	6,036
Later than one year and not later than five years	21,292	19,750
Later than five years	0	7,679
	40,963	**33,465**

In a number of instances, Ordina N.V. has assumed joint and several liability within the scope of its normal operations for the performance of contractual obligations by a group company. Where such a guarantee was issued to clients of Ordina BPO B.V., which was sold in April 2009, and has not yet expired, Centric Holding B.V. and its group companies have issued a full counter-guarantee.

In the context of the sale of divisions, Ordina has issued the usual limited-time (balance sheet) guarantees to the buyers of these divisions.

In accordance with the provisions of Section 403, Part 9 of Book 2 of the Dutch Civil Code, Ordina N.V. has assumed joint and several liability for the obligations arising from the juristic acts of most of the Dutch group companies. The declarations to that effect have been filed with the competent Trade Registries.

Ordina N.V. and the majority of its Dutch group companies form one or more tax units for income tax and value-added tax purposes, as a result of which the companies involved are jointly and severally liable for the liabilities incurred by the tax group.

Ordina N.V. and the majority of its group companies have assumed joint and several liability for the bank overdrafts. At year-end 2013, trade receivables valued at approximately EUR 43.6 million had been pledged as security (year-end 2012: approximately EUR 51.3 million) for the financing facility.

31. ACQUISITIONS AND DISPOSALS

31.1. ACQUISITIONS

Ordina made no acquisitions in 2013 or 2012.

31.2. EFFECTS OF ACQUISITIONS

Acquisition of group companies had the following effects on Ordina's assets and liabilities:

	2013	2012
Identifiable assets and liabilities - net	**0**	**0**
Goodwill acquired in business combinations	0	0
Purchase consideration	**0**	**0**
Earn-out commitments	0	0
Earn-out payments related to prior year acquisitions	1,113	0
Financing of purchase consideration through share issue	-200	0
Purchase consideration settled in cash	**913**	**0**
Cash and cash equivalents in subsidiaries acquired	0	0
Net cash outflow at acquisitions	**913**	**0**

At year-end 2013, Ordina still had earn-out obligations relating to acquisitions from previous years amounting to around EUR 1.1 million (year-end 2012: around EUR 2.0 million).

32. RELATED PARTIES

32.1. IDENTITY OF RELATED PARTIES

Ordina´s related parties are its group companies, the members of the Supervisory Board and the members of the Management Board. The members of the Management Board qualify as key management.

32.2. TRANSACTIONS WITH THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

32.2.1. REMUNERATION POLICY

The Supervisory Board determines the compensation of the members of the Management Board on an annual basis. For details on the remuneration policy for the members of the Management Board, we refer you to the section Remuneration policy Management Board in the Report of the Supervisory Board.

32.2.2. EXECUTIVE COMPENSATION

The following amounts in executive compensation were charged to the results for 2013 and 2012 respectively:

	2013	2012
S. Breedveld		
Salary	388	388
Variable component/short-term, cash based	196	29
Variable component/long-term, share based	120	172
Pension costs	88	71
	792	**660**

	2013	2012
M.J. Poots-Bijl		
Salary	262	0
Variable component/short-term, cash based	132	0
Variable component/long-term, share based	75	0
Pension costs	46	0
	515	**0**

	2013	2012
B.H. de Jong		
Salary	178	268
Severance package	266	0
Variable component/short-term, cash based	87	20
Variable component/long-term, share based	-31	109
Pension costs	42	55
	542	**452**

Total executive compensation of the members of the Management Board combined was EUR 1.8 million in 2013 (2012: EUR 1.1 million).

