



## ORDINA N.V.

(a public limited liability company incorporated under the laws of the Netherlands, with its corporate seat in Nieuwegein)

**7 for 16 rights issue of up to 23,937,026 new ordinary shares at an issue price of EUR 0.93 per ordinary share and private placement of up to 13,202,759 new ordinary shares at an issue price of EUR 0.93 per ordinary share**

This document (the **Prospectus**) has been prepared in connection with the issue of up to 23,937,026 new ordinary shares in the capital of Ordina N.V. (**Ordina** or the **Company**) with a nominal value of EUR 0.10 each (the **Offer Shares**) at an issue price of EUR 0.93 (the **Issue Price**) for each Offer Share in an offering to existing holders of ordinary shares in the capital of Ordina with a nominal value of EUR 0.10 (the **Ordinary Shares**) by granting them transferable subscription entitlements (the **Rights**) to subscribe for Offer Shares (the **Offering**) and the admission to listing and trading on NYSE Euronext in Amsterdam (**Euronext Amsterdam**) of (i) the Rights and Offer Shares and (ii) up to 13,202,759 new ordinary shares in the capital of Ordina (the **Private Placement Shares**) in a private placement (the **Private Placement**) to Project Holland Deelnemingen B.V. (**PHD**) (the **Listing**).

Each Ordinary Share held immediately after the close of trading in ordinary shares on Euronext Amsterdam at 17:40, Central European Time (**CET**), on 2 December 2011 (the **Record Date**) will entitle its holder to one (1) Right. Subject to applicable securities laws and the terms set out in this Prospectus, each existing shareholder that is an Eligible Person (as defined in chapter 8 "Selling and Transfer Restrictions") will be entitled to subscribe for seven (7) Offer Shares for every 16 Rights held against payment of the Issue Price per Offer Share. Eligible Persons may, subject to applicable securities laws, subscribe for Offer Shares by exercising Rights from 09:00 CET on 5 December 2011 until 16:00 CET on 16 December 2011 (the **Exercise Period**). Rights that are not exercised during the Exercise Period will lapse without value and the holder of such Rights will not be entitled to any compensation. Exercised Rights cannot be revoked or modified, except for certain circumstances as set out in chapter 6 "Offering and Listing". The statutory preemptive rights (*wettelijke voorkeursrechten*) of the holders of Ordinary Shares in respect of Offering and the Private Placement have been excluded.

After expiry of the Exercise Period, the Offer Shares that have not been subscribed for by the exercise of Rights during the Exercise Period (the **Remaining Offer Shares**) will be subscribed for by PHD at the Issue Price per Remaining Offer Share.

**Shareholders are warned that unexercised Rights will lapse without value.** Shareholders who exercise their Rights will suffer dilution in terms of voting rights of up to approximately 14%, caused by the issue of the Private Placement Shares. Shareholders who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution in terms of voting rights of up to approximately 40%, caused by the issue of the Offer Shares and the Private Placement Shares. An issuance of warrants that may be issued by the Company to PHD (the **Warrants**) instead of Ordinary Shares will not affect the dilution in terms of economic rights, as the holder of Warrants is compensated for any economic dilution. An issuance of Warrants will reduce the immediate dilution in terms of voting rights, as the Warrants do not carry any voting rights. The balance of the dilution will then occur on exercise of the Warrants. See chapter 6 "Offering and Listing".

Application has been made for the admission to listing and trading of the Rights, the Offer Shares and the Private Placement Shares on Euronext Amsterdam. Ordina expects that the Rights will be admitted to listing and trading on Euronext Amsterdam and that trading will commence at 09:00 CET on 5 December 2011 and will end at 13:00 CET on 16 December 2011. The Rights will be traded under the symbol "ORDR", barring unforeseen circumstances. Ordina expects that the Offer Shares and Private Placement Shares will be admitted to listing and trading on Euronext Amsterdam and that trading will commence at 09:00 CET on or about 22 December 2011 under the current symbol "ORDI", barring unforeseen circumstances.

The Rights, Offer Shares and Private Placement Shares will be delivered through the book-entry systems of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. trading as Euroclear Nederland (**Euroclear Nederland**), in accordance with its normal settlement procedures applicable to equity securities.

**Investing in the Offer Shares and Private Placements Shares and trading in the Rights involves certain risks. See chapter 2 "Risk Factors" for a description of certain risks that should be carefully considered by prospective investors prior to an investment in the Offer Shares and Private Placement Shares and trading in the Rights.**

This Prospectus constitutes a prospectus for the purposes of Article 3 of European Union (EU) Directive 2003/71/EC (the **Prospectus Directive**) and has been prepared in accordance with chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder (the **Dutch Financial Supervision Act**). This Prospectus was approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **AFM**).

Distribution of this Prospectus may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Prospectus are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Company disclaims all responsibility for any violation of such restrictions by any person. Also see chapter 8 "Selling and Transfer Restrictions".

The Rights and the Offer Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be exercised, offered or sold in the United States of America or to, or for the account of benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless they are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Offering will be made in reliance on Regulation S under the Securities Act.

*Sole Global Coordinator*

**ING**

**This Prospectus is dated 2 December 2011**

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## **1. SUMMARY**

*The following information should be read as an introduction to this Prospectus only. Any decision to invest in the Rights, Offer Shares or Private Placement Shares should be based on a consideration of this Prospectus (including the information in chapter 2 "Risk Factors" and any supplement to this Prospectus) and the information incorporated by reference into this Prospectus, as a whole and not just this summary.*

*This summary does not provide a complete overview and does not contain all the information that you should consider in connection with any decision relating to the Rights, Offer Shares or Private Placement Shares. Civil liability attaches to the Company in respect of this summary and any translation of this summary but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State, the plaintiff investor may, under the national legislation of that Member State, be required to bear the costs of translating this Prospectus or any document incorporated in this Prospectus by reference before the legal proceedings are initiated. Certain capitalised terms used in this summary are defined in chapter 20 "Definitions".*

### **1.1 Business**

Ordina is a specialist knowledge supplier and offers consulting, ICT and outsourcing services on the interface between ICT and business processes. Ordina is active on the Benelux market where it focuses on the financial sector, public sector (including healthcare) and industry sector.

Ordina employs approximately 3,000 employees in the Netherlands, Belgium and Luxembourg. The head office is located in Nieuwegein, the Netherlands. In addition, Ordina has several branch offices in the Netherlands, Belgium and Luxembourg.

### **1.2 Risk factors**

#### ***Risks related to our market***

- We are likely to continue to be affected by the impact that the recent economic downturn has had, and may continue to have, on client spending
- We are highly dependent on Dutch government decision-making and ICT spending
- The ongoing globalisation, consolidation and break-ups within the financial and industry sector may adversely affect us
- The Benelux ICT market is becoming more mature leading to a shift in demand. If we fail to adjust to this shift this may adversely affect us
- Our business faces intense competition. If we are unable to compete effectively, this may adversely affect us
- Commoditisation and increased competition in the Benelux ICT market has led to pressure on our fees and profitability

#### ***Risks related to our business***

- Failure to win - or losing existing - large contracts may have a material adverse effect on us

- The use of outsourcing of work to offshore and nearshore facilities is increasing. We may not be able to sufficiently apply and offer outsourcing and outsourcing may affect the demand for our professionals
- Our business faces rapid technological change and our success depends on our ability to successfully identify market trends and develop and market innovative products and services
- Our business is highly dependent on our clients being satisfied with the solutions and services we provide
- We may incur legal liability if we do not meet, or breach, our contractual obligations. We may also incur legal liability in our capacity as employer to a large number of employees
- We may incur legal liability if our sub-contractors or other third parties do not meet, or breach, their obligations
- We may be liable to our customers for damage caused by disclosure of confidential information
- Our services or solutions could infringe upon the intellectual property rights of others and we might lose our ability to utilise the intellectual property rights of others
- Our clients expect us to embed sustainable and responsible business practices in our services to an increasing extent and any failure by us to do so may adversely affect us
- We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may not be successful
- We may incur liabilities from former acquisitions and divestments

#### ***Risks related to our strategy***

- Our business is concentrated in the Benelux region and concentrates on specific focus areas and we are therefore particularly exposed to changes in the economic, political and market conditions in this region and sectors
- We rely on partnerships with other suppliers in order to deliver complete solutions and services to our clients and any termination of or other changes to our cooperation with such third parties may adversely affect us
- We are exposed to the risk of damage to our brand and reputation and the brands and reputations of our partners

#### ***Operational risks***

- We are highly dependent on our information systems and any failure in these systems may adversely affect us
- The profitability of projects is highly dependent on our ability to control and manage such projects
- The measures taken by us to reduce costs, including reduction in support staff, may be delayed or may not achieve the results intended
- Our internal control systems may not be sufficient

- We rely significantly on the skills and experience of our Management Board members and other key personnel and the loss of these individuals could adversely affect us
- Our future success depends on our ability to attract, retain and motivate qualified personnel
- Catastrophic events, terrorist attacks, acts of war, hostilities, pandemic diseases, adverse weather conditions and other unpredictable events could have an adverse effect on our business and results
- Our general liability insurance may not provide sufficient coverage

### ***Financial risks***

- Our revenue is sensitive to upturns and downturns in the market and we have a relatively large fixed cost base
- Our revenue is highly dependent on a small number of clients and a loss of these clients may adversely affect us
- Deteriorating markets could result in the impairment of goodwill and other intangible assets or fixed assets, which may adversely affect our financial condition
- We are exposed to interest rate risk and any fluctuations in the interest rate, which we are not able to adequately hedge, may adversely affect us
- We are exposed to credit risk and if clients or other counterparties default on their obligation to pay us, this may adversely affect us
- We are exposed to liquidity risk and any inability to maintain sufficient cash flows could materially disrupt our business operations, harm our reputation and our ability to raise further capital and financing
- We are subject to certain financial covenants and any breach of such covenants may result in the accelerated maturity of some or all of our indebtedness
- Our income tax liability may substantially increase if the tax laws and regulations become subject to adverse interpretations or inconsistent enforcement or is greater than currently anticipated. Changes in tax laws and regulations may also alter post-tax returns to Shareholders
- We may need additional funding in the future, which may not be available to us

### ***Compliance risk***

- Changes in, and violation of, laws and regulations may harm us

### ***Risks related to the Offering, Rights and the Ordinary Shares***

- Following completion of the Offering, up to 29.9% of the Ordinary Shares will be held by PHD, which may be able to exercise proportionate but significant influence. This could affect the trading volume and market price of the Ordinary Shares
- The market price of the Rights and Ordinary Shares may be volatile and investors may not be able to sell the Ordinary Shares at or above the price at which they acquired them

- No active trading market may develop for the Rights, and if a market does develop, the market price of the Rights will be affected by, and may be subject to greater volatility than, the market price of Ordinary Shares
- Shareholders will experience significant dilution as a result of the completion of the Offering if they do not exercise their Rights in full. Shareholders will also experience dilution from the completion of the Private Placement and the exercise of any Warrants by PHD, even if they have exercised their Rights in full
- The Company's ability to pay dividends to Shareholders may be constrained in which case appreciation of market price may be the Shareholders' only source of economic gain
- We may in the future seek to raise capital by conducting equity offerings or other increases in capital which may further dilute Shareholders' shareholdings
- Future sales - or the possibility of future sales - of a substantial number of the Ordinary Shares may affect the market price of the Ordinary Shares
- Rights may not be acquired and/or exercised by certain Shareholders resident outside the Netherlands and these Shareholders will experience dilution in connection with the Offering and any future offerings. Shareholders' pre-emptive rights in future offerings may also be excluded entirely, which will lead to dilution of the Shareholders
- If securities or industry analysts do not publish research or reports about Ordina's business, or if they adversely change their recommendations regarding Ordinary Shares, the market price and trading volume of Ordinary Shares could be affected
- The rights and responsibilities of a Shareholder will be governed by Dutch law and will differ in some respects from the rights and obligations of shareholders under the laws of other jurisdictions, and the shareholder rights under Dutch law may not be as clearly established as shareholder rights are established under the laws of some other jurisdictions
- US investors may have difficulty enforcing their rights against Ordina and its directors and officers

### **1.3 Summary of the terms of the Offering**

<b>Company</b>	Ordina N.V.
<b>Shares outstanding</b>	As at the date of this Prospectus, the Company's issued and outstanding share capital comprises one Priority Share and 54,713,202 Ordinary Shares.  After the Offering and the Private Placement, the Company's issued and outstanding share capital will comprise one Priority Share and up to 91,852,987 Ordinary Shares (depending on any issue of Warrants).
<b>Listing and trading of existing Ordinary Shares</b>	The existing Ordinary Shares are listed and traded on Euronext Amsterdam under the symbol "ORDI".
<b>Use of proceeds</b>	We expect to receive EUR 40 million in total gross proceeds from the share issue completed on 12 October 2011 and the Offering and the Private Placement (assuming that no Warrants are issued), and EUR 38.2 million after deducting the estimated expenses

payable by us.

The Company will use the net proceeds of the share issue completed on 12 October 2011, the Offering and the Private Placement to repay in part its existing EUR 120 million senior committed facility, EUR 44 million (in balance sheet EUR 43.6 million reflecting the effective interest method) on or about 22 December 2011.

The remaining outstanding amount under the existing EUR 120 million senior committed facility, approximately EUR 5.8 million, will be repaid in cash held by the Company. The new EUR 55 million term and revolving facilities are earmarked to be used to (i) repay the Orange Loan (approximately EUR 27.5 million (in balance sheet EUR 26.5 million reflecting the impact of the effective interest method) outstanding per 30 September 2011) in or before February 2012, subject to a 5% prepayment penalty (which will be paid in cash held by the Company), and (ii) general corporate and working capital purposes of the Group.

**Offering and Listing**

The Offering comprises up to 23,937,026 Offer Shares and the Listing comprises up to 23,937,026 Offer Shares under the Offering and up to 13,202,759 Private Placement Shares.

**Private Placement**

PHD has committed to subscribe for all Private Placement Shares. Therefore, the Private Placement Shares will not be offered to the public.

**Issue Price**

EUR 0.93 per Offer Share and per Private Placement Share.

**Pre-emptive rights**

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of the holders of Ordinary Shares in respect of Offering and the Private Placement have been excluded.

**Record Date**

The Record Date is immediately following the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 CET on 2 December 2011.

**Rights**

Each Ordinary Share held immediately after the close of trading in Ordinary Shares on Euronext Amsterdam at 17:40 CET on the Record Date will entitle its holder to one (1) Right.

Subject to applicable securities laws and the terms set out in this Prospectus, each existing Shareholder that is an Eligible Person will be entitled to subscribe for seven (7) Offer Shares for every 16 Rights held against payment of the Issue Price for each Offer Share.

If you hold Ordinary Shares on the Record Date, the financial intermediary through which you hold Ordinary Shares will customarily provide you with details of the aggregate number of Rights to which you will be entitled, subject to applicable securities laws. You should contact your financial intermediary if you are a Shareholder entitled to receive Rights but have received



no information from your financial intermediary with respect to the Offering. No fractional Offer Shares will be issued.

### **Underwriting**

In addition to its commitment to subscribe for all Private Placement Shares, PHD has committed to participate in the Offering through (i) the exercise of all Rights granted to it and (ii) the subscription for all Remaining Offer Shares in accordance with the Subscription Agreement.

### **Listing of and trading in the Rights**

Trading in the Rights on Euronext Amsterdam is expected to commence at 09:00 CET on 5 December 2011 and to cease at 13:00 CET on 16 December 2011.

The Rights will be traded under the symbol "ORDR". If you are an Eligible Person and you wish to sell all or part of your Rights and you are holding your Ordinary Shares through a financial intermediary, you may instruct the financial intermediary through which you hold your Rights in accordance with the instructions received from it. If you are an Eligible Person you may also instruct your financial intermediary to buy Rights on your behalf. If you are interested in trading, selling or buying Rights, you should be aware that you may be restricted from buying and/or exercising your Rights and acquiring Offer Shares if you are located in a jurisdiction other than the Netherlands and therefore ineligible to participate in the Offering.

### **Exercise of Rights**

Subject to applicable securities laws, Eligible Persons can only validly exercise their Rights during the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier than the end of the Exercise Period, depending on the financial intermediary through which your Rights are held.

Once you have validly exercised your Rights, you cannot revoke or modify that exercise unless the Company amends a material term of the Offering or amends this Prospectus in any material respect. If you have exercised your Rights, you will be obliged to pay the Issue Price for each Offer Share subscribed for. Upon exercise of the Rights, such Rights must be delivered to your financial intermediary. In case of non-delivery of exercised Rights a penalty of 10% of the Issue Price will be charged over every non-delivered Right.

**If you have not validly exercised your Rights before the end of the Exercise Period at 16:00 CET on 16 December 2011 (or so much earlier as instructed by your financial intermediary), you will no longer be able to exercise your Rights. There will be no rump offering, as PHD will subscribe for all Remaining Offer Shares and you will not be entitled to any form of payment or indemnity for your unexercised Rights.**

### **Dilution**

Shareholders who exercise their Rights will suffer dilution in terms of voting rights of up to approximately 14%, caused by the issue of

the Private Placement Shares, as such Shareholders' holding of Ordinary Shares after exercise of Rights will then amount to 86% of the total number of Ordinary Shares outstanding (the total number of Ordinary Shares outstanding after the Offering increases from 79 million to 92 million by the issue of Private Placement Shares, which will all be issued to PHD). Shareholders who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution in terms of voting rights of up to approximately 40%, caused by the issue of the Offer Shares and the Private Placement Shares, as such Shareholders' holding of Ordinary Shares after exercise of Rights will then amount to 60% of the total number of Ordinary Shares outstanding (the total number of Ordinary Shares outstanding increases from 55 million to 92 million from the issue of Offer Shares and Private Placement Shares). An issuance of Warrants instead of Ordinary Shares will not affect the dilution in terms of economic rights, as the holder of Warrants is compensated for any economic dilution (such as payment of dividend). An issuance of Warrants will reduce the immediate dilution in terms of voting rights, as the Warrants do not carry any voting rights. The balance of the dilution will then occur on exercise of the Warrants.

## **Warrants**

If, as a consequence of the Offering or the Private Placement, PHD would obtain a stake in the Company's share capital of more than 29.9%, PHD will instead subscribe for such a number of Warrants that equals the number of Offer Shares and/or Private Placement Shares that exceeds 29.9%. PHD will subscribe for the Warrants against an issue price of EUR 0.83 for each Warrant. As a result, PHD will not hold more than 29.9% of the Ordinary Shares and might hold Warrants in addition.

## **Exercise of Warrants**

Each Warrant has an indefinite term and is exercisable at all times against an exercise price of EUR 0.10 for each Ordinary Share, but only insofar as such exercise does not cause PHD's stake in the Company's share capital to exceed 29.9%, provided that PHD may exercise any Warrants resulting in PHD's stake in the Company's share capital to exceed 29.9% if PHD transfers any Ordinary Shares it holds in excess of such 29.9% immediately and in any event within 30 days after such exercise of Warrants to a third party. In addition, PHD may exercise any Warrants if a third party not acting in concert with PHD makes a bona fide public bid for the Company's share capital.

## **Payment and delivery**

Payment for the Offer Shares to the Subscription, Listing and Settlement Agent must be made no later than on the Settlement Date, which is expected to be 22 December 2011.

Shareholders that hold their Rights through a financial intermediary should pay the Issue Price for each Offer Share subscribed for in accordance with the instructions they receive from their financial intermediary. The financial intermediary will pay the Issue Price to the Company through the Subscription, Listing and Settlement Agent. Financial intermediaries may

require payment to be provided to them prior to the Settlement Date.