The long-term benefits under profit-sharing and bonus plans comprise of a payment in Ordina N.V. shares; they are determined for a three-year period for each individual plan. The value of the number of Ordina N.V. shares to be awarded for on-target performance is equivalent to 50% of the fixed salary (including holiday pay) to be paid to directors in the first year of a three-year period. A conditional number of shares are awarded at the beginning of each three-year period. Of the total target, 70% is linked to financial targets and 30% is linked to non-financial targets. The financial targets are linked to the development of Ordina's results and pertain to revenues, the recurring EBITDA margin and the leverage ratio. The non-financial targets are based on individual, clearly measurable (qualitative and quantitative) targets and pertain to client satisfaction, employee engagement, image and the implementation of the sustainability strategy. The shares that are expected to be received are valued on the basis of the share price at the moment the plan becomes valid, taking into account a drop in value in connection with the trading block on a portion of the shares and missed dividends during the conditional period. If it is established after three years that the set targets were achieved or exceeded, the shares are awarded unconditionally. The number of shares in Ordina N.V. to be allotted is estimated at the balance sheet date based on the long-term bonus benefits. The costs of the long-term profit-sharing and bonus plans are recognised in the income statement. The costs of the shares expected to be issued are recognised in equity as `retained earnings´. As part of his variable long-term remuneration for the period 2011 through 2013, Mr. Breedveld and Mrs. Poots-Bijl were granted a total of 125,399 shares in Ordina N.V. The related cost of more than EUR 0.2 million has been accounted for under personnel expenses (see Note 23).

	Conditionally granted number of shares	Fair value on grant date	Recognised in profit & loss 2013
S. Breedveld			
Window 2011-2013	102,495	84	62
Window 2012-2014	199,482	163	30
Window 2013-2015	171,836	198	28
	473,813	**445**	**120**
M.J. Poots-Bijl			
Window 2011-2013	23,061	26	25
Window 2012-2014	104,728	115	26
Window 2013-2015	141,764	163	24
	269,553	**304**	**75**
B.H. de Jong			
Window 2011-2013	70,729	58	-16
Window 2012-2014	137,658	113	-15
Window 2013-2015	n.a.	n.a.	0
	208,387	**171**	**-31**

Personnel costs for 2013 include a charge of more than EUR 0.1 million for the members of the Management Board related to the so-called `crisis levy for high salaries´ (2012: around EUR 0.1 million). Pursuant to this crisis levy, companies must pay an employer´s levy of 16% over the salary that is higher than EUR 150,000. Of the crisis levy recognized, around EUR 83,000 pertains to Mr. Breedveld, while around EUR 21,000 pertains to Mrs. Poots-Bijl and approximately EUR 40,000 to Mr. De Jong. These amounts are not included in the specification in this note of the remuneration of the members of the Management Board.

The members of the Management Board are provided with a car and a mobile phone. In addition, they are entitled to a monthly expense allowance. The related amounts are not included in the specification of the remuneration of the members of the Management Board included in this explanatory note.

No loans, advances or guarantees have been issued for the benefit of the members of the Management Board.

32.2.3. SHARES HELD BY THE MEMBERS OF THE MANAGEMENT BOARD

At year-end 2013, the members of the Management Board held 744,320 shares in Ordina N.V. (year-end 2012: 271,895). The shares are distributed among the members of the Management Board as follows:

	Related to long-term benefits	Privately acquired	2013	2012
S. Breedveld	228,319	450,001	678,320	271,895
M.J. Poots-Bijl	0	66,000	66,000	0
			744,320	**271,895**

32.2.4. OPTIONS GRANTED TO, AND HELD BY, THE MEMBERS OF THE MANAGEMENT BOARD

At year-end 2013, Ordina had not issued any option rights to the members of the management Board. At year-end 2012, Mr. De Jong held 15,000 options under the share option scheme described in Note 15.2.

32.2.5. SUPERVISORY BOARD COMPENSATION

The remuneration of the members of the Supervisory Board can be broken down as follows:

	2013	2012
J.G. van der Werf, chairman	41	40
P.G. Boumeester, vice chairman	31	30
D.J. Anbeek	31	20
A. Kregting	31	30
R.J. van de Kraats	0	10
	134	**130**

The compensation of the Supervisory Board is not linked to the financial performance of the company. In addition to their remuneration, the members of the Supervisory Board receive an expenses allowance of EUR 2,270 per annum. No loans, advances or guarantees have been issued for the benefit of the members of the Supervisory Board.

32.2.6. SHARES HELD BY THE MEMBERS OF THE SUPERVISORY BOARD

At year-end 2013, the members of the Supervisory Board held 100,000 shares in Ordina N.V. (year-end 2012: 100,000).

The shares are distributed among the members of the Supervisory Board as follows:

	2013	2012
J.G. van der Werf, chairman	100,000	100,000
P.G. Boumeester, vice chairman	0	0
D.J. Anbeek	0	0
A. Kregting	0	0
	100,000	**100,000**

33. EVENTS AFTER THE BALANCE SHEET DATE

No events occurred after 31 December 2013 that have a material effect on, or would warrant restatement of, the balance sheet positions at year-end 2013 as presented in the financial statements.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013 OF ORDINA N.V.

(In euro thousands)	Notes	2013	2012
Assets			
Non-current assets			
Financial assets	35	127,569	191,705
Deferred income tax assets	36	15,062	15,029
Total non-current assets		**142,631**	**206,734**
Current assets			
Other receivables	37	0	513
Current income tax receivable		2	1
Total current assets		**2**	**514**
Total assets		**142,633**	**207,248**
Equity and liabilities			
Equity			
Paid-up and called-up share capital	38	9,231	9,192
Share premium reserve	38	135,060	134,692
Statutory reserve	38	1,380	1,984
Retained earnings	38	61,961	60,929
Profit for the year	38	-64,969	451
Total equity		**142,663**	**207,248**
Liabilities			
Current liabilities			
Trade and other payables		0	0
Total current liabilities		**0**	**0**
Total liabilities		**0**	**0**
Total equity and liabilities		**142,663**	**207,248**

COMPANY INCOME STATEMENT FOR 2013 OF ORDINA N.V.

(In euro thousands)	Notes	2013	2012
Share of profit of associates	35	-64,748	-1,585
Other income		-221	2,036
Profit for the year		**-64,969**	**451**

34. GENERAL

34.1. BASIS OF PREPARATION OF COMPANY FINANCIAL STATEMENTS

The company financial statements of Ordina N.V. have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. In preparing these financial statements, the company availed itself of the facility offered by Section 362(8), Book 2 of the Dutch Civil Code to use the same accounting policies (including those for the presentation of financial instruments as equity or loan capital) for the company and the consolidated financial statements.

The company financial statements of Ordina N.V. are presented in euros (EUR). Amounts are in thousands of euros, unless indicated otherwise.

34.2. ACCOUNTING POLICIES

The accounting policies for the company financial statements are the same as for the consolidated financial statements. If no further policies are mentioned, reference is made to the accounting policies for the consolidated financial statements.

34.3. FINANCIAL ASSETS/INVESTMENTS IN ASSOCIATES

Associates and group companies in which Ordina N.V. exercises control or where Ordina N.V. is responsible for central management are accounted for using the equity method. The equity method is a method of accounting whereby the net assets, liabilities and provisions of the group company are measured and profit is calculated based on the accounting policies used in the consolidated financial statements.

In applying the equity method, the company makes allowance for the transitional provisions for the measurement of items and the first-time adoption of the accounting policies applied in the consolidated financial statements (the IFRS 1 adjustments).

35. FINANCIAL ASSETS

This item can be broken down as follows:

	Investments in group companies	Receivables from group companies	Total
Carrying amount at 1 January 2012	**126,611**	**63,227**	**189,838**
Changes in 2012			
Investments/loans advanced	282	3,310	3,592
Actuarial gains and losses	-140	0	-140
Share of profit of associates	-1,585	0	-1,585
Carrying amount at 31 December 2012	**125,168**	**66,537**	**191,705**

	Investments in group companies	Receivables from group companies	Total
Carrying amount at 1 January 2013	**125,168**	**66,537**	**191,705**
Changes in 2013			
Investments/loans advanced	-43	665	622
Actuarial gains and losses	-10	0	-10
Share of profit of associates	-64,748	0	-64,748
Carrying amount at 31 December 2013	**60,367**	**67,202**	**127,569**

36. DEFERRED INCOME TAX ASSETS

Deferred income tax assets can be broken down as follows:

	2013	2012
Intangible assets and property, plant and equipment	448	514
Recognised tax losses	14,614	14,515
At 31 December	**15,062**	**15,029**

The deferred income tax asset by virtue of intangible assets and property, plant and equipment relates to temporary measurement differences due to the changed minimal fiscal write-down period. Measurement is at the set tax rates.

Tax losses are recognised if they are expected to be utilised (total at year-end 2013: approximately EUR 58.5 million; year-end 2012: approximately EUR 58.1 million). Measurement is at the fair value that will apply to future financial years. For details on the scale and measurement of Ordina´s tax losses, see Note 20.1.