Delivery of the Offer Shares and Private Placement Shares will take place through the book-entry systems of Euroclear Nederland.

**Listing and trading of the Offer Shares and the Private Placement Shares**

Application has been made for admission to listing and trading of the Offer Shares and the Private Placement Shares on Euronext Amsterdam. The Company expects that the Offer Shares and the Private Placement Shares will be listed, and that trading in the Offer Shares and the Private Placement Shares will commence, on Euronext Amsterdam on or about 22 December 2011, barring unforeseen circumstances.

The Offer Shares and the Private Placement Shares will be listed and traded on Euronext Amsterdam under the symbol "ORDI".

**Codes for the Offer Shares and the Private Placement Shares**

Symbol: "ORDI"  
ISIN code: NL0000440584  
Common code: 007736363

**Codes for the Rights**

Symbol: "ORDR"  
ISIN code: NL0010021994  
Common code: 071339840

**Voting rights, dividends and ranking**

The Offer Shares and Private Placement Shares will, upon issue, rank *pari passu* in all respects with the Ordinary Shares. The Offer Shares and Private Placement Shares will be eligible for any dividends which the Company may declare on Ordinary Shares after the Settlement Date.

**Sole Global Coordinator, Subscription, Listing and Settlement Agent**

ING Bank N.V.

**Selling and transfer restrictions**

No action has been or will be taken to permit a public offering of the Rights, the Offer Shares and the Private Placement Shares in any jurisdiction outside the Netherlands. The Rights, the Offer Shares and the Private Placement Shares have not been and will not be registered under the Securities Act, and may not be offered, issued, sold, taken up, delivered, renounced, or transferred in or into the United States. Subject to applicable securities laws, the Rights are being granted to existing holders of Ordinary Shares. The Rights may only be exercised, bought or sold by Eligible Persons. The Offer Shares are being offered by the Company only pursuant to Regulation S and only in those jurisdictions in which, and only to those persons to whom, offers and placement of the Offer Shares (pursuant to the exercise of the Rights or otherwise) may lawfully be made.

Holders of Rights who exercise or trade their Rights or persons who buy Rights will be deemed to have made the representations and warranties set out elsewhere in the Prospectus.

Potential investors in the Rights, the Offer Shares and the Private Placement Shares should carefully read chapter 8 "Selling and Transfer Restrictions".

### **Lock-up arrangements**

The Company and PHD have agreed certain lock-up arrangements with each other and with the Sole Global Coordinator. The restrictions applicable to the Company are in effect for a period of 180 calendar days after the Settlement Date. They do not apply to, *inter alia*, the issue of the Offer Shares and the issue of the Private Placement Shares and Warrants and to any Ordinary Shares issued upon exercise of the Warrants. PHD has agreed certain lock-up arrangements with the Company for a six-month period after the Settlement Date in respect of the Ordinary Shares and Warrants, as the case may be, acquired by PHD as a result of (i) its underwriting of the Offering and (ii) the Private Placement. If any Warrants are issued to PHD in connection with the Offering, the lock-up arrangements do not cover the Warrants (if any) or a number of Ordinary Shares held by PHD as is equal to the number of Warrants issued to PHD. The Ordinary Shares acquired by PHD in the private placement completed on 12 October 2011 are subject to similar lock-up arrangements, however, only until the Settlement Date. Furthermore, PHD has agreed with the Company and ING that for a period of 180 calendar days after the Settlement Date PHD shall hold a stake (consisting of all Ordinary Shares and Warrants held by PHD) in the Company's fully diluted share capital from time to time (including without limitation the issued and outstanding Shares and issued and outstanding Warrants from time to time) at least equal to 20.0% and (ii) not to sell, or otherwise transfer or dispose of, or agree to any of the foregoing (or undertake any actions with a similar effect) any Ordinary Shares or Warrants held by it, that would result in PHD holding a stake in the Company's share capital below 20.0%, except for any transfer or disposal of Ordinary Shares and Warrants (i) in connection with a public takeover bid or (ii) after receipt of a waiver by the Sole Global Coordinator and the Company, which waiver shall not be unreasonably withheld.

### **1.4 Summary of financial information**

The following table presents data from the Consolidated Financial Statements and the 2011 Q3 Figures.

**CONSOLIDATED INCOME STATEMENTS**  
(EUR thousands)

	Nine months ended 30 September		Year ended 31 December		
	2011	2010	2010	2009 <sup>1</sup>	2008 <sup>2</sup>
	<i>(unaudited)</i>				
<b>Revenue</b>	<b>320,951</b>	<b>338,655</b>	<b>455,922</b>	<b>542,311</b>	<b>653,441</b>
Cost of hardware and software	(4,843)	(5,977)	(8,227)	(13,687)	(14,599)
Work contracted out	(93,205)	(75,031)	(105,877)	(115,696)	(108,227)
Personnel expenses	(205,673)	(236,532)	(310,190)	(348,500)	(450,425)
Amortization	(9,273)	(12,309)	(16,352)	(17,388)	(20,727)
Depreciation	(3,037)	(4,080)	(5,370)	(7,085)	(8,872)
Other operating expenses	(16,546)	(17,428)	(22,530)	(32,094)	(38,192)
<b>Total operating expenses</b>	<b>(332,577)</b>	<b>(351,357)</b>	<b>(468,546)</b>	<b>(534,450)</b>	<b>(641,042)</b>
<b>Operating profit/(loss)</b>	<b>(11,626)</b>	<b>(12,702)</b>	<b>(12,624)</b>	<b>7,861</b>	<b>12,399</b>
Finance income	122	210	485	637	195
Finance costs	(4,823)	(5,057)	(6,816)	(5,730)	(5,143)
Result on disposed subsidiaries	570	-	8,037	-	10,425
Share of profit of associates	-	18	58	300	133
<b>Profit/(loss) before tax</b>	<b>(15,757)</b>	<b>(17,531)</b>	<b>(10,860)</b>	<b>3,068</b>	<b>18,009</b>
Income tax expense	3,762	4,127	3,902	(1,749)	(2,442)
<b>Net profit/(loss) from continuing operations</b>	<b>(11,995)</b>	<b>(13,404)</b>	<b>(6,958)</b>	<b>1,319</b>	<b>15,567</b>
Net profit/(loss) from discontinued operations	-	-	-	(1,139)	(96,701)
<b>Net profit/(loss) for the year</b>	<b>(11,995)</b>	<b>(13,404)</b>	<b>(6,958)</b>	<b>180</b>	<b>(81,134)</b>

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(EUR thousands)

	As at 30 September		As at 31 December		
	2011	2010	2010	2009	2008 <sup>3</sup>
	<i>(unaudited)</i>				
Intangible assets	201,939	213,340	211,496	224,003	240,028
Property, plant and equipment	11,995	13,273	12,123	16,999	20,355
Investments in associates	300	259	300	516	216
Loans	1,850	-	-	-	-
Deferred income tax assets	16,303	12,349	12,657	8,181	6,605
<b>Total non-current assets</b>	<b>232,387</b>	<b>239,221</b>	<b>236,576</b>	<b>249,699</b>	<b>267,204</b>
Trade and other receivables	87,970	95,022	84,853	98,395	161,393
Cash and cash equivalents	13,726	58,531	21,852	52,575	25,725
Current tax receivable	-	-	-	-	6,149
Assets held for sale	-	996	2,849	-	-
<b>Total current assets</b>	<b>101,696</b>	<b>154,549</b>	<b>109,554</b>	<b>150,970</b>	<b>193,267</b>
<b>Total assets</b>	<b>334,083</b>	<b>393,770</b>	<b>346,130</b>	<b>400,669</b>	<b>460,471</b>
<b>Equity</b>	<b>169,324</b>	<b>172,060</b>	<b>179,748</b>	<b>184,140</b>	<b>163,280</b>
Non-current liabilities	58,332	74,502	62,458	75,483	36,857
Current liabilities	106,427	147,208	103,924	141,046	260,334
<b>Total liabilities</b>	<b>164,759</b>	<b>221,710</b>	<b>166,382</b>	<b>216,529</b>	<b>297,191</b>
<b>Total equity and liabilities</b>	<b>334,083</b>	<b>393,770</b>	<b>346,130</b>	<b>400,669</b>	<b>460,471</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(EUR thousands)

	Nine months ended 30 September		Year ended 31 December		
	2011	2010	2010	2009	2008 <sup>4</sup>
	<i>(unaudited)</i>				
Net cash from operating activities	(9,721)	(16,613)	(1,840)	52,310	8,755
Net cash used in investing activities	(3,274)	(15,915)	(7,036)	(25,813)	(25,217)
Net cash used in financing activities	924	619	(8,519)	58,944	(18,094)
<b>Net movement in cash and cash equivalents</b>	<b>(12,071)</b>	<b>(31,909)</b>	<b>(17,395)</b>	<b>85,441</b>	<b>(34,556)</b>

<sup>1</sup> Figures of 2009 related to cost of hardware and software and work contracted out are reclassified. The amount of the reclassification is EUR 15.2 million.

<sup>2</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

<sup>3</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

<sup>4</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

## **2. RISK FACTORS**

*Investing in the Rights and the Ordinary Shares involves a high degree of risk. Potential investors should carefully consider the risks described below and all of the other information set forth in this Prospectus before deciding to invest in the Rights or Ordinary Shares. If any of the events or developments described below occurs, our business, financial condition, results of operations or the price of the Rights and Ordinary Shares could be affected and you could lose all or part of your investment in the Rights or Ordinary Shares.*

*Although we believe that the risks and uncertainties described below are our most material risks and uncertainties, they are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have a material adverse effect on our business, results of operations or financial condition and could affect the price of the Rights or Ordinary Shares.*

### **2.1 Risks related to our market**

***We are likely to continue to be affected by the impact that the recent economic downturn has had, and may continue to have, on client spending***

Overall growth in, and demand for, ICT services is highly dependent on the level of our clients' commercial activity, which in turn is affected by the economic climate and market conditions in their (and their related) sectors.

During any economic downturn, existing clients are keener, or forced, to cancel, reduce or postpone spending, and existing or prospective clients are likely to defer entering into new contracts. During an economic downturn, customers have different priorities and will often focus on essentials and look for faster returns on their ICT investments. In particular, they will often concentrate primarily on maintaining and optimising their existing ICT systems, rather than on investing in new systems. Any downturn may also lead customers and competitors to apply pressure to prices and this pressure can lead to lasting changes in terms of pricing policies, delivery capabilities and market expectations.

Consequently, the financial crisis that began in 2008, and the subsequent recession, have had a substantial impact on the demand for our services in the sectors in which we operate. Our customers demand a flexible and quick response to these developments; they need individual resources and short-cyclical projects and are less willing to enter into longer-term commitments. Further, the public sector in which we operate is characterised by the low investment appetite of the Dutch government.

The current trends in the financial markets, combined with the uncertainty around sovereign debt problems in certain European countries, might continue to impact investments. The public sector may also continue to be characterised by a low investment appetite. This may continue to adversely affect our revenues.

***We are highly dependent on Dutch government decision-making and ICT spending***

The Dutch government is our largest customer. The government includes not only the central government but also a number of governmental bodies and municipalities. The public sector (including healthcare) of which the government is a part accounts for approximately 39% of our Recurring Revenue (Q3 2010: 40%; 2010: 42%; 2009: 46%). As a result, our revenue in the Netherlands depends on public spending on ICT and we therefore rely on a stable government with a clear investment program. Whenever governmental policy implementation is halted or postponed our revenues in this sector will decrease. In our experience, public spending on current ICT projects is suspended and new ICT projects are postponed in the period between the fall of a Dutch cabinet and the formation of a new one. For example, in February 2010 the Dutch cabinet fell and elections and a protracted phase of government formation began. During that time government ministries suspended and postponed major ICT projects and many of the projects postponed have not been restarted at a later stage. This drove down our 2010 Recurring Revenue generated in the public sector by approximately

22% compared to 2009. Currently, decisions on ICT projects are postponed as a result of the Dutch government's austerity programmes. In general, due to the economic conditions, the government's austerity measures and the postponing of ICT investments by the Dutch government may further drive down our revenue. In the healthcare business, ongoing uncertainty on ICT projects such as the electronic patient file is delaying decisions on ICT investment. A protracted period of uncertainty will adversely affect our revenue.

***The ongoing globalisation, consolidation and break-ups within the financial and industry sector may adversely affect us***

Some Dutch financial institutions have been broken up, forced to downsize or put into state ownership. These institutions might become the acquisition targets of foreign financial institutions. There might also be consolidation amongst our clients in the industry sector. This may affect our client base and the demand for our services. If two or more of our clients consolidate or combine their businesses, there may be a decrease in the amount of services we deliver to them and if one or more of our clients consolidate with a company that uses another ICT service provider, we may lose our existing business with such clients or may not be awarded future business. Clients who are part of international groups often have their own ICT policy, including fee levels, imposed on them by foreign head offices, which may exclude them from working with us or impose on us less favourable terms for provision of our services. These factors may have a material adverse effect on our revenue and profits.

***The Benelux ICT market is becoming more mature leading to a shift in demand. If we fail to adjust to this shift this may adversely affect us***

The market in the Netherlands, Belgium and Luxembourg is still driven largely by demand for individual resources. We have observed a shift from a high demand for individual resources to thematic consultancy and ICT advice, although this has happened more slowly in the Benelux countries than in other European countries. The number of tenders for large projects has been relatively small as a result. If we fail to adjust to this shift in the market, we may lose business and experience loss of revenue.

***Our business faces intense competition. If we are unable to compete effectively, this may adversely affect us***

The market for ICT services is highly competitive and we expect that competition will continue to intensify. The competitive landscape for ICT services and consulting is dominated by local subsidiaries of large international players and freelancers and brokers. We also face competition in the offshore and nearshore market.

Major infrastructure providers have assumed a new position in the market. They offer "software as a service" (SaaS), providing applications running in their infrastructure. It allows clients to gain access to the functionalities they seek and have greater control over operating expenses without having to make large-scale investments.

Brokers have managed to conquer an increasing part of the secondment market by adopting low-margin strategies. Brokers act as intermediaries for self-employed freelancers and in doing so, their business model has a lower risk profile than Ordina, where the vast majority of professionals are permanently employed. Therefore, Ordina has to distinguish its profile by pursuing a value-adding strategy and focus on reducing indirect costs to be able to compete at lower fees.

Other competitors in the market may be applying the same strategy and we may therefore not be able to distinguish ourselves and reduce costs sufficiently to be price-competitive. Failure to do so may have a material adverse effect on our revenue and results.

### ***Commoditisation and increased competition in the Benelux ICT market has led to pressure on our fees and profitability***

The ICT industry generally suffers from commoditisation. As a result, services that were once considered fairly special or unique are gradually becoming commonplace. Brokers and freelancers have entered the business of ICT services and consulting thereby increasing supply of ICT services and consulting. This affects the level of fees that customers are willing to pay for our ICT services and consulting. Clients are also imposing their own standards to a larger extent, which may result in less favourable terms and reduced profitability of contracts.

Fee levels are also affected if there is oversupply of capacity in the ICT services business. In an economic downturn, markets are generally characterised by excess supply which increases competition, including when participating in tenders for large contracts, and puts pressure on fees. This affects our revenue and profitability. If we are not able to distinguish ourselves or to reduce costs to be price-competitive, this may have a material adverse effect on our revenue and profitability.

## **2.2 Risks related to our business**

### ***Failure to win - or losing existing - large contracts may have a material adverse effect on us***

Ordina often procures its contracts through tenders. Tender processes are characterised by increasingly large and complex contracts. Public contracts are awarded under competitive conditions through a public tender. The competition in this process is intense. There is pressure to compete on fees and contracts are often awarded for a period of two to four years, after which the contract could be tendered out again. There is no guarantee that the provider who has previously won the tender will be re-awarded with the contract. Ordina's relatively small scale prevents us from obtaining very large and/or international projects.

Clients tend to limit the number of business partners that they deal with and prefer parties that have the right knowledge and expertise and sufficient scale to ensure continuity. This means that all or a significant part of the clients' demand for delivery of ICT services is placed with the party winning the contract. A failure to win large contracts consequently results not only in a loss of future business, but also a loss of existing business, entailing a loss of revenue and a possible significant surplus of staff previously assigned to that contract. As the value of the large contracts is relatively high, our failure to win large contracts – or lose existing large contracts - may have a material adverse effect on our business, revenue, results, cash flows and financial condition. In addition, our participation in tender processes may involve significant costs and time, which we are not able to recover if we do not win the contract tendered for, thus hurting our profits.

### ***The use of outsourcing of work to offshore and nearshore facilities is increasing. We may not be able to sufficiently apply and offer outsourcing and outsourcing may affect the demand for our professionals***

The demand for outsourcing of work to offshore (south and south-east Asia) and nearshore (eastern Europe) facilities in low-wage countries has been increasing over the past years as a result of clients' focus on cost reduction and we expect that this demand will continue to grow. Ordina can offer its clients off- and nearshore resources through its partnerships with a select group of trusted and highly skilled partners. However, we currently play a relatively small role as we do not have our own offshore and nearshore operations and therefore we face competition from competitors with organisations who have implemented global delivery. Failure to sufficiently meet our clients' demands for outsourcing or to apply outsourcing to cut costs will have a material adverse effect on our revenue and profitability.

While outsourcing of work to offshore and nearshore facilities enables us to offer our clients large-scale solutions on competitive terms and provides us with a more flexible cost structure and lower delivery costs, it may also lead to a decline in the demand for secondment of our professionals, which will affect our profitability as margins on work outsourced is lower than the margin on work performed by us.



***Our business faces rapid technological change and our success depends on our ability to successfully identify market trends and develop and market innovative products and services***

The ICT services market is characterised by rapid technological change, evolving industry standards, changing customer preferences and new product and service introductions. Our future success will depend on our ability to successfully anticipate these advances and develop and market new innovative products and service offerings to meet customer needs and complement our offerings of end-to-end ICT services. In addition, products, services or technologies that are developed by our competitors may render our services non-competitive or obsolete. Should we fail to develop such capabilities on a timely basis, or at all, or to keep pace with the rapidly changing ICT market or if the services or technologies that we develop are not successful in the marketplace, we may suffer a decline in our revenue and profits.

***Our business is highly dependent on our clients being satisfied with the solutions and services we provide***

We depend on our relationships with clients and our employees' ability to understand clients' needs in order to provide the tailored solutions and services that will meet the specific demands of clients and attract additional work from our existing client base. If a client is not satisfied with the quality of work provided by us, by a sub-contractor or by other service providers that we make use of in providing our solutions and services, the client may terminate existing contracts prior to expiry of the scheduled term. Our contracts with clients, other than long-term, project and outsourcing contracts, often do not commit our customers to provide us with a specific volume of business and can typically be terminated by the client with or without cause, with little or no advance notice and without penalty. We may also not be able to attract future work from clients or we may have to provide future services at less favourable terms. In addition, we may incur additional costs to address any dissatisfaction. This may impair the profitability of the contract.

***We may incur legal liability if we do not meet, or breach, our contractual obligations. We may also incur legal liability in our capacity as employer to a large number of employees***

We undertake obligations when entering into contracts with clients and other parties. We could be subject to legal liability and litigation expense if we fail to meet our contractual obligations with third parties, including clients, outsourcing partners, solutions providers and others with whom we do business. We sometimes enter into contracts on non-standard terms because we wish to pursue opportunities or because our contracting guidelines have not been followed by our employees. Prevailing market standards or client demands may force us to enter into contracts on terms that are unfavourable to us. The obligations we undertake may prove to be more onerous than we initially expected or become impossible for us to perform. Many of our contracts involve projects that are critical to the operations of our clients' businesses. Any failure in a customer's system, including failure in the solutions that we deliver, or breaches of security could result in a claim for substantial damages against us, regardless of our alleged responsibility for such failure. Generally, we attempt to limit our contractual liability for consequential damage in rendering our services. However, these limitations on liability may be unenforceable in some cases, or may be insufficient to protect us from liability for damages. We may also incur legal liability in our capacity as employer to a large number of employees. Legal liability may affect our profitability and may also interrupt our normal conduct of business.