37. OTHER RECEIVABLES

This item can be broken down as follows:

	2013	2012
Prepayments and accrued income	0	513
At 31 December	**0**	**513**

38. EQUITY

Movements in equity in 2012 and 2013 were as follows:

	Issued capital	Share premium reserve	Statutory reserve	Retained earnings	Profit for the year	Total
At 1 January 2012	**9,185**	**134,619**	**2,894**	**75,780**	**-15,823**	**206,655**
Prior-year retained earnings	0	0	0	-15,823	15,823	0
Issue at acquisitions	0	0	0	0	0	0
Actuarial gains and losses	0	0	0	-140	0	-140
Share-based payment	7	73	0	202	0	282
Profit for the year	0	0	0	0	451	451
Transfer to retained earnings	0	0	-910	910	0	0
At 31 December 2012	**9,192**	**134,692**	**1,984**	**60,929**	**451**	**207,248**

	Issued capital	Share premium reserve	Statutory reserve	Retained earnings	Profit for the year	Total
At 1 January 2013	**9,192**	**134,692**	**1,984**	**60,929**	**451**	**207,248**
Prior-year retained earnings	0	0	0	451	-451	0
Issue at acquisitions	13	187	0	0	0	200
Actuarial gains and losses	0	0	0	-10	0	-10
Share-based payment	26	181	0	-13	0	194
Profit for the year	0	0	0	0	-64,969	-64,969
Transfer to retained earnings	0	0	-604	604	0	0
At 31 December 2013	**9,231**	**135,060**	**1,380**	**61,961**	**-64,969**	**142,663**

The statutory reserve relates to the carrying amounts of the internally generated intangible assets (see Section 2.5.4 and Note 7).

Ordina N.V. had not purchased any treasury shares at year-end 2012 or year-end 2013.

For details on the movements in outstanding option rights in 2012 and 2013, see Note 15.2.

For details on the remuneration of the Management Board, see Note 32.2.2.

Nieuwegein, the Netherlands, 5 March 2014

Management Board
S. Breedveld, CEO
M.J. Poots-Bijl, CFO

Supervisory Board
J.G. van der Werf, Chairman
P.G. Boumeester, Vice-Chairman
D.J. Anbeek
A. Kregting

LIST OF GROUP COMPANIES/ PRINCIPAL ASSOCIATES

	Registered office	Participation as a % at year-end 2013
Ordina Holding B.V. *	Nieuwegein	100
Ordina Nederland B.V. *	Nieuwegein	100
Ordina Consulting B.V. *	Nieuwegein	100
Ordina ICT B.V. *	Nieuwegein	100
Ordina Application Outsourcing en Projecten B.V. *	Nieuwegein	100
Clockwork B.V. *	Amsterdam	100
SourcePower B.V. *	Nieuwegein	100
Ordina Belgium N.V.	Mechelen (België)	100
Ordina Luxembourg SA	Windhof (Luxemburg)	100

All group companies listed above are fully consolidated. All fully consolidated group companies have their registered offices in the Netherlands unless indicated otherwise. The company has issued declarations of joint and several liability (pursuant to Section 403, Part 9 of Book 2 of the Netherlands Civil Code) for the subsidiaries marked *. These companies were given permission to prepare financial statements based on a format that is in contravention of the provisions of this Part.

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting of Shareholders

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2013 of Ordina N.V., Nieuwegein as set out on pages 79 to 139. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2013, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

BOARD OF DIRECTORS' RESPONSIBILITY

The board of directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Ordina N.V. as at 31 December 2013, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of Ordina N.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

The Hague, The Netherlands, 5 March 2014

PricewaterhouseCoopers Accountants N.V.