***We may incur legal liability if our sub-contractors or other third parties do not meet, or breach, their obligations***

Service arrangements often require us to use sub-contractors or require that our solutions and services are incorporated into or coordinated with the software, systems or infrastructure of other service providers. We may assume responsibility for the performance of sub-contractors or other providers towards our clients, even if we do not control the performance of that party. We therefore rely on such sub-contractors and service providers to deliver their products and services in accordance with the agreed terms in order for us to be able to meet our contractual obligations towards our clients. In some cases, the work involves new, unique or complex technologies and structures that might not work as intended or may take more effort to

implement than expected. Some of our sub-contractors may prove not to have the resources or experience to integrate their services. Further, sub-contractors may breach or dispute the terms of our agreements with them. If the sub-contractors or third parties for whom we have assumed responsibility towards our clients do not meet or otherwise breach their obligations, we may be faced with substantial claims for damages. Although part of this risk for non-performance is being contractually shifted to sub-contractors, there is still a possibility that we will not be able to recover the full amount involved from the sub-contractor(s). This liability may result in us being obliged to make compensation payments which would reduce our profits.

***We may be liable to our customers for damage caused by disclosure of confidential information***

We are often required to collect and store sensitive or confidential client and consumer data. Our agreements with clients do not always adequately limit our potential liability for breaches of confidentiality. If any person, including any of our employees, penetrates our network security or misappropriates sensitive data, we could be subject to significant liability from our clients or their customers for breaching contractual confidentiality provisions or privacy laws. Unauthorised disclosure of sensitive or confidential client and consumer data, whether through breach of our computer systems, system failure or otherwise, could result in claims for damages, harm our reputation and result in loss of clients, which may have a material adverse effect on our business, revenue and results.

***Our services or solutions could infringe upon the intellectual property rights of others and we might lose our ability to utilise the intellectual property rights of others***

We cannot be sure that our services and solutions, or the solutions of others that we offer to our clients, do not infringe on the intellectual property rights of third parties, and these parties could claim that we or our clients are infringing their intellectual property rights. Such claims may harm our reputation, incur costs and prevent us from offering some services or solutions. In a number of contracts, we agree to indemnify our clients for expenses or liabilities resulting from claimed infringements of the intellectual property rights of third parties. Any claims or litigation in this area may be time-consuming and costly and may harm our reputation or require us to enter into royalty or licensing agreements. If we cannot obtain a license in respect of the infringed technology at all or on reasonable terms, or we cannot obtain an alternative technology from another source, our operations could be materially adversely affected. If our ability to provide services and solutions to our clients is impaired, our business, revenue result and financial condition may be materially adversely affected.

***Our clients expect us to embed sustainable and responsible business practices in our services to an increasing extent and any failure by us to do so may adversely affect us***

More and more clients are expecting a sound sustainability policy from us. If we are unable to show our clients that we are committed to sustainability we may not be awarded contracts. This may have a material adverse effect on our revenue and market position.

***We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may not be successful***

We have made in previous years, and may in the future make, acquisitions and strategic investments in complementary businesses, technologies, services or products. We have entered and expect in the future to enter into strategic partnerships or alliances with third parties in order to enhance our business. It is possible that we may not be able to identify suitable acquisitions, targets and candidates for strategic investments or partnerships, or if we do identify such targets or candidates, we may not be able to complete those transactions on terms commercially acceptable to us, or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions could affect our competitiveness and our growth prospects.

If we acquire a company, we could have difficulty in assimilating that company's personnel, operations, technology and software. In addition, the key personnel of the acquired company may decide not to work for us. In some cases, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. The lack of profitability of any of our investments could have a material adverse effect on our business, revenue, results, cash flows and financial condition.

***We may incur liabilities from former acquisitions and divestments***

Over the past years, we have divested a number of businesses and subsidiaries in order to fine-tune our strategic course and focus on our core activities. For instance, we sold Ordina Technical Automation B.V. in 2008, Ordina BPO B.V. in 2009, the Ormit and Integer groups in 2010 and Finext B.V. in 2011. Divestments may not realise the anticipated benefits or there may be other unanticipated or unintended effects. While we seek to limit ongoing exposure in case of divestments, for example through liability caps and limits on the claim period, some warranties and indemnities may give rise to unexpected liabilities.

Before making an investment in a company, we assess the value or potential value of such company and the potential return on the investment. In making the assessment and otherwise conducting due diligence, we rely on the resources available to us and, in some cases, an investigation by third parties. There can be no assurance, however, that due diligence examinations carried out by us or by third parties in connection with any companies that we have acquired over the past years have revealed all of the risks associated with such company, or the full extent of such risks. When we have acquired a company in the past, the company may still be subject to hidden material defects or deficiencies that were not apparent at the time of acquisition.

Although we typically obtain warranties, representations and/or indemnities from the seller, these warranties, representations and/or indemnities may not cover all of the problems that may arise following the purchase, and may not fully compensate us for any diminution in the value of such company or other loss it may suffer. In addition, it may be difficult or impossible to enforce warranties, representations and/or indemnities against a seller for various reasons, including the insolvency of the seller or the expiration of limitation periods or expiry of enforcement periods for such warranties, representations and/or indemnities.

**2.3 Risks related to our strategy**

***Our business is concentrated in the Benelux region and concentrates on specific focus areas and we are therefore particularly exposed to changes in the economic, political and market conditions in this region and sectors***

We follow a strategy whereby we focus on delivering our consulting, ICT and outsourcing services to clients in the finance, public (including healthcare) and industry sectors within the Benelux region. We are therefore particularly exposed to changes in the economic and market conditions in the Netherlands, Belgium and Luxembourg and changes in the demand for our services in the specific focus areas. Examples are the difficulties in the Dutch finance sector and the Dutch government's current low investment appetite. Any adverse changes in the economic, political and market conditions in our geographic market and the sectors in which we operate may have a material adverse effect on our business, revenue, results, cash flows and financial condition.

***We rely on partnerships with other suppliers in order to deliver complete solutions and services to our clients and any termination of or other changes to our cooperation with such third parties may adversely affect us***

We have entered into strategic partnerships that complement the services we provide, including with several suppliers of ICT solutions such as IBM, Microsoft, Oracle and SAP. Ordina also cooperates with partners offering offshoring and nearshoring outsourcing resources, in particular Cognizant (offshore) and Levi9

(nearshore). Our partnership agreements are non-exclusive and may be terminated. Any termination of, or other change to, our strategic partnerships or other cooperation with third parties may result in us not being able to deliver complete solutions and services to our clients or render the services we provide less attractive to our clients and may adversely affect our revenue and growth opportunities.

***We are exposed to the risk of damage to our brand and reputation and the brands and reputations of our partners***

Our success and our results largely depend on the strength of our brand and reputation, as well as the brand and reputation of partners that we work with in delivering our solutions and services to clients. We are often involved in critical parts of our clients' business and therefore our ability to attract and retain clients relies on the clients' trust in us and our partners. Our brand and reputation may be harmed due to litigation, employee misconduct, press speculation and negative publicity, amongst others, whether or not founded, or by the misconduct of our partners or damage to their brand and reputation. Any damage to the brand and reputation of us or our partners may result in existing customers withdrawing their business from us, not awarding us future business and an inability to retain and attract personnel.

## **2.4 Operational risks**

***We are highly dependent on our information systems and any failure in these systems may adversely affect us***

Our ability to provide ICT services to our clients depends, amongst other things, on the efficient and uninterrupted operation of our computer systems. Our computer systems are vulnerable to damage or interruption from viruses, worms, Trojan horses, floods, fires, power loss, telecommunication failures and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. The same applies to third-party service and software providers on which we depend. Any damage to, or failure of, our computer systems, or the computer systems of third party providers on which we depend, may have a material adverse effect on our business, revenue, results, cash flows and financial condition.

***The profitability of projects is highly dependent on our ability to control and manage such projects***

When we accept a project we inherently incur risks. Some projects are outsourced to third parties but remain our responsibility. Further, while we used to undertake only "best effort" obligations to our customers, we are now increasingly expected to bear bottom-line responsibility in the projects. Several of our contracts include provisions that require us to achieve certain agreed performance standards or milestones. The performance measures in some contracts relate to cost-savings, revenue enhancement, benefits produced, business goals attained and adherence to schedule, which may be complex and may depend on our clients' levels of activity. If we do not reach these targets, our fees may be contractually reduced or we may be liable for damages. We may also incur additional costs in order to achieve the standards or milestones or the payment of our fee may be delayed until the time we meet such requirements. This may have a material adverse effect on our revenue, results, cash flows and financial condition.

Also, especially in respect of outsourcing contracts, we may take over the operations of certain portions of the clients' business using client personnel or client sub-contractors who are not transferred to us, and we therefore have less ability to fully control their work and efforts. Before accepting a project we perform a critical review of opportunities and threats in the course of the commercial process of the project and our track record, experience, stringent project management and contractual agreements with our clients that limit our liability are all measures to manage and mitigate our risks. If we do not identify or assess the risks correctly before making a bid for or accepting a project, or if we are not able to control the risks associated with the project during the term of the project, the projects we bid for and accept may prove to be less profitable or not profitable at all. If calculations or estimates of the overall risks, revenues or costs of a particular project or contract prove inaccurate, or if circumstances change, then we may achieve only lower

profits than originally anticipated, or even incur a loss in respect of such projects and contracts.

***The measures taken by us to reduce costs, including reduction in support staff, may be delayed or may not achieve the results intended***

We continuously work on reducing our costs, including through reduction in support staff. The cost-saving targets and initiatives are based on assumptions and expectations that may not be valid. We inevitably incur restructuring costs from employee reductions and may also incur costs from other cost-reducing measures. The measures we take may not achieve the result we intend, resulting in us not meeting our profitability targets, or may give rise to higher restructuring costs than originally anticipated which would reduce our profits for the period.

***Our internal control systems may not be sufficient***

We have established internal risk management and control systems to mitigate risks, in particular in respect of strategic, operational, compliance-related and financial risks. Risks can manifest themselves in many ways, including business interruption, poor performance, information system malfunctions or failures, non-performance from partners, breach of applicable laws and regulations, human errors, employee misconduct or internal and external fraud. Our risk management activities may not adequately identify all risks and we may not assess the impact such risks may have and we may suffer financial losses or damage to our reputation, which may have a material adverse effect on our business, revenue, results, cash flows and financial condition.

***We rely significantly on the skills and experience of our Management Board members and other key personnel and the loss of these individuals could adversely affect us***

Our success and the successful conduct of our business depends on our ability to attract, retain and motivate highly qualified management and other key personnel. In particular, our current CEO, Stepan Breedveld, and our current CFO, Bart de Jong, have in-depth knowledge of the Group, its strategy and its business and it may be difficult to swiftly replace these persons, if that would become necessary.

***Our future success depends on our ability to attract, retain and motivate qualified personnel***

Our ability to execute projects and to obtain new contracts depends largely on our ability to attract, retain and motivate key personnel, including senior managers, highly skilled technical associates, project leaders and other technical personnel.

We believe that there is significant competition for technical associates who possess the skills needed to perform the services that we offer. These shortages, and the ageing population of ICT specialists with knowledge of older generation systems still fully operational, are expected to continue in the long run, and our challenge is to successfully identify trends and developments in the market in which we operate and in respect of skills and knowledge required, to attract professionals with the right knowledge of our markets and services and to rejuvenate the workforce.

Our ability to attract, retain and motivate qualified personnel depends, among other things, on the attractiveness of the terms of employment, individual development opportunities, working environment and overall employee satisfaction.

In 2010, we introduced a more differentiated remuneration policy with a variable component in the form of bonuses being determined by individual performance relative to our results. Due to our financial performance and financial condition, which for instance has an effect on bonuses and the provisions formed for variable remuneration, the employees are affected by the current financial situation. This may result in a decline in employee satisfaction and possible departure of a number of employees and may affect our ability to attract new employees. In addition, any failure to successfully attract, retain and motivate qualified

personnel may force us to use more sub-contractors which affects our margins.

Any failure to successfully attract, retain and motivate qualified personnel may have a material adverse effect on our business, revenue, results, cash flows and financial condition.

***Catastrophic events, terrorist attacks, acts of war, hostilities, pandemic diseases, adverse weather conditions and other unpredictable events could have an adverse effect on our business and results***

Catastrophic events, terrorist attacks, acts of war or hostilities, pandemic diseases, adverse weather conditions and other similarly unpredictable events, and responses to those events or acts, may prevent us and our employees from being able to provide services to our clients and may create economic and political uncertainties which could have a negative impact on the economic conditions in the countries where we operate, and more specifically, could affect our business and result in substantial losses. For example, at the end of 2010, the Benelux was significantly disrupted by adverse weather conditions creating significant road delays. As most of our employees travel to work on location with us or our clients and we only generate revenue from time and material services actually delivered or performed, we suffered financial losses. Such events or acts and losses resulting therefrom are difficult to predict and may also relate to property, financial assets, trading positions or employees, including key employees. If our business continuity plans do not fully address such events or cannot be implemented under the circumstances, we may incur losses or such losses may increase. Unforeseen events can also lead to additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. These risks could have a material adverse effect on our business, revenue, results, cash flow and financial condition.

***Our general liability insurance may not provide sufficient coverage***

We maintain general liability insurance coverage, including coverage for errors and omissions. However, this coverage may not continue to be available on reasonable terms and may be unavailable in sufficient amounts to cover one or more large claims. In addition, an insurer might reject coverage as to any claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could affect our business, revenue, results, cash flows and financial condition.

## **2.5 Financial risks**

***Our revenue is sensitive to upturns and downturns in the market and we have a relatively large fixed cost base***

A large part of our services, particularly in the areas of consulting and ICT services, is sensitive to upturns and downturns in the market while most of our costs are fixed (eg personnel expenses). Failure to counteract cyclical movements by bringing stability to our revenue and reducing our costs may have a material adverse effect on our profitability.

***Our revenue is highly dependent on a small number of clients and a loss of these clients may adversely affect us***

From a strategic perspective, we have chosen to focus on our top 40 clients to be able to add real business value to them. In the nine months ended 30 September 2011, our top 40 clients generated 76% of our Recurring Revenue (2010: 75%, 2009: 77%) with a distribution of 54% (2010: 52%, 2009: 50%) from our top ten clients, 13% (2010: 14%, 2009: 17%) from clients ranked 11-20, and 8% (2010: 9%, 2009: 10%) from clients ranked 21-40. 27% of our Recurring Revenue in 2010 was generated by two clients. Consequently, if we lose one of our major clients, or if one of our major clients significantly reduces its

volume of business with us, it may have a material adverse effect on our revenue and results.

***Deteriorating markets could result in the impairment of goodwill and other intangible assets or fixed assets, which may adversely affect our financial condition***

Over the past years, we have acquired several businesses, both to accelerate the growth of our own business and to improve our overall market position. In some acquisitions, a material part of the purchase price is made up of goodwill.

Under IFRS, goodwill and intangible assets with an indefinite life are not amortised but are subject to annual impairment tests or more frequent tests if there are indications of impairment. Up to and including the nine months ended 30 September 2011, the regular impairment testing has not resulted in a goodwill impairment. We have recorded goodwill in our balance sheet as of 30 September 2011 in the amount of EUR 184 million, which is subject to regular testing. Other intangible assets deemed separable from goodwill arising from acquisitions are amortised.

To the extent that the current economic downturn worsens or the economic environment in which we operate does not recover, we may need to record impairment charges relating to our businesses, and such charges could have a material adverse effect on our financial condition (in particular our equity position).

***We are exposed to interest rate risk and any fluctuations in the interest rate, which we are not able to adequately hedge, may adversely affect us***

Our borrowings are subject to interest rate risks. We continually analyse developments in cash flows in relation to available overdraft facilities and interest rate fluctuations. Our interest rate risk policy seeks to limit our exposure to interest rate risk on borrowings. To manage the interest rate risk on the fixed term part of our senior loan, we have swapped the floating interest rate for a fixed rate for the full term of the loan, thereby converting the flexible base rate into a fixed rate of interest. Under this interest rate swap, we agreed with a third party to exchange, at quarterly intervals, the difference between the fixed contract rate and the floating rate interest amount. The floating rate of interest due on the short-term borrowings is dependent on the term to maturity of the borrowings. The term to maturity of the short-term borrowings fluctuates depending on cash requirements and ranges between one and three months. We did not however swap interest rates under the part of the senior loan that consists of a revolving and overdraft facility, and therefore we still face an interest rate risk on these borrowings. We intend to refinance these debts with a new facility and the proceeds of the Offering, see chapter 5 "Background of the Offering and Private Placement and Use of Proceeds". The new facility also provides for a floating interest rate, adjusted every three months. If we fail to properly hedge our interest rate risk under the new facility, and the interest rate rises, the interest burden would adversely affect our profitability.

***We are exposed to credit risk and if clients or other counterparties default on their obligation to pay us, this may adversely affect us***

Credit risk is incurred if a client or counterparty of a financial instrument defaults on an assumed contractual obligation. Credit risk is mostly incurred on receivables from clients. Our strategy provides for a concentration of our business with large customers. If clients or other counterparties default on their obligations, we may suffer a material adverse effect on our revenue, results, cash flow and financial condition.

***We are exposed to liquidity risk and any inability to maintain sufficient cash flows could materially disrupt our business operations, harm our reputation and our ability to raise further capital and financing***

We have centralised our cash management. For this purpose, centrally managed committed facilities are used. We continuously monitor our actual and cash flow forecasts to ensure we have sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations. However,

the potential impact of unforeseeable circumstances, such as a further significant deterioration of economic conditions, natural disasters or the insolvency of large clients, cannot be effectively factored into these calculations. Any inability to maintain sufficient cash flow to fund operations could result in us having to increase our indebtedness and could materially disrupt our business operations, reputation and ability to raise further capital and financing.

***We are subject to certain financial covenants and any breach of such covenants may result in the accelerated maturity of some or all of our indebtedness***

We are subject to certain financial covenants under our existing financing facilities relating to maximum leverage ratio of senior net debt and interest cover ratios and other restrictions. We will also be subject to certain information covenants and financial covenants relating to senior net debt and interest cover ratios under the new financing facility. The Offering and Private Placement will improve Ordina's capital position and will create further flexibility towards the financial covenants. However, there can be no assurance that debt covenants and restrictions can be complied with over the shorter or longer term. Our financial ratios may be adversely affected by, among other things, seasonal fluctuations in our working capital and an increase in the DSO (days of sales outstanding) as market participants may seek to stretch payment terms to manage their own liquidity. This may result in a breach of the covenants. A breach of such covenants or restrictions may cause a default with respect to Ordina's outstanding debt and, if unremedied, result in the accelerated maturity of some or all of Ordina's indebtedness. Any cross-default provisions may increase the effect of an individual default. If Ordina is not able to satisfy such repayment obligations by obtaining other financing, Ordina may have to dispose of assets at unfavourable terms and such sale of assets may not be sufficient to cover the repayment obligations.

***Our income tax liability may substantially increase if the tax laws and regulations become subject to adverse interpretations or inconsistent enforcement or is greater than currently anticipated. Changes in tax laws and regulations may also alter post-tax returns to Shareholders***

Tax laws and regulations in the Benelux may be subject to change, varying interpretation and inconsistent enforcement, which could have a material adverse effect on our financial condition and results of operations. In addition, the jurisdictions in which we operate have adopted transfer pricing legislation. If tax authorities impose significant additional tax liabilities as a result of transfer pricing adjustments, this could have a material adverse effect on our financial condition and results of operations and may lead to double taxation. It is also possible that tax authorities in the countries in which we operates will introduce additional revenue raising measures. The introduction of any such provisions may affect our overall tax efficiency and may result in significant additional taxes becoming payable. Any such additional tax exposure could have a material adverse effect on our financial condition and results of operations. We may also face a significant increase in our income taxes if tax rates increase in the Benelux, or treaties between the Benelux jurisdictions are modified in an adverse manner. This may adversely affect our cash flows, liquidity and financial condition and ability to pay dividends.

IFRS requires that judgement is applied in determining certain tax liabilities and assets. We have made provisions based on the assessment of our potential tax liability that could result from the resolution of the uncertain positions. Although we believe that our assessment of potential tax liability is appropriate, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may affect our financial results.

We have recorded tax assets in our financial statements and although we believe that the assessment of these assets is appropriate, the tax assets recorded in our consolidated financial statements may not be fully recoverable. These assets can be utilised only if, and only to the extent that, our operating subsidiaries generate adequate levels of taxable income in future periods to offset the tax loss carry-forwards and reverse the temporary differences prior to expiration. Our ability to generate taxable income is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we



generate lower taxable income than the amount we have assumed in determining the deferred tax assets, then the value of its deferred tax assets will be reduced, which may affect our financial results.

Further, adverse changes in tax law and regulations regarding taxation on the investment in Ordinary Shares and any distribution declared on such Shares may also affect Shareholders and make returns on the investment less favourable post-tax. The statements in this Prospectus concerning the taxation of investors in the Rights and Ordinary Shares are based on current tax law and practice, which may be subject to change, and the taxation depends on the individual circumstances of Shareholders and investors.

***We may need additional funding in the future, which may not be available to us***

Without qualifying the statement set out in section 12.15 "Working capital statement", we may need to raise additional capital to pursue our business strategy in the future. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available on a timely basis, we may curtail development programs and may be required to delay, scale back, sell or eliminate certain of our activities, which could have a material adverse effect on our financial condition or cause us to discontinue our operations.

## **2.6 Compliance risk**

***Changes in, and violation of, laws and regulations may harm us***

We are subject to laws and regulations within the areas of accounting, corporate governance, market disclosure, tax, employment, data protection and others. Such laws and regulations may be subject to change and interpretation. Any failure to comply with applicable laws and regulations may lead to disciplinary actions, fines or civil liability and may carry negative publicity harming our reputation. In addition, changes in such laws and regulations may impose more onerous obligations on us and limit our profitability, including increasing costs associated with our compliance work. This may have a material adverse effect on our business, results and financial condition.

In addition, we could incur liability for failure to comply with laws and regulations that apply to our clients, in particular from our outsourcing services, where we may take over certain portions of our clients' business that is subject to specific laws and regulations. We may also be exposed if we contribute to the internal controls issues of a client, including if the process we manage for a client were to result in internal controls failures with the client, or adversely affect our client's ability to comply with its own internal control requirements.

## **2.7 Risks related to the Offering, Rights and the Ordinary Shares**

***Following completion of the Offering, up to 29.9% of the Ordinary Shares will be held by PHD, which may be able to exercise proportionate but significant influence. This could affect the trading volume and market price of the Ordinary Shares***

After completion of the Offering, PHD will directly hold up to 29.9% of the Ordinary Shares. Depending on the attendance rates of general meetings PHD may, alone or together with other of our (major) Shareholders, be able to exercise significant influence over certain corporate matters requiring approval of the General Meeting, including the election of members to the Supervisory Board and other significant corporate actions. The interests of PHD and other of our (major) Shareholders may differ from interests of other Shareholders and conflicts of interest may not be resolved in a manner favourable to us or other Shareholders. The concentration of ownership may have the effect of making certain transactions more difficult without the support of these shareholders, including delaying or preventing a takeover which would otherwise be attractive to Shareholders. In addition, the concentration of ownership could affect the trading volume and market price of the Ordinary Shares.

***The market price of the Rights and Ordinary Shares may be volatile and investors may not be able to sell the Ordinary Shares at or above the price at which they acquired them***

The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including equity market fluctuations, general economic conditions and regulatory changes which may adversely affect the market price of the Rights and the Ordinary Shares, regardless of the Company's actual performance or conditions in its key markets. The Shareholders might not be able to resell the Ordinary Shares at or above the price at which they acquired the Ordinary Shares. The same applies to the buyers of Rights.

***No active trading market may develop for the Rights, and if a market does develop, the market price of the Rights will be affected by, and may be subject to greater volatility than, the market price of Ordinary Shares***

We cannot ensure that an active trading market in the Rights will develop or be sustained. The Rights are expected to have an initial value that is lower than that of Ordinary Shares and will have a limited trading life, which may impair the development or sustainability of an active trading market.

If such a market fails to develop or be sustained, this could affect the liquidity and price of the Rights, as well as increase their price volatility. Accordingly, we cannot assure investors of the liquidity of any such market, any ability to sell the Rights or the prices that may be obtained for the Rights. In addition, the price at which Rights may trade on Euronext Amsterdam will be subject to the same risks which affect the market price of Ordinary Shares as described in this chapter "Risk Factors". Accordingly, the market price of the Rights may be highly volatile.

***Shareholders will experience significant dilution as a result of the completion of the Offering if they do not exercise their Rights in full. Shareholders will also experience dilution from the completion of the Private Placement and the exercise of any Warrants by PHD, even if they have exercised their Rights in full***

Shareholders that fail to exercise their Rights by the end of the Exercise Period at 16:00 CET on 16 December 2011 will experience significant dilution as a result of the Offering, as their existing Ordinary Shares will represent a reduced percentage of the increased share capital of Ordina after the Offering. The consideration that Shareholders may receive from a sale of unexercised Rights may not be sufficient to compensate fully for such dilution of their Ordinary Shares. Shareholders that do not exercise Rights, in a timely or proper manner or who are Ineligible Persons, will not be able to subscribe for Offer Shares at the Offer Price and will not receive any compensation for any unexercised Rights.

Shareholders will also experience (further) dilution as a result of the Private Placement irrespective of whether Rights are exercised or not as all such Private Placement Shares will be issued to PHD.

The above-mentioned dilution includes the dilution that will occur when PHD exercises Warrants (if any) that it acquired under the Offering or Private Placement.

***The Company's ability to pay dividends to Shareholders may be constrained in which case appreciation of market price may be the Shareholders' only source of economic gain***

Our policy on dividend distributions and retained earnings is discussed annually at the annual General Meeting. For several years, our dividend policy has been to distribute a dividend of 25% of the net profit for the relevant financial year, with the remaining 75% being added to our equity (i.e. retained earnings). The retained earnings can then be used to fund our future growth.

We may only make distributions to the Shareholders and other persons entitled to the profit capable of distribution insofar as the Company's equity is larger than the amount of the paid-up part of the capital

increased with the reserves that should be maintained pursuant to the law or the Articles of Association; see chapter 4 "Dividend Policy".

Given our annual results for the years 2010, 2009 and 2008, we have not proposed any dividends be paid out for these years.

In addition, our ability to generate income and pay dividends is dependent on the ability of our subsidiaries to declare and pay dividends. Our ability to declare and the ability of our subsidiaries to pay dividends may be restricted, as applicable regulations may prohibit the payment of dividends in certain circumstances. We are also subject to certain financial covenants under our borrowings which may restrict us from paying out dividends or from making other distributions.

If dividends are not paid in the future, appreciation of the market price of the Ordinary Shares, if any, would be the Shareholders' sole source of economic gains.

***We may in the future seek to raise capital by conducting equity offerings or other increases in capital which may further dilute Shareholders' shareholdings***

We may in the future seek to raise capital through public or private debt or equity financings by issuing additional Ordinary Shares or other shares, debt or securities convertible into Ordinary Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding shares. For example, we may be obliged to issue a substantial number of Warrants to PHD, in connection with the Offering and Private Placement, that may be converted into Ordinary Shares at a price that may be below market price. Any additional capital raised through the issue of additional Ordinary Shares or other shares may dilute a Shareholder's shareholding interest. Any additional issue of Ordinary Shares or other shares, or the public perception that an issue may occur, may also affect the market price of the Ordinary Shares and may increase the volatility in the market price of the Ordinary Shares.

***Future sales - or the possibility of future sales - of a substantial number of the Ordinary Shares may affect the market price of the Ordinary Shares***

Following the Offering and Listing, sales of a substantial number of Ordinary Shares in the public market, or the perception that such sales may occur, may affect the market price for the Ordinary Shares. The Company and PHD have agreed certain lock-up arrangements with each other and with the Sole Global Coordinator. The restrictions applicable to the Company are in effect for a period of 180 calendar days after the Settlement Date. They do not apply to, *inter alia*, the issue of the Offer Shares and the issue of the Private Placement Shares and Warrants and to any Ordinary Shares issued upon exercise of the Warrants. PHD has agreed certain lock-up arrangements with the Company for a six-month period after the Settlement Date in respect of the Ordinary Shares and Warrants, as the case may be, acquired by PHD as a result of (i) its underwriting of the Offering and (ii) the Private Placement. If any Warrants are issued to PHD in connection with the Offering, the lock-up arrangements do not cover the Warrants (if any) or a number of Ordinary Shares held by PHD as is equal to the number of Warrants issued to PHD. The Ordinary Shares acquired by PHD in the private placement completed on 12 October 2011 are subject to similar lock-up arrangements, however, only until the Settlement Date. Furthermore, PHD has agreed with the Company and ING that for a period of 180 calendar days after the Settlement Date PHD shall hold a stake (consisting of all Ordinary Shares and Warrants held by PHD) in the Company's fully diluted share capital from time to time (including without limitation the issued and outstanding Shares and issued and outstanding Warrants from time to time) at least equal to 20.0% and (ii) not to sell, or otherwise transfer or dispose of, or agree to any of the foregoing (or undertake any actions with a similar effect) any Ordinary Shares or Warrants held by it, that would result in PHD holding a stake in the Company's share capital below 20.0%, except for any transfer or disposal of Ordinary Shares and Warrants (i) in connection with a public takeover bid or (ii) after receipt of a waiver by the Sole Global Coordinator and the Company, which waiver shall not be unreasonably withheld.

After the six-months period there will be no lock-up agreements. A subsequent sale of such (large) number of Ordinary Shares may adversely affect the market price of the Ordinary Shares.

***Rights may not be acquired and/or exercised by certain Shareholders resident outside the Netherlands and these Shareholders will experience dilution in connection with the Offering and any future offerings. Shareholders' pre-emptive rights in future offerings may also be excluded entirely, which will lead to dilution of the Shareholders***

Shareholders resident in certain jurisdictions outside the Netherlands, including the United States, may be unable to acquire and/or exercise the Rights, unless the Rights and/or the Offer Shares have been registered with the relevant authorities in such jurisdictions, or unless any such acquisition or exercise is made in accordance with an exemption from registration requirements. For example, US Shareholders may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless a registration statement under the US Securities Act is effective with respect to such rights or an exemption from the registration requirements is available. We do not intend to file a prospectus or registration statement in any jurisdiction outside the Netherlands in respect of the Rights or the Offer Shares. For this reason Ordina expects that shareholders in such jurisdictions, including without limitation the United States, Canada, Australia and Japan will not be able to participate in the Offering. Further, we cannot assure investors that any registration statement will be filed as to enable the exercise of such Shareholders' pre-emptive rights or participation in future offerings.

In the event of an increase of our share capital, Shareholders are generally entitled to full pre-emptive rights. If authorised by the General Meeting, Stichting Prioriteit Ordina Groep (the Priority) has the authority to restrict or exclude the Shareholders' pre-emptive rights in the context of an issue of Ordinary Shares. Shareholders do not have pre-emptive rights to subscribe for an issue of Preference Shares. Designation of the Priority as the body competent to restrict or exclude the pre-emptive right may be extended by a resolution of the General Meeting for a period not exceeding five years in each case. Designation by resolution of the General Meeting cannot be withdrawn unless determined otherwise at the time of designation.

During the annual general meeting on 11 May 2011, the General Meeting authorised the Priority for a period of 18 months to restrict or exclude the Shareholders' pre-emptive right, in the context of an issue of Shares and rights, to subscribe for Shares up to an amount of 10% of the then outstanding share capital and an additional 10% in case of a merger or acquisition, unless these rights are excluded either by a resolution of the General Meeting at the proposal of the Management Board, with the approval of the Supervisory Board, or by a resolution of the Management Board with the approval of the Supervisory Board (if the Management Board has been designated by the General Meeting or the Articles of Association for this purpose). See section 14.6 "Issue of Shares".

An exclusion of pre-emptive rights for Shareholders in future offerings will lead to a dilution of Shareholders' voting rights and may lead to a dilution of Shareholders' economic rights.

***If securities or industry analysts do not publish research or reports about Ordina's business, or if they adversely change their recommendations regarding Ordinary Shares, the market price and trading volume of Ordinary Shares could be affected***

The trading market for the Ordinary Shares will be influenced by the research and reports that industry or securities analysts publish about us or our industry. If one or more of the analysts who cover us or our industry downgrade the Ordinary Shares, the market price of the Ordinary Shares may decline. If one or more of these analysts ceases coverage of us or fails to regularly publish reports about us, we may lose visibility in the financial markets, which could affect the market price of the Ordinary Shares and trading volume.

***The rights and responsibilities of a Shareholder will be governed by Dutch law and will differ in some respects from the rights and obligations of shareholders under the laws of other jurisdictions, and shareholder rights under Dutch law may not be as clearly established as shareholder rights under the laws of some other jurisdictions***

Ordina is organised and exists under the laws of the Netherlands. Accordingly, the corporate structure as well as rights and obligations of the Shareholders may be different from the rights and obligations of shareholders of companies under the laws of other jurisdictions. The exercise of certain shareholders' rights by Shareholders outside the Netherlands may be more difficult and costly than the exercise of rights in a company organised under the laws of other jurisdictions. Resolutions of the General Meeting may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies organised under the laws of other jurisdictions. Any action to contest any of the Company's corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

***US investors may have difficulty enforcing their rights against Ordina and its directors and officers***

We are a public limited liability company organised under the laws of the Netherlands. The members of the Management Board and Supervisory Board reside outside the United States. The assets of these individuals are located outside the United States. Similarly, all of our assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us, our affiliates or our directors and officers, or to enforce judgments obtained in the United States against us, our affiliates or our directors and officers, including judgments based on the civil liability provisions of the US federal securities laws.

### 3. IMPORTANT INFORMATION

Potential investors are expressly advised that an investment in the Rights or the Ordinary Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Furthermore, before making an investment decision with respect to any of the Rights or the Ordinary Shares, potential investors should consult their stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Rights or the Ordinary Shares and consider such an investment decision in light of the potential investor's personal circumstances.

#### 3.1 Responsibility statement

Potential investors should only rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of article 5:23 of the Dutch Financial Supervision Act.

Potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, or any of its respective affiliates. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Group's (as defined in chapter 20 "Definitions") affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

The Company accepts responsibility for the information contained in this Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

ING in its capacity as Sole Global Coordinator, Subscription, Listing and Settlement Agent for the Offering, accepts no responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by either itself or on its behalf in connection with Ordina, the Offering, the Rights, the Offer Shares or the Private Placement Shares. Accordingly, ING disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus or any such statement.

#### 3.2 Presentation of financial and other information

This Prospectus includes the audited consolidated financial statements of the Group as of and for the years ended 31 December 2010, 2009 and 2008 (the **Consolidated Financial Statements**) and unaudited consolidated interim financial information of the Group as of and for the nine-month periods ended 30 September 2011 and 2010 (the **Q3 2011 Figures**). The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union (**IFRS**). The Q3 2011 Figures have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or row of a table contained in this Prospectus may not conform exactly to the total figure given for that column or row.

Any financial information in this Prospectus that has not been extracted from our audited consolidated financial statements for the years ending 31 December 2010, 2009 and 2008 is unaudited. Unless otherwise indicated, financial information relating to the Company is presented in euro.

The Company has included in this Prospectus certain non-IFRS financial measures: EBITDA, Recurring EBITDA, EBITA, Recurring Revenue and net debt. The Company believes that these non-IFRS financial measures provide meaningful supplemental information to both management and investors regarding the Company's performance and/or financial condition.

The aforementioned non-IFRS financial measures included in this Prospectus as well as certain leverage and coverage ratios that are not accounting measures defined under IFRS and accordingly should not be considered alternatives to the applicable IFRS measures. In particular, EBITDA, Recurring EBITDA, EBIT, Recurring Revenue and net debt and certain coverage and leverage ratios should not be considered as measurements of (a) operating result or profit/(loss) for the period as a measure of the Company's operating performance, (b) cash flows from operating, investing, acquisitions and financing activities as a measure of the Company's ability to meet its cash needs or (c) any other measures of performance under IFRS. EBITDA, Recurring EBITDA, EBITA, Recurring Revenue and net debt are measures of financial performance and have limitations as an analytical tool, and these should not be considered in isolation from, or as substitutes for, analysis of our results of operations as reported under IFRS. We use them in evaluating our business as supplemental measures of our operating performance. Other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, investors should rely on our Consolidated Financial Statements prepared in accordance with IFRS, and our Q3 2011 Figures, and treat our measures of EBITDA, Recurring EBITDA, EBITA, Recurring Revenue and net debt as supplemental information only.

For a reconciliation of the non-IFRS financial measures EBITDA, Recurring EBITDA, EBITA, Recurring Revenue and net debt to the Company's reported financial information for all periods presented see section 12.4 "Non-IFRS reporting measure" and chapter 10 "Capitalisation and Indebtedness".

### **3.3 Incorporation by reference**

The Articles of Association and the Consolidated Financial Statements are incorporated in, and form part of, this Prospectus by reference and can be obtained free of charge on the Company's website at [www.ordina.com](http://www.ordina.com).

#### **Annual Report 2008 – English version**

Consolidated balance sheet	Page 58 – 59
Consolidated income statement	Page 60
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#### **Annual Report 2009 – English version**

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#### **Annual Report 2010 – English version**

Consolidated balance sheet	Page 50 – 51
Consolidated income statement	Page 52
Consolidated statement of changes in equity	Page 53 – 54
Consolidated cash flow statement	Page 55
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The auditor's reports incorporated by reference are the original auditor's reports that were issued on 28 February 2011, 1 March 2010 and 5 March 2009 with respect to the consolidated financial statements for the period ending 31 December 2010, 31 December 2009 and 31 December 2008, respectively. These financial statements also contained director's reports and company financial statements. For purposes of the Prospectus the director's report and the company financial statements are not incorporated by reference.

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company's website ([www.ordina.com](http://www.ordina.com)) or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference into, this Prospectus.

This Prospectus will be published in English only. Terms used in this Prospectus are defined in chapter 20 "Definitions".

### **3.4 Restrictions on the Offering**

The Offering, the distribution of this Prospectus, any related materials and the offer and sale of Rights, the Offer Shares and the Private Placement Shares may, in certain jurisdictions other than the Netherlands, including, but not limited to, the United States, be restricted by law. This Prospectus may not be used for, or in connection with, and does not constitute an offer to sell, or a solicitation to purchase, any of the Rights, the Offer Shares or the Private Placement Shares in any jurisdiction in which such offer or solicitation is not authorised or is unlawful. The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice.

Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Company does not accept or assume any responsibility or liability for any violation by any person of any such restrictions.

As a condition to a purchase of any Rights, the Offer Shares or the Private Placement Shares, each purchaser will be deemed to have made, or in some cases, be required to make, certain representations and warranties, which will be relied upon by the Company, the Sole Global Coordinator and others. The Company and the Sole Global Coordinator reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer Shares that the Sole Global Coordinator believes may give rise to a breach or violation of any law, rule or regulation. For a more detailed description of restrictions relating to the Offering, see chapter 8 "Selling and Transfer Restrictions".

#### ***Certain US Matters***

The Rights, the Offer Shares and the Private Placement Shares have not been, and will not be, registered under the Securities Act and may not be exercised, offered, sold or otherwise transferred in or into the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless the Rights, Offer Shares and Private Placement Shares are registered under the Securities Act, or exempt from the registration requirements of the Securities Act is available. There will be no offering of the Rights, Offer Shares and Private Placement Shares in the United States. Neither the Rights, Offer Shares or Private Placement Shares have been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

### **3.5 Forward-looking statements**

Certain statements contained in this Prospectus that are not historical facts are "forward-looking statements". This Prospectus contains forward-looking statements which are based on the Company's beliefs and



projections and on information currently available to the Company. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes", "anticipates", "annualised", "goal", "target" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company and its subsidiaries. Such risks, uncertainties and other important factors include, among others, those discussed in chapter 2 "Risk Factors". Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from those described in this Prospectus as anticipated, believed, estimated or expected. The Company urges investors to read chapter 2 "Risk Factors", chapter 9 "Business Overview" and chapter 12 "Operating and Financial Review" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates. See also the forward-looking statement in section 12.16 "Current trading and outlook".

### **3.6 Enforcement of civil liabilities**

The ability of an overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in Nieuwegein, the Netherlands. All of the directors and executive officers of the Company and certain of the persons named herein are non-residents of the United States. All or a substantial portion of the assets of such non-resident persons and of the Company are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or the Company or to enforce against them in US courts a judgment obtained in such courts.

### **3.7 Market and industry data**

All references to market data and industry statistics in this Prospectus consist of estimates compiled by Gartner and IDC, information from competitors and ourselves. Industry publications generally state that their information is obtained from sources they believe to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although we believe these sources are reliable, as we do not have access to the information, methodology and other bases for such information, we have not independently verified the information.

In this Prospectus, we make certain statements regarding our competitive position. We believe these statements to be true based on market data and industry statistics which are in the public domain, but we have not independently verified the information.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Although we believe these sources are reliable, as we do not have access to the information, methodology and other bases for such information, we have not independently verified the information.

## **4. DIVIDEND POLICY**

### **4.1 General**

Pursuant to Dutch law and the Articles of Association, distribution of profits only takes place following the adoption of the annual accounts from which it appears that such distribution is allowed. The Management Board may only make distributions to the Shareholders if and insofar as shareholders' equity exceeds the sum of the paid-up and called-up share capital, plus the reserves as required to be maintained by Dutch law or by the Articles of Association.

Subject to Dutch law and the Articles of Association, the General Meeting may resolve to distribute an interim dividend.

See also section 14.13 "Dividends and other distributions".

### **4.2 Dividend history**

Given our annual results for the years ended 31 December 2008, 2009 and 2010, we have not proposed any dividends be paid out for these years.

### **4.3 Dividend policy**

Our policy on dividend distributions and retained earnings is discussed at the annual General Meeting. For several years, our dividend policy has been to distribute a dividend of 25% of the net profit for the relevant financial year, with the remaining 75% being added to our equity (i.e. retained earnings). The retained earnings can then be used to fund our future growth.

### **4.4 Dividend ranking of Ordinary Shares**

The Offer Shares and Private Placement Shares will rank equally in all respects and, after allotment, will be eligible for any dividend which the Company may declare on its Ordinary Shares.

### **4.5 Manner and time of dividend payments**

Payment of any dividend on Ordinary Shares in cash will be made in euro. Dividends on the Ordinary Shares will be paid to Shareholders through Euroclear Nederland and credited automatically to the Shareholders' accounts. There are no restrictions under Dutch law in respect of holders of Ordinary Shares who are non-residents of the Netherlands. However, see chapter 18 "Taxation" for a discussion of certain aspects of taxation of dividends and refund procedures for non-residents of the Netherlands.

### **4.6 Uncollected dividends**

A claim for any dividend declared lapses after five years after the date on which those dividends were released for payment. Any dividend that is not collected within this period reverts to the Company.

### **4.7 Taxation on dividends**

Dividend payments are generally subject to withholding tax in the Netherlands. See chapter 18 "Taxation" for a discussion of certain aspects of taxation of dividends and refund procedures.

## 5. BACKGROUND OF THE OFFERING AND PRIVATE PLACEMENT AND USE OF PROCEEDS

### *Background of the Offering and Private Placement*

On 7 October 2011, the Company announced an increase in its capital of, in total, EUR 40 million to improve the Company's capital position. The increase in capital consists of two private placements of Ordinary Shares to PHD (including the Private Placement) and the Offering.

On 30 November 2011, the Company entered into a EUR 55 million term and revolving facilities agreement with ABN AMRO Bank N.V., ING Bank N.V. and NIBC Bank N.V. Together with the capital increase, the purpose is the refinancing of its existing EUR 120 million committed senior facility and its EUR 27.5 million subordinated facility (the **Orange Loan**). The agreement is subject to conditions common for transactions of this type including the settlement of the Offering and Private Placement, which is expected to take place on 22 December 2011.

With the new senior financing facility, combined with the Offering and Private Placement, the Company will realise its desired capital structure.

### *Use of proceeds*

On 12 October 2011, we completed the issue and placement of 4,200,000 new ordinary shares to PHD at an issue price of EUR 1.30 per new Ordinary Share with gross proceeds of EUR 5.5 million.

We expect to receive EUR 34.5 million in gross proceeds from the Offering and the Private Placement. To the extent that Warrants are issued to PHD instead of Offer Shares and Private Placement Shares as set out in chapter 6 "Offering and Listing", our gross proceeds will be reduced by EUR 0.10 for each Warrant that is issued instead of new Ordinary Shares. Based on the maximum number of Warrants (approximately 19.8 million) that may have to be issued to PHD, the minimum gross proceeds from the Offering and the Private Placement will be EUR 32.5 million (EUR 34.5 million minus (19.8 million Warrants times EUR 0.10)). We expect the total costs related to the Offering and Private Placement to be EUR 1.8 million (we have not yet taken into account any related corporate tax benefit).

Consequently, we expect to receive EUR 40 million in total gross proceeds from the share issue completed on 12 October 2011 and the Offering and the Private Placement, and EUR 38.2 million after deducting the estimated expenses payable by us (assuming that no Warrants are issued).

The Company will use the net proceeds of the share issue completed on 12 October 2011, the Offering and the Private Placement to repay in part its existing EUR 120 million senior committed facility, EUR 44 million (in balance sheet EUR 43.6 million reflecting the effective interest method) on or about 22 December 2011.

The remaining outstanding amount under the existing EUR 120 million senior committed facility, approximately EUR 5.8 million, will be repaid in cash held by the Company. The new EUR 55 million term and revolving facilities are earmarked to be used to (i) repay the Orange Loan (approximately EUR 27.5 million (in balance sheet EUR 26.5 million reflecting the impact of the effective interest method) outstanding per 30 September 2011) in or before February 2012, subject to a 5% prepayment penalty (which will be paid in cash held by the Company), and (ii) general corporate and working capital purposes of the Group.

## 6. OFFERING AND LISTING

This Prospectus concerns the issue of up to 23,937,026 Offer Shares with a nominal value of EUR 0.10 each at the Issue Price for each Offer Share in an offering to holders of Ordinary Shares on the Record Date by granting them transferable Rights to subscribe (subject to applicable securities laws) for Offer Shares and the admission to listing and trading on Euronext Amsterdam of (i) the Rights and Offer Shares and (ii) up to 13,202,759 Private Placement Shares in the Private Placement to PHD. The Offer Shares and Private Placement Shares will be new Ordinary Shares in the capital of Ordina.

Upon successful completion of the Offering and Private Placement, PHD will have a stake in the Company's share capital of at least 20.95%. This stake may increase if PHD acquires any Remaining Offer Shares. If, as a consequence of the Offering or the Private Placement, PHD would obtain a stake in the Company's share capital of more than 29.9%, PHD will, instead of subscribing for such number of Remaining Offer Shares and/or Private Placement Shares that exceeds 29.9%, subscribe for Warrants against an issue price of EUR 0.83 for each Warrant (see section 6.2 "Subscription and sub-underwriting agreement"). The number of Offer Shares and Private Placement Shares to be issued is therefore dependent on any issue of Warrants to PHD.

### 6.1 Expected timetable

The timetable below lists certain expected key dates for the Offering and Listing:

Record Date	17:40 CET on 2 December 2011
Ex-Rights trading in the Ordinary Shares commences on Euronext Amsterdam	09:00 CET on 5 December 2011
Exercise Period commences	09:00 CET on 5 December 2011
Trading in the Rights commences on Euronext Amsterdam	09:00 CET on 5 December 2011
Trading in the Rights ceases on Euronext Amsterdam	13:00 CET on 16 December 2011
End of Exercise Period	16:00 CET on 16 December 2011
Allotment of the Offer Shares	16 December 2011
Issuance of, payment for and delivery of the Offer Shares and Private Placement Shares	22 December 2011
Listing of, and start of trading in, the Offer Shares and listing of the Private Placement Shares on Euronext Amsterdam	09:00 CET on 22 December 2011

The Company will make the results of the Offering public through publication of a press release as soon as possible after allotment of the Offer Shares.

The last date and/or time before which notification of exercise instructions may be validly given by the holder of any Right, may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which such Rights are held.

The Company may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If the Company should decide to adjust dates, times or periods, it will notify Euronext Amsterdam and the AFM and issue a press release and, if required, place an advertisement in a Dutch national daily newspaper.

Any other material alterations will be published in a press release on the Company's website and in a supplement to this Prospectus (if required).

## **6.2 Subscription and sub-underwriting agreement**

On 7 October 2011, Ordina entered into a subscription and sub-underwriting agreement (the **Subscription Agreement**) with PHD, Project Holland Fonds C.V. (**PHF**) and Stichting Prioriteit Ordina Groep (the **Priority**). The Subscription Agreement is part of a larger refinancing plan to raise the equity of the Company (see chapter 5 "Background of the Offering and Private Placement and Use of Proceeds"). PHD has its address at Strawinskylaan 1435, 1077 XX Amsterdam, the Netherlands.

### *Share issues*

Under the Subscription Agreement, the Company has issued 4.2 million new Ordinary Shares at an issue price of EUR 1.30 for each Ordinary Share to PHD on 12 October 2011 which Ordinary Shares have been admitted to listing and trading on Euronext Amsterdam.

The Company has also committed itself to issue 23,937,026 new Ordinary Shares (i.e. the Offer Shares) at the Issue Price through the Offering. PHD has committed itself to subscribe at the Issue Price for 1,837,500 Offer Shares, in aggregate EUR 1,708,875, by exercising all Rights granted to it by the Company. PHD has also undertaken to subscribe for the Remaining Offer Shares. The Company will procure that the Sole Global Coordinator will determine, after expiry of the Exercise Period, the number of Remaining Offer Shares and, immediately upon receipt of that number, the Company will notify PHD of the number of Remaining Offer Shares. There will be no rump offering in respect of the Remaining Offer Shares, as PHD will subscribe for all Remaining Offer Shares.

The Company has also committed itself to a private placement issue of 13,202,759 new Ordinary Shares (i.e. the Private Placement Shares) at the Issue Price to PHD. PHF has agreed to make available, in the form of a prepayment in respect of the Private Placement, a maximum amount of EUR 12,278,566. The Company may draw under this prepayment in one instalment in the period between 1 December 2011 and the Settlement Date. Any amount drawn will be set off against any amounts due by PHD in connection with the Private Placement, provided that any amount drawn must ultimately be repaid in full on 28 February 2012 (if not already set off before that date). If the amount drawn under the prepayment is not repaid in full on 28 February 2012 and closing of the Private Placement and the settlement of the Offering has not occurred, the Company must pay PHF, in addition to the outstanding amount, a fee of 50% over the outstanding amount.

### *Warrants*

If, as a consequence of the Offering or the Private Placement, PHD would obtain a stake in the Company's share capital of more than 29.9%, PHD will instead subscribe for such a number of Warrants that equal the number of Offer Shares and/or Private Placement Shares that exceeds 29.9%. PHD will subscribe for the Warrants against an issue price of EUR 0.83 for each Warrant. As a result, PHD will not hold more than 29.9% of the Ordinary Shares and might hold Warrants in addition.

Each Warrant has an indefinite term and is exercisable at all times against an exercise price of EUR 0.10 for each Ordinary Share (the **Warrant Exercise Price**), but only insofar as such exercise does not cause PHD's stake in the Company's share capital to exceed 29.9%, provided that PHD may exercise any Warrants resulting in PHD's stake in the Company's share capital to exceed 29.9% if PHD transfers any Ordinary Shares it holds in excess of such 29.9% immediately and in any event within 30 days after such exercise of Warrants to a third party. In addition, PHD may exercise any Warrants if a third party not acting in concert with PHD makes a bona fide public bid for the Company's share capital. The Warrants are transferable, if (i) all Warrants held by the holder are sold at once, or (ii) at least 1,000,000 warrants are sold by the holder to one other party. If the Company issues Warrants to PHD, PHD must pay the Company an amount equal to

EUR 0.83 times the number of Ordinary Shares to which the Warrants entitle PHD. The Company undertakes to maintain sufficient authorised share capital to be able to issue the Ordinary Shares upon exercise of the Warrants.

Except for the lack of voting rights, a holder of Warrants will be in the same position as a Shareholder and therefore a holder of Warrants will be compensated for a cash dividend or distribution and other dilutive events, e.g. changes in the nominal value of Shares or the issued share capital and granting of rights to acquire Shares, in accordance with certain anti-dilution protection provisions in the Subscription Agreement. Pursuant to these provisions, the Warrant Exercise Price will be adjusted downwards. If, due to the application of the anti-dilution protection provisions, the Warrant Exercise Price upon exercise of the Warrants is less than the nominal value of the Ordinary Shares at the time of the exercise, the difference between the new Warrant Exercise Price and the then applicable nominal value must be paid out of the Company's distributable reserve.

Each Warrant entitles the holder of the Warrant to one (1) Ordinary Share. The underlying Ordinary Share will be delivered and admitted to listing and trading on Euronext Amsterdam within three trading days after a request to exercise a Warrant has been issued.

### ***Conditions***

Except for the issue of 4.2 million Ordinary Shares to PHD that took place on 12 October 2011, the obligations of the Company and PHD under the Subscription Agreement were subject to a number of conditions precedent (*opschortende voorwaarden*), which have all been fulfilled or waived at the date of this Prospectus. The Private Placement will be completed immediately after the Offering is settled (irrespective of whether Offer Shares and/or Warrants are issued). Settlement of the Offering and Private Placement is expected to occur on 22 December 2011.

### ***Lock-up***

The Company has agreed with PHD that for a six-month period after the Settlement Date, the Company will not, without the prior written consent of PHD, which may not be unreasonably withheld, issue, offer, sell, contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Shares, enter into any swap or any other agreement or any transaction that transfers in whole or in part, directly or indirectly, any of the economic consequences of ownership of any Shares or create any charge or security interest over any Shares. This does not apply to any Shares issued (i) to employees of the Company under employee incentive plans, provided that the issue is made consistent with past practice and on customary terms, or (ii) in relation to any stock dividend that has been declared payable in accordance with the Company's dividend policy. PHD has undertaken that it will not, and will procure that none of its subsidiaries from time to time will, without the prior written consent of the Company, which may not be unreasonably withheld, offer, sell, contract to issue or sell or grant any option, right or warrant to purchase or otherwise transfer or dispose of, enter into any swap or any other agreement or any transaction that transfers in whole or in part, directly or indirectly, any of the economic consequences of ownership of, or create any charge or security interest over the Ordinary Shares acquired as a result of the underwriting of the Offering and Private Placement for a six-month period after the Settlement Date, in each case except for any transfer or disposal of Ordinary Shares in connection with a public takeover bid. If any Warrants are issued to PHD in connection with the Offering, the lock-up arrangements do not cover the Warrants (if any) or a number of Ordinary Shares held by PHD as is equal to the number of Warrants issued to PHD. The Ordinary Shares acquired by PHD in the private placement completed on 12 October 2011 are subject to similar lock-up agreements, however, only until the Settlement Date.

### ***Indemnity***

The Company will indemnify and hold harmless PHD and each of its associates against any claim made by a

third party in connection with the performance of its obligations under the Subscription Agreement or a breach by the Company of any of the warranties it has given PHD under the Subscription Agreement. The indemnity also relates to any damage suffered, or costs incurred, by PHD and/or each of its associates in connection with such claim. This indemnity will not apply to any damages that have been finally judicially determined to arise primarily from the gross negligence or wilful default of PHD and/or its relevant associate.

### ***Fees and costs***

PHD will bear all costs and expenses of its legal advisers arising from or in connection with all agreements between the Company and PHD only. The Company will bear the other costs and expenses arising from or in connection with the Subscription Agreement and the Offering, Private Placement and Listing.

If (i) settlement of the Offering or closing of the Private Placement does not occur and (ii) the Company raises, before 7 July 2012, debt or equity to strengthen the financial position of the Company and/or to (partly) repay the Orange Loan, the Company must pay a fixed commitment fee of EUR 2,000,000 (excluding VAT if any) to PHF after receipt of an invoice to that purpose. The fixed commitment fee will not be due if (i) the Company raises, before 7 July 2012, debt or equity amounting to less than EUR 10,000,000, or (ii) after full repayment of the Orange Loan, the Company raises, before 7 July 2012, debt or equity amounting to less than EUR 30,000,000. The commitment fee is without prejudice to any claim for damages or other remedy available to PHD or PHF.

### ***Governing law***

The Subscription Agreement is governed by Dutch law.

## **6.3 Rights**

Subject to applicable securities laws, each person holding Ordinary Shares immediately following the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 CET on the Record Date will be entitled to one Right for each Ordinary Share held. An Eligible Person (as defined in chapter 8 "Selling and Transfer Restrictions") will be entitled and will have the right to subscribe for seven (7) Offer Shares for every 16 Rights. Rights can only be exercised in multiples of 16. No fractional Offer Shares will be issued. Eligible Persons may sell any excess Rights or acquire additional Rights to subscribe for a whole number of Offer Shares on Euronext Amsterdam in the trading period commencing at 09:00 CET on 5 December 2011 and ending on at 13:00 on 16 December 2011. Any excess Rights, that are not sold before the expiry of this period, will lapse and the holder will not be entitled to any compensation.

Shareholders that hold Ordinary Shares on the Record Date will be given customary details by the financial intermediary through which they hold those Ordinary Shares of the aggregate number of Rights to which they will be entitled, subject to applicable securities laws. The financial intermediary will supply this information in accordance with its usual customer relations procedures. Shareholders should contact their financial intermediary if they are a Shareholder entitled to receive Rights but have received no information with respect to the Offering.

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of the Shareholders have been excluded with respect to the Offering.