F.P. Izeboud RA

OTHER INFORMATION

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STRATEGY AND ANALYSIS

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ORGANISATIONAL PROFILE

Name	Ordina N.V.	
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Markets served	Financial report, Strategy	35, 18
Organisational changes	In 2013 there are no organisational changes in comparison with 2012.	
Awards received	Certification CO_2 Performance ladder level 5 en ISO14001	49
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REPORT PARAMETERS

Reporting period	1 January 2013 - 31 December 2013	
Previous report	Calendar year 2012	
Reporting cycle	Calendar year	
Contact person/persons	Contact	147
Process for defining report content	After desk research we established the issues with several stakeholders. Afterwards we collected the content through the stakeholders.	
Boundary of the report	Indicators	145
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Restatements	N.a.	
Changes from previous reporting period	Reporting about sustainability has been extended	

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

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INDICATORS

Code	Aspect	Definition and scope	Reference section
	Economic		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	*Scope:* Netherlands, Belgium and Luxembourg	*Profit and Loss Account* Financial Results
LA1	Total workforce by employment type, employment contract and region.	Total workforce by gender (in LA13) and age structure *Scope:* Ordina Netherlands, Belgium and Luxembourg	Employees
	Environment		
EN1	Materials used by weight or volume	Copy paper used: • total in kg • kg per employee • kg per workstation *Scope:* Ordina Netherlands, Belgium and Luxembourg	Sustainable business
EN3	Materials used by weight or volume	Direct energy consumption of natural gas and electricity • total in kWh en m3 • per workstation (building scope) *Scope:* Ordina Netherlands and Belgium	Sustainable business
EN6	Initiatives to provide energy-efficient or renewable energybased products and services as well as reductions in energy requirements as a result of these initiatives	Initiatives developed to achieve energy efficiencies and a (brief) description of planned initiatives *Scope:* Ordina Netherlands and Belgium	Sustainable business and sustainable services
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce	Average CO2 emissions per car in g/km. The figures are based on the fleet of vehicles in operation at the end of the year and the newly acquired vehicles for 2011/2012. *Scope:* Ordina Netherlands, Belgium and Luxembourg	Sustainable business
	Employees		
LA7	Rates of injury, occupational diseases, lost days and absenteeism as well as total number of work-related fatalities by region.	Absenteeism rate and average days of absenteeism. The absenteeism rate is exclusive of pre and post-natal leave. *Scope:* Ordina Netherlands, Belgium and Luxembourg	Employees
LA8	Education, training, counselling, prevention and risk-control programs in place to assist members of the workforce, their families or members of the community regarding serious diseases.	Description of measures taken to prevent absenteeism *Scope:* Ordina Netherlands, Belgium and Luxembourg	Employees
LA12	Percentage of employees receiving regular performance and career development reviews.	Extent to and manner in which employees receive performance and career development reviews (development and performance assessment). Elaboration on development/ performance assessment cycle/system. *Scope:* Ordina Netherlands, Belgium and Luxembourg	Employees
	Society		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	Male/female ratio in total workforce and male/female ratio in managerial positions *Scope:* Ordina Netherlands, Belgium and Luxembourg	Employees
SO1	Nature, scope, and effectiveness of any programs and practices that determine and manage the impacts of operations on communities, including entering, operating, and exiting	Further Elaboration on Ordina's CSR activities and CSR programme *Scope:* Ordina Netherlands, Belgium and Luxembourg	Sustainability

COLOPHON

This annual report is a publication of Ordina N.V., with contributions from:

CONCEPT, DESIGN, TECHNICAL REALISATION
DartGroup, Amsterdam
Polder Knowledge, Rotterdam

TEXT
Ordina, Arjen de Jong

TRANSLATION
Piggott & Partners

MOBILE VERSION
DartGroup, Amsterdam
Ordina, Nieuwegein
Polder Knowledge, Rotterdam

WEBSITES
www.ordina.nl, www.ordina.com, www.werkenbijordina.nl

CONTACT

Ordina only publishes an online version of its annual report. We offer the information in html format to make it easier for you read and to make the information easier to find on the internet. Very importantly, publishing the annual report online also reduces our paper use, which is one of our sustainability goals. You can also download this report as a PDF document.

THE ROAD TO AN INTEGRATED REPORT

In 2009, we started reporting on our sustainability performance in our annual report. We view this performance as an integral part of our business operations and we are consciously incorporating more sustainability elements in our services. Each year we try to improve on our previous performance and to fine tune the data and reporting cycle for our non-financial performances. We report on 10 non-financial performance indicators that we have selected in accordance with the international guidelines of the Global Reporting Initiative (GRI) at C-level.

FEEDBACK WELCOME

We welcome any suggestions you may have for improvements to the annual report. Please send an email to: communicatie@ordina.nl.

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