Only Shareholders who qualify as Eligible Persons as of the Record Date will be entitled to take up, exercise, sell or otherwise transfer Rights pursuant to the grant of Rights by the Company. Rights that are credited to the account of an Ineligible Person will not constitute an offer of the Offer Shares to such person and will not confer any rights upon such person, including the right to take up, exercise, sell or otherwise transfer such credited Rights.

## 6.4 Record Date

The Record Date for determining the holders of Ordinary Shares who will receive Rights (subject to applicable securities laws) is immediately following the close of trading in Ordinary Shares on Euronext Amsterdam at 17:40 CET on 2 December 2011. Until the close of trading in the Ordinary Shares on Euronext Amsterdam on the Record Date, the Ordinary Shares will trade *cum* Rights. From 5 December 2011, the Ordinary Shares will trade *ex* Rights.

## 6.5 Listing and trading of Rights

The Company expects trading of the Rights on Euronext Amsterdam to commence at or around 09:00 CET on 5 December 2011 and to end at 13:00 CET on 16 December 2011. The Rights will be traded under the symbol "ORDR", barring unforeseen circumstances. The transfer of Rights will take place through the book-entry systems of Euroclear Nederland. Persons interested in trading or purchasing Rights should be aware that the exercise of Rights by holders who are located in countries other than the Netherlands is subject to restrictions as described under chapter 8 "Selling and Transfer Restrictions".

The Rights are traded under the following characteristics:

Symbol:	"ORDR"
ISIN code:	NL0010021994
Common code:	071339840

Shareholders that are an Eligible Person and wish to sell all or part of their Rights and are holding their Ordinary Shares through a financial intermediary, should instruct the financial intermediary through which they hold their Rights in accordance with the instructions received from it. Shareholders that are an Eligible Person may also instruct their financial intermediary to purchase Rights on their behalf. Shareholders that are interested in trading or purchasing Rights should be aware that they may be restricted from buying and/or exercising Rights and acquiring Offer Shares if they are located in a jurisdiction other than the Netherlands and therefore ineligible to participate in the Offering. See chapter 8 "Selling and Transfer Restrictions".

## 6.6 Exercise Period

Subject to the restrictions set out below, an Eligible Person (whether a Shareholder as of the Record Date or a subsequent transferee of Rights) can only validly exercise his Rights to subscribe for Offer Shares from 09:00 CET on 5 December 2011 up to 16:00 CET on 16 December 2011, which is the end of the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given by Shareholders or investors may be earlier, depending on the financial intermediary through which their Rights are held. After the Exercise Period, Eligible Persons will no longer be able to exercise their Rights. Once Rights have been validly exercised, such exercise cannot be revoked or modified, unless the Company amends a material term of the Offering or amends this Prospectus in any material respect leading to a supplement to this Prospectus within the meaning of section 5:23 Dutch Financial Supervisory Act being published, in which event the holder will have the right, exercisable within two business days after publication of the supplement, to revoke the exercise. Even if the market price of the Ordinary Shares fluctuates below the Issue Price, if Rights have been exercised, the Issue Price for any Offer Shares subscribed for will be payable. Upon exercise of the Rights, such Rights must be delivered to the Shareholder's or investor's financial intermediary. In case of non-delivery of exercised Rights a penalty of 10% of the Issue Price will be charged over every non-delivered Right. The Company and the Sole Global Coordinator have not and will not take any action outside the Netherlands to permit the exercise and transfer of Rights by the general public. The Company urges you to carefully study the restrictions described under chapter 8 "Selling and Transfer Restrictions". The Company and Sole Global Coordinator reserve the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears



to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws of any jurisdiction or if the Company believes that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

## **6.7 Dilution**

Shareholders who exercise their Rights will suffer dilution in terms of voting rights of up to approximately 14%, caused by the issue of the Private Placement Shares, as such Shareholders' holding of Ordinary Shares after exercise of Rights will then amount to 86% of the total number of Ordinary Shares outstanding (the total number of Ordinary Shares outstanding after the Offering increases from 79 million to 92 million by the issue of Private Placement Shares, which will all be issued to PHD). Shareholders who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer a dilution in terms of voting rights of up to approximately 40%, caused by the issue of the Offer Shares and the Private Placement Shares, as such Shareholders' holding of Ordinary Shares after exercise of Rights will then amount to 60% of the total number of Ordinary Shares outstanding (the total number of Ordinary Shares outstanding increases from 55 million to 92 million from the issue of Offer Shares and Private Placement Shares). An issuance of Warrants instead of Ordinary Shares will not affect the dilution in terms of economic rights, as the holder of Warrants is compensated for any economic dilution (such as payment of dividends), see section 6.2 "Subscription and sub-underwriting agreement". An issuance of Warrants will reduce the immediate dilution in terms of voting rights, as the Warrants do not carry any voting rights. The balance of the dilution will then occur on exercise of the Warrants.

## **6.8 Subscription**

Shareholders that are an Eligible Person and wish to sell all or part of their Rights and are holding their Ordinary Shares through a financial intermediary, should instruct the financial intermediary through which they hold their Rights in accordance with the instructions received from it. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons and for informing the Subscription, Listing and Settlement Agent of exercise instructions. All questions concerning the timelines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies you. The Company is not liable for any action, or failure to act, by a financial intermediary through which Shareholders hold their Ordinary Shares in connection with any subscriptions or purported subscriptions.

PHD has committed to participate in the Offering through the exercise of Rights granted to it.

## **6.9 Unexercised Rights**

Eligible Persons cannot exercise their Rights after 16:00 CET on 16 December 2011, which is the end of the Exercise Period. After expiration of the Exercise Period there will not be a rump offering as PHD has fully underwritten the Offering and will subscribe for all Remaining Offer Shares (if any) at the Issue Price for each Remaining Offer Share in accordance with the Subscription Agreement. Holders of unexercised Rights will not be entitled to any compensation. Shareholders who do not, or are not permitted to, exercise any of their Rights granted under the Offering will suffer an immediate dilution (see section 6.7 "Dilution").

## **6.10 Allotment**

Allotment of Offer Shares to be issued pursuant to the Offering is expected to take place on 16 December 2011. Eligible Persons who have subscribed for Offer Shares may obtain information on the number of Offer Shares they have been allotted through their own financial intermediary.

## 6.11 Issue, payment and delivery

Shareholders or investors that hold their Rights through a financial intermediary, should pay the Issue Price for each Offer Share subscribe for in accordance with the instructions they receive from their financial intermediary. The financial intermediary will pay the Issue Price to the Subscription, Listing and Settlement Agent, who will in turn pay it to the Company after deduction of applicable fees and expenses. Payment for the Offer Shares to the Subscription, Listing and Settlement Agent must be made no later than the Settlement Date, which is expected to be 22 December 2011. Financial intermediaries may require payment to be provided to them prior to the Settlement Date.

Payment for and delivery of the Offer Shares is expected to take place on 22 December 2011. The Offer Shares and Private Placement Shares will be issued in bearer form and entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities (*Bank Giro Transactions*) Act. Delivery of Offer Shares will take place through the book-entry systems of Euroclear Nederland. The address of Euroclear Nederland is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Payment for and delivery of the Private Placement Shares is also expected to take place on 22 December 2011.

## 6.12 Listing and trading of the Offer Shares and Private Placement Shares

Application has been made for the listing and trading of the Offer Shares and Private Placement Shares on Euronext Amsterdam. The Company expects that the Offer Shares and Private Placement Shares will be admitted for trading and listing, and that trading in the Offer Shares and Private Placement Shares will commence, on Euronext Amsterdam at 09:00 CET on 22 December 2011, barring unforeseen circumstances. The outstanding Ordinary Shares are listed and will remain listed on Euronext Amsterdam under the symbol "ORDI".

The Offer Shares and Private Placement Shares are traded under the following characteristics:

Symbol:	ORDI
ISIN code:	NL0000440584
Common code:	007736363

All dealings in Rights, Offer Shares and Private Placement Shares prior to, and after, closing of the Offering and Listing are at sole risk of the parties concerned. Any forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund of any Rights purchased in the market. Euronext Amsterdam N.V., the Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering and Listing or (the related) annulment of any transactions in Rights or Offer Shares on Euronext Amsterdam.

## 6.13 Ranking and dividends

The Offer Shares and Private Placement Shares will, upon issue, rank *pari passu* in all respects with the then outstanding Ordinary Shares and will be eligible for any dividends which the Company may declare on the Ordinary Shares after the issue date. See chapter 4 "Dividend Policy".

## 6.14 Agents

ING is acting as Subscription, Listing and Paying Agent in the Netherlands. The address of the Subscription, Listing and Settlement Agent is: Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands.

### **6.15 Governing law**

The Rights and the Offering and the Listing are governed by and shall be construed in accordance with Dutch law. The Rights, the Offer Shares and the Private Placement Shares will be created in accordance with Dutch law and the Articles of Association.

### **6.16 Costs**

The costs related to the Offering and Listing and Private Placement are approximately EUR 1.8 million.

### **6.17 Currency**

The Offering and the Private Placement will be carried out and trading in the Rights will be effected in euros. The Offer Shares and Private Placement Shares will be denominated in euros.

## **7. PLAN OF DISTRIBUTION**

### **7.1 Underwriting arrangements and Coordination Agreement**

In accordance with the Subscription Agreement, PHD has agreed to subscribe for (i) 1,837,500 Offer Shares by exercising all Rights allocated to it as Shareholder and (ii) all Remaining Offer Shares, in each case against payment of the Issue Price for each Offer Share.

In the Subscription Agreement, the Company has given certain warranties and undertakings to PHD. The Company also agreed to indemnify PHD against certain liabilities in connection with the Offering and Listing.

On 1 December 2011, the Company, the Sole Global Coordinator and PHD entered into a coordination agreement (the **Coordination Agreement**). In the Coordination Agreement, we give certain warranties and undertakings to the Sole Global Coordinator and PHD. We will also agree to indemnify the Sole Global Coordinator and PHD against certain liabilities in connection with the Offering and Listing. The Coordination Agreement is subject to certain conditions customary for this type of agreement. A termination of the Coordination Agreement, however, does not cause the withdrawal of the Offering.

### **7.2 Conditions to the Offering and Listing and Private Placement**

The Offering and Listing are not subject to any conditions. The Private Placement will be completed immediately after the Offering is settled (irrespective of whether Offer Shares and/or Warrants are issued). Settlement of the Offering and Private Placement is expected to occur on 22 December 2011.

### **7.3 Lock-up arrangements**

The Company and PHD have agreed on certain lock-up arrangements (see section 6.2 "Subscription and sub-underwriting agreement").

The Coordination Agreement contains the following lock up provisions. The Company will not issue, offer (in any public offering or private placement other than the Offering and the Private Placement), sell, contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, or enter into any swap or any other agreement or any transaction that transfers in whole or in part, directly or indirectly, any of the economic consequences of ownership of, or create any charge or security interest over, in each case, any Shares or any securities convertible or exchangeable into securities or warrants or other rights to purchase securities or any debt instruments in the Company or other instruments with a similar effect to the foregoing, in each case, for a period of 180 calendar days after the Settlement Date without the prior written consent of the Sole Global Coordinator, which will not be unreasonably withheld. These lock-up provisions do not apply to the issue of the Offer Shares and the issue of the Private Placement Shares, Warrants and Ordinary Shares upon exercise of the Warrants, nor to any Ordinary Shares or to other options or securities convertible into or exercisable or exchangeable for Ordinary Shares to be issued: (i) to employees of the Company under employee incentive plans in existence on the date of the Coordination Agreement, provided that the issue is made consistent with past practice and on customary terms, (ii) in relation to any stock dividend that has been declared payable in accordance with the Company's dividend policy, or (iii) to holders of Warrants upon exercise of these Warrants.

In the Coordination Agreement PHD has agreed with the Company and ING for a period of 180 calendar days after the Settlement Date: (i) to hold a stake (consisting of all Ordinary Shares and Warrants held by PHD) in the Company's fully diluted share capital from time to time (including without limitation the issued and outstanding Shares and issued and outstanding Warrants from time to time) at least equal to 20.0% and (ii) not to sell, or otherwise transfer or dispose of, or agree to any of the foregoing (or undertake any actions with a similar effect) any Ordinary Shares or Warrants held by it, that would result in PHD holding a stake in

the Company's share capital below 20.0%, except for any transfer or disposal of Ordinary Shares and Warrants (i) in connection with a public takeover bid or (ii) after receipt of a waiver by the Sole Global Coordinator and the Company, which waiver shall not be unreasonably withheld.

#### **7.4 Potential conflicts of interest**

ING is acting as Sole Global Coordinator and Subscription, Listing and Settlement Agent for the Offering and Listing. ING is regulated in the Netherlands by the Dutch Central Bank (*De Nederlandsche Bank*) and the AFM, and is acting exclusively for us and for no one else in relation to the Offering and the Listing and will not be responsible to anyone other than to us for giving advice in relation to, respectively, the Offering and the Listing.

ING (and/or its respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with us or any parties related to us for which they have received or may receive customary compensation. In respect of the above, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations (including those issued by the AFM). As a result of these transactions, it may have interests that may not be aligned, or could potentially conflict, with investors' and the Company's interests.

ING (and/or its respective affiliates) are currently a lender to us in all facilities as described in section 12.13 "Borrowings". As our lenders, they have received and may continue to receive customary fees related to their services.

As a result of acting in the capacities described above, ING may have interests that may not be aligned, or could potentially conflict, with investors' and our interests.

## 8. SELLING AND TRANSFER RESTRICTIONS

### 8.1 Notice to investors

The offering of the Rights and the Offer Shares to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional advisers as to whether the investor requires any governmental or any other consent or needs to observe any other formalities to enable the investor to accept, sell, exercise or purchase the Rights and to subscribe for the Offer Shares.

No action has been or will be taken to permit a public offering of the Rights and the Offer Shares in any jurisdiction outside the Netherlands. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information purposes only and should not be copied or redistributed. If the investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Rights and the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Rights and the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other offering materials or advertisements, the investor should not distribute or send the same, to any person, in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

In accordance with the terms and subject to the conditions as contained in this Prospectus:

- (a) the Rights being granted in the Offering may be exercised only by an Eligible Person, subject to applicable securities laws;
- (b) the Rights and the Offer Shares being granted or offered in the Offering may not be offered, sold, resold, exercised, transferred or delivered, directly or indirectly, in or into jurisdictions outside the Netherlands wherein the Rights and the Offer Shares may not be offered at all, including, without limitation, the United States, Australia, Canada and Japan (the **Ineligible Jurisdictions**); and
- (c) this Prospectus may not be sent to any person:
  - (i) residing in an Ineligible Jurisdiction or person with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering; or
  - (ii) any Shareholder or other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer Shares may be offered, but to whom certain restrictions apply, as set out in this chapter 8 "Selling and Transfer Restrictions", as a result of which he cannot lawfully participate in the Offering (such a person: **Ineligible Person**).

In this Prospectus, persons who are not Ineligible Persons are referred to as **Eligible Persons**.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to subscribe for the Offer Shares or to trade in the Rights, must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this chapter 8 "Selling and Transfer Restrictions" is intended as a general

guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Offer Shares or to trade in the Rights, should consult their professional adviser without delay.

## **8.2 Representations and warranties by investors in the Offering**

If you (i) take up, deliver or otherwise transfer the Rights, (ii) exercise the Rights to subscribe for the Offer Shares or (iii) trade or otherwise deal in the Rights granted or the Offer Shares offered in the Offering, you will be deemed to have made, and, in some cases, be required to make, the following representations and warranties to the Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent and any person acting on the Company's or their behalf, unless such requirement is waived by the Company:

- (a) you are not located in an Ineligible Jurisdiction (in which no Rights or Offer Shares may be offered at all) as a result of which you will be qualified as an Ineligible Person;
- (b) you are not an Ineligible Person for any other reason;
- (c) you are not acting, and have not acted, for the account or benefit of an Ineligible Person;
- (d) you will not offer, sell or otherwise transfer either a Right or an Offer Shares to any person located in the United States (which will be deemed to be satisfied when trading Rights or Offer Shares in the marketplace via Euronext Amsterdam); and
- (e) you were a Shareholder and held Ordinary Shares at 17:40 CET on the Record Date or you legally acquired Rights in the marketplace during the trading period as set out in section 6.5 "Listing and trading of Rights".

The Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent and any persons acting on behalf of the Company or the Sole Global Coordinator will rely upon your representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject you to liability. The Company and the Sole Global Coordinator reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer Shares that the Company or the Sole Global Coordinator believe may give rise to a breach or violation of any law, rule or regulation.

If you are a person acting on behalf of an eligible holder of the Rights (including, without limitation, as a nominee, custodian or trustee), you will be required to provide the foregoing representations and warranties to the Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent with respect to the exercise of Rights on behalf of such eligible holder. If you do not or are unable to provide the foregoing representations and warranties, neither the Company nor the Sole Global Coordinator, Subscription, Listing and Settlement Agent will be bound to authorise the allocation of any of the Offer Shares being offered in the Offering to you or the person on whose behalf you are acting.

If you (including, without limitation, your nominees and trustees) are outside the Netherlands and wish to exercise or otherwise deal in your Rights or subscribe for the Offer Shares, you must satisfy yourself as to the observance of all applicable laws of all relevant territories, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only. If you are in any doubt as to whether you are eligible to exercise your Rights or subscribe for the Offer Shares, you should consult your professional advisers without delay.

The Rights will initially be credited to the financial intermediaries for the accounts of all Shareholders that hold Ordinary Shares as of the Record Date in custody through such an intermediary. A financial intermediary may not exercise any Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and will be required in connection with any exercise of the Rights to certify to such effect.

Financial intermediaries are not permitted to send this Prospectus or any information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of the Offer Shares to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Rights and the Offer Shares will not be delivered to addresses inside any Ineligible Jurisdiction. The Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent reserve the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Rights and Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Company or the Company's agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Rights in the Offering, which appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction or if the Company believes that the same may violate or be inconsistent with applicable legal or regulatory requirements, the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

Despite any other provision of this Prospectus, the Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent reserve the right to permit you to exercise your Rights if the Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent, in the Company's absolute discretion, are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company and the Sole Global Coordinator, Subscription, Listing and Settlement Agent do not accept any liability for any actions that you take or for any consequences that you may suffer by the Company accepting your exercise of Rights.

### **8.3 For investors in the European Economic Area**

In relation to each Member State which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), an offer to the public of the Rights and the Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State other than the offer contemplated in the Prospectus in the Netherlands once the Prospectus has been approved by the AFM and published in accordance with the Prospectus Directive as implemented in the Netherlands, except that, with effect from and including the Relevant Implementation Date, an offer of such Rights or Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if it has been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than EUR 43 million and (iii) an annual net turnover of more than EUR 50 million, as shown in its last annual or consolidated accounts (if the Relevant



Member State has implemented the relevant provision of the 2010 PD Amending Directive, this exception is no longer valid);

- (c) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Rights and Offer Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to article 3 of the Prospectus Directive.

For the purposes of this provision, the expression 'an offer to the public' in relation to any Rights and Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Rights to be granted and Offer Shares to be offered so as to enable an investor to decide to exercise, purchase or subscribe any Rights and Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

#### **8.4 For investors in Switzerland**

The Offer Shares may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the current practice of the Swiss Federal Banking Commission, and neither this Prospectus nor any supplement thereto relating to the Offer Shares may be offered or distributed in connection with any such offering or distribution.

#### **8.5 For investors in the United Kingdom**

In addition to the restrictions identified above, any invitation or inducement to engage in investment activity (within the meaning of article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the Rights and the Offer Shares may only be communicated or caused to be communicated in the United Kingdom in circumstances in which article 21(1) of the Financial Services and Markets Act 2000 does not apply or if an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) applies.

#### **8.6 For investors in the United States of America**

The Rights and the Offer Shares have not been and will not be registered under the Securities Act and may not be offered, granted, issued, sold, taken up, delivered, renounced or transferred in or into the United States. In addition, until 40 days following the commencement of the Offering, an offer or sale of the Rights and the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Each investor in the Rights and the Offer Shares will be deemed to have represented and agreed as follows (terms used in this section that are defined in Regulation S are used herein as defined therein):

- (a) the investor, and the person, if any, for whose account it is acquiring such Rights and Offer Shares (i) is outside the United States and (ii) is acquiring the Rights and Offer Shares in an offshore transaction meeting the requirements of Regulation S;
- (b) the investor is aware that the Rights and the Offer Shares have not been and will not be registered

under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S;

- (c) the Rights and the Offer Shares may not be offered, sold, pledged or otherwise transferred except in accordance with Rule 903 or 904 of Regulation S or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States; and
- (d) the investor acknowledges that the Company, the Sole Global Coordinator and others will rely upon the truth and accuracy of the foregoing representations and agreements. Any certificate representing the Offer Shares or any depositary receipts representing the right to receive deposited Offer Shares shall bear a legend setting forth the foregoing transfer restrictions.

## 9. BUSINESS OVERVIEW

### 9.1 Overview

Ordina is a specialist knowledge supplier and offers consulting, ICT and outsourcing services on the interface between ICT and business processes. Ordina is active on the Benelux market where it focuses on the financial sector, public sector (including healthcare) and industry sector.

Ordina employs approximately 3,000 employees in the Netherlands, Belgium and Luxembourg. The head office is located in Nieuwegein, the Netherlands. In addition, Ordina has several branch offices in the Netherlands, Belgium and Luxembourg.

### 9.2 History

We have been active in the Netherlands since 1973, initially as a Dutch subsidiary of a French-based company called Ordina. In 1983, SG2, a subsidiary of Société Générale, acquired the French Ordina group. After a management buy-out, the Dutch activities of the French Ordina group became autonomous in 1985. We were incorporated as an independent legal entity on 17 January 1986, under the name Ordina Beheer B.V., which was subsequently converted into a public company (*naamloze vennootschap*), Ordina Beheer N.V. In 1987, our Ordinary Shares were admitted to listing and trading on the Amsterdam stock exchange. On 5 July 2000 Ordina Beheer N.V. was renamed Ordina N.V.

Soon after the listing we acquired Integer. We chose to remain independent and to focus on the local (Benelux) market, in contrast to the large internationally oriented players such as Accenture, Atos, Cap Gemini and Logica. In the period from 1996 to 2001 Ordina experienced strong growth. This was driven by both organic growth and by a series of acquisitions, such as High Tech Automation, CAE and PID, Utopics, ELC, Status Networks and Panfox. The annual turnover increased from EUR 87 million in 1996 to EUR 444 million in 2001.

From 2001 to 2003 a strong economic decline adversely affected Ordina and forced Ordina into two rounds of personnel layoffs.

In 2004, we launched our business process outsourcing activities (**BPO**). The objective was to support several financial institutions by offering them a banking factory that would execute their back office processes for basic banking, mortgage loan products and savings and investments. In the period from 2004 to 2008 Ordina also made a large number of acquisitions in order to enhance its core services and positioning in its core markets. This enhancement also included a disposal of Ordina's data services and desktop management activities in 2006.

In 2008, Ordina shifted its focus from growth and winning market share to profitability and quality of services. From 2008 to 2011 this led to several further divestments and one acquisition, see 12.3 "Acquisitions and disposals". Most importantly, Ordina disposed of its Technical Automation activities (**TA**) in 2008 and its BPO activities in 2009.

The financial crisis which began in 2008 has had far-reaching effects on ICT service providers in general and thus also on Ordina. This effect, in conjunction with the maturing Benelux ICT market and the changing demands of clients to individual resources and short-cyclical projects, has caused Ordina to re-evaluate a number of issues relating to its business and position in the markets it operates in. This has resulted in the Strategy 2010-2014 as described below, and in a renewed ambition and brand positioning program: "Connect to improve".

### **9.3 Strategy**

#### ***Focus on Benelux***

Ordina is run from and operates in the Benelux and develops and maintains close relationships with its clients. This allows swift decision-making as its customers can easily liaise with the Company's management. The Company uses third party suppliers to complement and support its services. As the Company operates locally, it has expertise in respect of challenges that are specific to the Benelux market. This enables the Company to provide relevant solutions and to identify links within the markets and exchange best practices with our clients. We strongly believe in the "local-for-local" approach, where Ordina with its expertise in the Benelux markets, can service clients facing challenges that are specific to these markets. These challenges include, for example, the introduction of, or changes to, legislation and regulations on a local level, and changes to customer demands motivated by local cultural beliefs.

#### ***Focus on three sectors***

The Company focuses on three sectors within the Benelux: (i) the finance sector, (ii) the public sector (including healthcare) and (iii) specific areas in the industry sector. This allows the Company to develop expertise in a number of specific sectors (and the related issues pertaining to those sectors) without being dependent on any individual sector.

#### ***Focus on four business themes***

Ordina focuses on four overarching core business themes: (i) customer interaction, (ii) risk management and compliance, (iii) operational improvement and (iv) governance. Although the business issues in the sectors we operate in are highly diverse, Ordina's four overarching core themes are omnipresent in the services and solutions we deliver. We offer the knowledge and best practices that we have built up in these areas to clients who are seeking opportunities to improve their businesses.

#### ***Cross-selling***

Our core activities reinforce each other. ICT issues will often trigger a need for business process improvement consultancy and in most cases business process improvement consultancy triggers the need for ICT modifications. Also, outsourcing processes often trigger the need for consultancy services in the area of migration or change in management or specific IT tooling or middleware. We assist clients both through ICT and business process improvement and through outsourcing.

#### ***Lasting relationships***

We strive to build close, lasting relationships with our clients by providing high-quality services that underpin their cost efficiency. We intend to reduce the share of secondments (work performed by employees for clients where we only generate revenue on the basis of the actual time and material spent) of the overall portfolio but will remain focused on our clients' needs in this area.

#### ***Guiding ambitions***

We have set out guiding ambitions to realise our strategy. These ambitions are set out, thematically ordered, below.

#### ***Portfolio***

We aim to consolidate our client engagement portfolio through:

- Growth in the share of revenue from multi-year contracts to 35%

- Further specialisation in our core sectors: finance, public (including healthcare) and specific areas in the industry sector
- Focus on our top 40 clients

#### *Financial performance*

We aim to create sustainable value throughout the future business cycle by:

- Putting profitability before growth
- Maintaining a solid capital structure;
- Strict control of working capital
- Mid-term EBITA margin of 10-15%

#### *Sustainability and corporate social responsibility*

We aim to improve our sustainability and corporate social responsibility practices by:

- Embedding sustainability and corporate social responsibility in the organisation
- Increasing stakeholder dialogue
- Improving the sustainability of our services and business practices
- Confirming our commitment to society

#### *People*

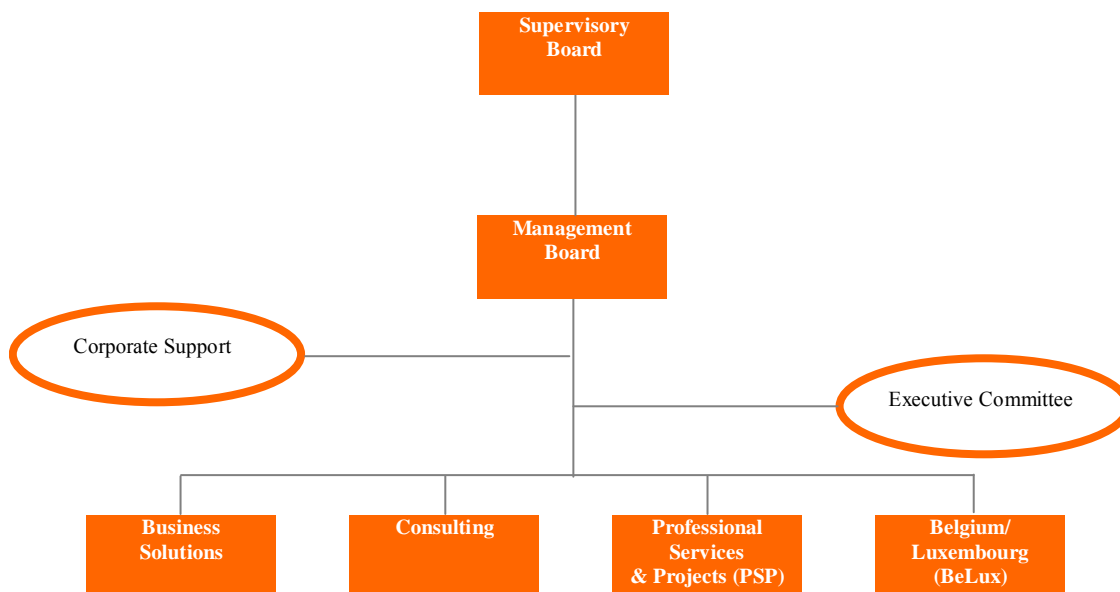
We aim to:

- Establish and maintain our position as an employer of choice in the Benelux
- Work on a performance-driven culture
- Bring management development in line with the overall strategy

### **9.4 Organisational structure**

Ordina N.V. is the ultimate holding company of the Group. The ultimate holding company for the Group's operating activities is Ordina Holding B.V., which is the holding company of Ordina Nederland B.V. and Ordina Belgium B.V. Our Dutch activities are carried out through a number of operating subsidiaries held by Ordina Nederland B.V. and our activities in Belgium and Luxembourg are carried out through a number of operating subsidiaries held through Ordina Belgium B.V. See 19.3 "Material subsidiaries", which sets out a list of material subsidiaries within the Group. Currently, the Group also holds subsidiaries in Switzerland and France through Ordina Belgium B.V., but these companies are not active and will be liquidated.

In 2011 Ordina decided to create a more simple and transparent internal organisation structure by introducing a new business division structure and removing two management layers. The new organisational structure, which will take effect as of 1 January 2012, is set out in the following chart:



The four business divisions will each be responsible for sales, profitability and execution.

We have established an executive committee, consisting of the members of the Management Board (the CEO and CFO), the directors of the four business divisions and the directors of HR and Corporate Affairs. The role of the executive committee is to discuss and decide on the day-to-day operation and management of the Group as a whole barring such decisions that are vested with the Management Board.

## 9.5 Core services

Our core services are consulting, ICT and outsourcing.

### *Consulting*

We assist our clients on strategy and organisational processes by advising on how to innovate and modernise their business. We also advise on re-organisations and business process restructuring and supervise large scale change processes. Our advisory services can be complemented by our technological ICT solutions that support these processes.

### *ICT*

Our ICT activities consist of creating new applications and integrating them into existing ICT infrastructures. Our ICT architects translate strategic corporate targets into efficient business and ICT structures and work processes, and then design the appropriate ICT systems. We provide two types of ICT services. For those clients in need of highly qualified, specialised ICT specialists or tailored solutions, our "Professional Services and Projects" team delivers capacity and ICT experience. Where a client requires a solution for market-wide issues, such as implementing new legislation and regulations into government systems, our "Business Solutions" team offers innovative solutions.

### *Outsourcing*

We provide application outsourcing, global sourcing services and hosting solutions and perform service management and ICT management. We manage business-critical application platforms for clients, taking ownership of the efficiency of systems and adjustments to those systems. We provide guidance and support in all aspects of systems management and maintenance and often a client largely outsources its ICT department to us.

## 9.6 Core sectors

We focus on three sectors: the financial sector, the public sector (including healthcare) and the industry sector.

### *Financial sector*

We provide services to banks, insurers and other financial institutions. The turbulent times that have characterised the financial sector since 2008 have resulted in investments in new technologies being postponed, or made only when the return on investment is expected in less than a year, and in termination of contracts for external staff (including the outsourcing services provided by Ordina). Financial institutions are paying close attention to compliance, risk management, transparency of governance, and cost savings. The services that we currently deliver to the financial market relate primarily to these issues and to the implementation of EU laws and regulations (such as Basel III and Solvency II).

After a brief rise in demand for ICT services in the first half of 2011, the market has become and remains sluggish in terms of demand. As a result of the turbulence and the continued scrutiny of financial products, restoring trust and putting clients first have become priorities. We believe that this will lead to product rationalisation and repositioning towards a more innovative customer approach by financial institutions. We offer our clients specific knowledge and expertise underpinning such rationalisation and repositioning measures, both in the fields of consultancy and ICT.

Financial institutions are increasingly focussed on improving their transparency and communication to attract new, and retain existing, customers. To this end, banks are offering an increasing number of standard solutions for basic banking products, such as savings, investments, securities accounts and mortgages. These standard solutions require different ICT infrastructures, ICT systems and processes. There is also innovation in client services with active utilisation of the Internet and social media. We offer the technology to provide and facilitate these solutions which offer support for straight-through processing (single entry of information to process a transaction from start to finish) and that have proven to be successful in the market, for example in innovation projects directed at determining the strategy for future customer interaction through multiple channels.

To save costs, financial institutions are looking for solutions at the front-end by introducing more self-service. They are also enhancing efficiency in mid and back-offices by outsourcing activities or merging the administrative processes of different labels.

The financial crisis has increased the focus on the development of new risk models, implementation of new risk management processes, development of customer risk profiles and facilitation of "in control" statements. These developments are partly driven by changes in law and regulations (such as Basel III and Solvency II). We have selected risk and compliance as one of our business themes, owing to the in-depth knowledge we have in these areas. We advise large Dutch financial institutions on these issues.

The pension market is undergoing rapid change. Increased legislation and regulations are putting pressure on pension funds. In addition, we expect that personalised defined contribution plans, in which individuals save for their pensions by means of investments, may come to prevail over defined benefit plans for guaranteed group pensions, which will necessitate changes to the ICT infrastructures, ICT systems and processes of our clients in the pension industry.

### *Public sector (including healthcare)*

We provide services to the central government, government bodies, police and large municipalities as well as healthcare providers and healthcare insurers.

In this sector there has been a development towards greater efficiency. This translates into priorities such as

reduction of the administrative burden, digital durability, reduction of costs, safety concerns and enforcement of rules. ICT can play an important role in achieving this.

We expect that the task of reducing costs over the next few years while maintaining service levels will affect the size of governmental institutions and will require new skills, concepts and policies. A plan for a more compact Dutch government was introduced at the end of 2010. The central theme is the overall improvement of the business operations within the government. This includes improving the government's efficiency and transparency, increased self-service for the citizens and the private sector and automating processes to a larger degree.

We support institutions in the public sector in solving management and organisation issues. We assist in the improvement of the government's efficiency by facilitating the creation of shared service organisations with products and services for business process management, organisational change, business operations and customer interaction management (such as public self-service portals and electronic, personalised services). We assist the improvement of transparency within the government and its relationship with its citizens. We offer our public sector clients consulting services, and ICT capacity and business solutions, such as innovative solutions for implementing new rules and regulations into government systems. We also facilitate the formation of networks and ad hoc coalitions and alliances, thereby enabling organisations within the government to share best practices.

The spending cuts that the government announced in 2010 have led to ICT investment decisions being postponed. As a result, it takes longer for new projects to materialise. Consequently, governmental institutions are currently focused on preparations for new policy and ICT execution methods. We expect them to invest in operational innovations and improvements in their public services. We believe that the targeted use of ICT can simplify processes and achieve cost reductions. Through our knowledge of the Dutch governmental system, rules and regulations, we believe we are well-positioned to support government bodies in automating and standardising their procedures, which are essential factors in such processes.

We also provide ICT solutions and services to healthcare providers (such as the autism centre Dr. Leo Kannerhuis) and health insurers (such as Menzis) within the areas of management, business operations and ICT. The projects that we carry out in this sector mainly relate to operations management, rationalisation of business processes and information management.

In 2006, a new healthcare insurance system was introduced in the Netherlands. The system is aimed at commercialising the sector. This is changing the face of the Dutch healthcare system significantly. Due to the ageing of the general population in the Netherlands, budget shortages and the change to demand-driven healthcare and output financing, we believe that commercially-managed and executed healthcare provision will increase and, ultimately, prevail as the predominant model.

Managing both the quality of healthcare as well as the cost demands a different perspective and new skills from managers and professionals in the healthcare sector. Healthcare managers are focusing principally on cost control and making efficiency and quality improvements. Within healthcare institutions, this is translated into improvements to the quality of management information and healthcare logistics. The challenge is to set up, manage and execute demand-driven healthcare processes in a manner in which quality and efficiency are both balanced and guaranteed. ICT solutions and new technologies play a strategic role in this change. In addition, the computerisation and digitalisation of the primary and secondary health service processes, commonly known as e-Health, presents an opportunity for us.

### ***Industry sector***

We are active in specific areas of the industry sector, providing services to trade, transport, energy and telecom companies. We provide company-specific solutions based on our sector-specific knowledge to solve



complex organisational issues such as customer interaction, within, amongst others, e-business and customer relationship management as well as standardised solutions.

The industry sector faces challenges such as globalisation, more stringent legislation and regulations worldwide, the growing importance of social media and content marketing, as well as issues such as corporate social responsibility and chain integration. In addition, there are scale changes as a result of new collaboration forms, acquisition and restructuring exercises, shortened product life cycles as well as customers who are better informed and more demanding. The pressure on margins has increased and cost management remains crucial. There is a substantial demand for outsourcing of back offices and standardised ICT systems.

We expect consolidation in the industry sector. This could have an impact on operations management and the underlying ICT systems if governance and customer interaction are to be centralised. The integration of legacy systems will be a particular challenge facing the market. We have a standardised solution for data migration, data consolidation and legacy system integration.

## **9.7 Clients**

Having a good business network in the Benelux is vital for our business. We focus on our top 40 clients and target total revenue of 75% from these clients, with a distribution of 40% from top 10 clients, 20% from clients ranked 11-20 and 15% from clients ranked 21-40.

In the nine months ended 30 September 2011, our top 40 clients generated 76% of our Recurring Revenue (2010: 75%, 2009: 77%) with a distribution of 54% (2010: 52%, 2009: 50%) from our top ten clients, 13% (2010: 14%, 2009: 17%) from clients ranked 11-20, and 8% (2010: 9%, 2009: 10%) from clients ranked 21-40. 27% of our total revenue in 2010 was generated by two clients.

Our top 10 clients in 2010 included (in alphabetical order): ABN Amro/Fortis, Achmea Group, ING Group, KPN, Ministry of Agriculture, Nature and Food Quality (currently the Ministry of Economic Affairs, Agriculture and Innovation), Ministry of the Interior, Ministry of Education, Ministry of Justice (currently the Ministry of Security and Justice), Ministry of Transport and Water Management (currently the Ministry of Infrastructure and the Environment) and Rabobank Group.

## **9.8 Employees**

The economic recession has put pressure on the ICT sector in the past few years. Within Ordina, this prompted a series of efficiency measures, the departure of a large number of staff members and interventions in variable pay components. Strict cost control has made us look more critically at learning and development expenditure. Nevertheless, we continue to offer our staff personal development and career opportunities.

We make a distinction between our "direct" and our "indirect" staff. Direct staff consists of the professionals that advise and work for our customers. Indirect staff consists of the employees working in head-office functions and supporting the organisation of Ordina itself. In 2011 we launched a recruitment campaign aimed at increasing our direct staff, which resulted in the hiring of 360 professionals. At the same time we are striving to reduce the number of indirect staff by 85 in 2011. A higher ratio of direct to indirect staff reduces our overhead costs and therefore enhances our profitability.

See section 15.8 "Employees" for a description of the development in number of employees.

## 9.9 Our geographic market, revenue and competitive landscape

### *Geographic market*

We provide our services in the Netherlands, Belgium and Luxembourg. The Dutch market is our biggest in terms of revenue, although the Belgian/Luxembourg market's relative importance is growing over the years. The table below shows the development in the geographic split of our revenue over the past years:

<i>(EUR million)</i>	<b>Nine months ended 30 September</b>		<b>Year ended 31 December</b>		
	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<i>(unaudited)</i>				
Netherlands	265.5	288.4	387.6	472.2	584.9
Belgium/Luxembourg	55.4	50.3	68.3	70.1	68.5
<b>Total</b>	<b>320.9</b>	<b>338.7</b>	<b>455.9</b>	<b>542.3</b>	<b>653.4</b>

See also chapter 12 "Operating and Financial Review", which contains a detailed review of the development in our revenue and a specification of our revenue for our services and sectors.

### *Competitive landscape and key participants*

Based on estimates compiled by general market reviews conducted by Gartner and IDC, as well as information from competitors and ourselves, we perceive the competitive situation in the Benelux market as follows. The competitive landscape for ICT services and consulting in the Benelux is dominated by local subsidiaries of the large international players, such as Accenture, Atos, Cap Gemini and Logica, on the one hand, and by freelancers and brokers on the other hand. Ordina is the largest of the local players in the Benelux ICT services market. In the projects and outsourcing market, we mainly compete with the larger Indian players, such as Cognizant, Mahindra Satyam, Tech Mahindra, Wipro and Tata Consultancy Services. In a number of cases we fulfil an intermediary role to improve the cooperation between customers and these large parties. The ICT application management and business solutions markets are still highly fragmented with both larger international providers and smaller specialised providers.

### *Competitive strengths*

We believe our competitive strengths to be the following:

- Large business network in the Benelux
- Strategic position in focus sectors
- Stable group of top 40 clients
- Sector-specific knowledge of clients' businesses, languages and cultures
- Close senior management involvement in day-to-day operations facilitating swift and flexible decision making

## 9.10 Market trends

The financial crisis that began in 2008, and the subsequent recession, have had a substantial impact on the demand for our services in the sectors in which we operate. Our customers demand a flexible and quick response to these developments; they need individual resources and short-cyclical projects and are less

willing to enter into longer-term commitments. Further, the public sector in which we operate is characterised by the low investment appetite of the Dutch government.

The current trends in the financial markets, combined with the uncertainty around sovereign debt problems in certain European countries with its spillover effects in the financial markets, might continue to impact investments. The public sector may also continue to be characterised by a low investment appetite. We expect that this will result in investments being delayed but not cancelled, since ICT investments will be needed to create a compact and efficient government in the Netherlands.

### ***General developments***

We have observed the following general developments that have affected us in recent years and may continue to do so.

#### *Benelux market slowly becoming more mature*

The market in the Netherlands, Belgium and Luxembourg is still driven largely by demand for individual resources. We have observed a shift from a high demand for individual resources to thematic consultancy and ICT advice, although this has happened more slowly in the Benelux countries than in other European countries. The number of tenders for large projects has been relatively small as a result.

At the same time, the services offered by individual professionals (whether for consultancy services or ICT advice) are increasingly becoming a commodity, which allows clients to compare fees more easily and renders the services offered by different providers more interchangeable.

#### *Revenue volatility*

The markets in which we operate are volatile. Our revenue in the Belgian and Luxembourg markets are less volatile than in the Dutch market. In Belgium and Luxembourg we target small and medium-sized enterprises with strong local roots. This market segment is less susceptible to the economic cycle than the larger corporates we serve in the Netherlands.

#### *Preferred supplier*

Clients seek to limit the number of business partners that they deal with. In their selection of partners they appear to prefer parties that have the right knowledge and expertise and sufficient scale to ensure continuity.

#### *Offshoring and nearshoring demand remains firm*

The outsourcing of work to offshore (south and south-east Asia) and nearshore (Eastern Europe) facilities in low-wage countries continues unabated. However, companies have become more selective regarding the size and nature of the engagements they outsource. Clients recognise the importance of managing such projects from their home country. Ordina can offer its clients offshore and nearshore resources through its partnerships with a select group of trusted and highly skilled partners. To continue serving our clients cost-effectively, we are exploring the establishment or acquisition of a nearshore facility. A final decision will be made before 30 June 2012.

#### *Infrastructure service providers in the applications market*

Major infrastructure providers have assumed a new position in the market. They are offering "Software as a Service" (**SaaS**), providing applications (often for support processes such as human resources management) running in their infrastructure. From a cost perspective, this can be an interesting option for clients, certainly as far as standard functionalities are concerned. It allows them to gain access to the functionalities they seek and have greater control over operational expenses without having to make large-scale investments.

This makes it even more important for us to specialise further and focus on close relationships with clients and quality (enabling the predictability of costs). At the same time, when acting as partners in integration and implementation, we believe we can provide added value compared to SaaS providers because future-proof information provision requires coherence between different processes, functionalities, data collection and systems, which SaaS currently does not allow.

#### *Ability to control ICT projects receives more attention*

Clients are becoming increasingly aware that large scale ICT projects are not always easily controlled. Large clients previously limited these risks by working with service providers that offered greater scale, experience and financial resources needed in order to bid for big, complex projects. We have the intention to continue being an implementation partner in projects of the right size that fit within our local-to-local approach.

#### *Competition from brokers*

Fees are coming under greater pressure as brokers manage to obtain more and more of the secondment market by adopting low-margin strategies. Brokers act as intermediaries for self-employed freelancers and, in doing so, their business model has a lower risk profile than Ordina, where the vast majority of professionals are on the payroll. Therefore, Ordina has to distinguish its profile by pursuing a value-added strategy and focusing on reducing indirect costs.

#### *Sustainability and corporate social responsibility*

Sustainability and corporate social responsibility are increasingly becoming important aspects of running a modern business. Virtually every reputable organisation is seeking ways to add value to society and sustainability. Clients (mainly in the public sector) increasingly set sustainability and corporate social responsibility requirements on the products and services that they purchase.

#### *The labour market*

An economic downturn usually leads to less movement in the labour market. Owing to the uncertainty in the market, people appear to opt for job security and do not readily change employer. To encourage people to opt for Ordina, we are using qualitative arguments such as an enjoyable environment with growth prospects.

Apart from the limited movement in the labour market, there also seems to be a discrepancy between the quality of supply and demand. We expect that there will be more movement in the labour market if client demand picks up again. At that time, new shortages are anticipated because competing ICT service providers have similar quality requirements. Nevertheless, Ordina is pursuing a selective recruitment policy. We are investing substantial energy in attracting highly qualified starters and experienced professionals who have the competences and growth potential to add value to our business. We also believe that any future shortage of highly qualified staff will be absorbed by outsourcing to other geographic regions.

### **9.11 Sustainability and corporate social responsibility**

The principles of sustainable business development are becoming increasingly important for our clients, investors, staff and other stakeholders as well as for us. For that reason, sustainable business development has been entrusted to the CEO. We have established a sustainability desk that is responsible for policy execution and coordination. To embed sustainability and corporate social responsibility in our operations, we seek to integrate them into our regular planning and control cycle. Ordina has opted to focus on aspects that are of the greatest relevance to us. The GRI (Global Reporting Initiative) indicators introduced in 2009 remained unchanged in 2010. These relate to the environment, staff and social commitment. Since 2011 the Ordina entities report internally on these indicators every quarter.

### *Sustainability in our services*

We take a proactive approach to sustainability in our operations and put our knowledge and expertise at our clients' disposal. Ordina offers sustainability sessions to clients with which it has concluded major contracts. With our clients, we explore ways to make their systems, processes and services more sustainable. By combining our knowledge of their organisations with the professional competences of our experts, we can bring about tangible and practical improvements. Ordina established a consultancy group in 2010 to advise and support clients on how to organise sustainable operations.

### *Commitment to society*

Ordina acts as a sustainable and responsible business by using its knowledge to help resolve social issues. This includes participating in a Dutch pilot project to assist people with a disability to integrate into the labour market. Further, we have had a partnership agreement for several years now with the Dutch Red Cross for the provision of organisational and ICT support to local Red Cross organisations based in Africa, and since 2006 we have also cooperated with Oxfam Novib on a system that measures the social impact of granting microcredit. A total of 150 Ordina employees worked on this project. The system was completed in 2010 and the cooperation with Oxfam is no longer in force.

## **9.12 Property, plant and equipment**

All of the facilities through which Ordina operates its business in the Netherlands, Belgium and Luxembourg are leaseholds. These facilities are set out below:

<b>Location</b>	<b>Principal use</b>	<b>Site area (m2)</b>
Nieuwegein, Netherlands	Head office	20,678
Amsterdam, Netherlands	Regional office	1,256
Apeldoorn, Netherlands	Regional office	233
Delft, Netherlands	Currently sub-leased to third party	727
Dordrecht, Netherlands	Regional office	908
Eindhoven, Netherlands	Regional office	482
Groningen, Netherlands	Regional office/partly sub-leased to third party	5,509
Nieuwegein, Netherlands	Storage facilities	412
Utrecht, Netherlands	Offices not in use	612
Zwolle, Netherlands	Regional office	240
Mechelen, Belgium	Regional office	3,182
Hasselt, Belgium	Regional office	2,120
Capellen, Luxembourg	Regional office	350

Ordina's total operational contractual lease obligations as per 30 September 2011 amounted to EUR 48.3 million of which EUR 6.6 million fall due within one year. Of the building lease obligations that fall due within one year, an amount of EUR 4.3 million relates to the head office in Nieuwegein. The lease for the head office in Nieuwegein runs until 30 September 2020. The lease in Delft expires on 31 December 2011 and will not be extended. The lease for the Apeldoorn office is in the process of being terminated. Ordina is looking for a sublessee for the offices in De Bilt. The duration of the remaining leases is between 6 months and 6 years.

Ordina's property, plant and equipment amounted to EUR 12.1 million in book value at the end of 2010 and mainly relates to employee work stations, which are all owned by Ordina.

As of the date of this Prospectus, Ordina has not planned expenditures that would substantially affect Ordina's cash flow.

### **9.13 Litigation**

The Group is involved in several legal proceedings relating to the normal conduct of its business, such as employment issues, customer claims and general liability. See also section 12.14 "Commitments and contingencies and contractual obligations". There are no governmental, legal or arbitration proceedings, including any such proceedings pending or threatened of which we are aware, during a period covering at least the past 12 months which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

### **9.14 Brands and intellectual property**

We trade under the brand names "Ordina" and "Clockwork". Other than our brand names, we do not own intellectual property rights that are material to our business.

### **9.15 Material contracts**

Except as set out below, in the two years immediately preceding the date of this Prospectus, neither Ordina nor companies within the Group have entered into any material contracts (other than contracts in the ordinary course of business), and have not entered into any contracts (other than contracts in the ordinary course of business) which contain any provision under which any company within the Ordina Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

Ordina N.V. has entered into a Subscription Agreement with PHD and PHF and the Priority. See section 6.2 "Subscription and sub-underwriting agreement" which contains a description of this agreement.

### **9.16 Strategic partnerships**

Ordina has entered into (non-exclusive) strategic partnerships with Microsoft, IBM, Oracle and SAP offering our clients direct access to their solutions. Ordina also cooperates with partners offering offshore and nearshore outsourcing resources, in particular Cognizant (offshore) and Levi9 (nearshore), which enables us to offer our clients large-scale solutions on competitive terms and provides us with a more flexible cost structure and lower delivery costs.

## 10. CAPITALISATION AND INDEBTEDNESS

The following table sets out the Company's capitalisation and indebtedness as at 30 September 2011. This table should be read in conjunction with the Consolidated Financial Statements and the notes thereto, incorporated by reference into this Prospectus, and the 2011 Q3 Figures and the notes thereto attached as Appendix 1 to this Prospectus. This table and the information set out in it has not been audited.

The table also shows the effects of the issue of 4,200,000 Ordinary Shares to PHD that occurred on 12 October 2011. Furthermore, the table shows the effects of the planned future events, i.e. the Offering (assuming no issue of Warrants) and Private Placement (collectively the "share issuances") and the intended refinancing of the existing senior debt (with the proceeds from the share issuances and the EUR 55 million new committed senior financing facility), and separately the effects of the two scheduled repayments of the Orange Loan (EUR 1,375,000 each) and the early repayment of the Orange Loan (intended to take place no later than February 2012), as if they all had been completed on 30 September 2011.

<i>(EUR thousands)</i>	<b>30 September 2011</b>	<b>Effect of share issue 12 October 2011</b>	<b>Effect of Offering, Private Placement and refinancing senior debt</b>	<b>Effect of (early) repayment of Orange Loan</b>	<b>Adjusted for share issuances, refinancing senior debt and (early) repayment Orange Loan</b>
<b>CAPITALISATION</b>					
- Secured short term debt	14,000	-	(14,000)	7,500	7,500
- Unsecured short term debt	30	-	-	-	30
- Orange Loan (unsecured, short term portion) <sup>5</sup>	5,500	-	-	(5,500)	-
<b>A. Short term debt</b>	<b>19,530</b>	<b>-</b>	<b>(14,000)</b>	<b>2,000</b>	<b>7,530</b>
- Secured long term debt <sup>6</sup>	29,605	-	(30,797)	20,000	18,808
- Orange Loan (unsecured, long term portion) <sup>7</sup>	20,976	-	-	(20,976)	-
<b>B. Long term debt</b>	<b>50,581</b>	<b>-</b>	<b>(30,797)</b>	<b>(976)</b>	<b>18,808</b>
- Issued share capital	5,051	420	3,714	-	9,185
- Legal reserves	3,219	-	-	-	3,219
- Other reserves	161,054	5,040	28,673	(2,262)	192,505
<b>C. Shareholders' equity</b>	<b>169,324</b>	<b>5,460</b>	<b>32,387</b>	<b>(2,262)</b>	<b>204,910</b>
<b>Total shareholders' equity and debt (A+B+C)</b>	<b>239,435</b>	<b>5,460</b>	<b>(12,410)</b>	<b>(1,238)</b>	<b>231,248</b>
<b>INDEBTEDNESS</b>					
- Cash	13,726	5,460	(12,410)	(1,238)	5,538
<b>A. Liquidity</b>	<b>13,726</b>	<b>5,460</b>	<b>(12,410)</b>	<b>(1,238)</b>	<b>5,538</b>
- Current bank debt	4,000	-	(4,000)	7,500	7,500
- Current portion of long term debt	15,500	-	(10,000)	(5,500)	-

<sup>5</sup> The amount stated here is the book value of the Orange Loan (in total EUR 26,476,000) as included in our 30 September 2011 unaudited interim financial information which is based on the effective interest rate method; the amount payable is EUR 27,500,000.

<sup>6</sup> The amount stated here is the book value of the term debt (in total EUR 29,605,000) as included in our 30 September 2011 unaudited interim financial information which is based on the effective interest rate method; the amount payable is EUR 30,000,000. The amount of EUR 30,797,000 also includes envisaged transaction costs related to the refinancing of EUR 1,192,000.

<sup>7</sup> Assuming no issuance of Warrants. If Warrants are issued, the (initial) net proceeds are lower for the number of warrants issued against the warrant price of EUR 0.83 instead of the issue of new Ordinary Shares against the issue price of new Ordinary Shares of EUR 0.93. The amount stated of EUR 32,387,000 equals the gross proceeds of the Offering and the Private Placement of EUR 34,540,000 minus costs related to the Offering and Private Placement of EUR 1,758,000 and minus EUR 395,000 effective interest on the senior debt.

<sup>8</sup> The amount of EUR 1,238,000 is the 5% prepayment penalty incurred for the early repayment of the Orange Loan, which is to be paid out of cash.

- Other current financial debt	30	-	-	-	30
<b>B. Current debt</b>	<u>19,530</u>	<u>-</u>	<u>(14,000)</u>	<u>2,000</u>	<u>7,530</u>
<b>C. Net short term debt (B-A)</b>	<b>5,804</b>	<b>-5,460</b>	<b>(1,590)</b>	<b>3,238</b>	<b>1,992</b>
D. Long term debt	50,581	-	(30,797)	(976)	18,808
<b>E. Net debt (C+D)</b>	<u>56,385</u>	<u>-5,460</u>	<u>(32,387)</u>	<u>2,262</u>	<u>20,800</u>

For a description of the indebtedness, see section 12.13 "Borrowings". For a description of the contingent liabilities, see 12.14 "Commitments and contingencies and contractual obligations".



## 11. SELECTED FINANCIAL INFORMATION

The following table presents selected consolidated financial information for the Group as of and for the period ended 30 September 2011 and 2010 and for the years ended 31 December 2010, 2009 and 2008. This selected consolidated financial information should be read in conjunction with the Consolidated Financial Statements and the notes thereto, incorporated by reference into this Prospectus, and the 2011 Q3 Figures and the notes thereto attached as Appendix 1 to this Prospectus. The Consolidated Financial Statements and the 2011 Q3 Figures are presented in euro with all amounts rounded to the nearest thousand.

The following table presents data from the Consolidated Financial Statements and the 2011 Q3 Figures (see also chapter 12 "Operating and Financial Review").

### CONSOLIDATED INCOME STATEMENTS

(EUR thousands)

	Nine months ended 30 September		Year ended 31 December		
	2011	2010	2010	2009 <sup>9</sup>	2008 <sup>10</sup>
	<i>(unaudited)</i>				
<b>Revenue</b>	<b>320,951</b>	<b>338,655</b>	<b>455,922</b>	<b>542,311</b>	<b>653,441</b>
Cost of hardware and software	(4,843)	(5,977)	(8,227)	(13,687)	(14,599)
Work contracted out	(93,205)	(75,031)	(105,877)	(115,696)	(108,227)
Personnel expenses	(205,673)	(236,532)	(310,190)	(348,500)	(450,425)
Amortization	(9,273)	(12,309)	(16,352)	(17,388)	(20,727)
Depreciation	(3,037)	(4,080)	(5,370)	(7,085)	(8,872)
Other operating expenses	(16,546)	(17,428)	(22,530)	(32,094)	(38,192)
<b>Total operating expenses</b>	<b>(332,577)</b>	<b>(351,357)</b>	<b>(468,546)</b>	<b>(534,450)</b>	<b>(641,042)</b>
<b>Operating profit/(loss)</b>	<b>(11,626)</b>	<b>(12,702)</b>	<b>(12,624)</b>	<b>7,861</b>	<b>12,399</b>
Finance income	122	210	485	637	195
Finance costs	(4,823)	(5,057)	(6,816)	(5,730)	(5,143)
Result on disposed subsidiaries	570	-	8,037	-	10,425
Share of profit of associates	-	18	58	300	133
<b>Profit/(loss) before tax</b>	<b>(15,757)</b>	<b>(17,531)</b>	<b>(10,860)</b>	<b>3,068</b>	<b>18,009</b>
Income tax expense	3,762	4,127	3,902	(1,749)	(2,442)
<b>Net profit/(loss) from continuing operations</b>	<b>(11,995)</b>	<b>(13,404)</b>	<b>(6,958)</b>	<b>1,319</b>	<b>15,567</b>
Net profit/(loss) from discontinued operations	-	-	-	(1,139)	(96,701)
<b>Net profit/(loss) for the year</b>	<b>(11,995)</b>	<b>(13,404)</b>	<b>(6,958)</b>	<b>180</b>	<b>(81,134)</b>

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EUR thousands)

	As at 30 September		As at 31 December		
	2011	2010	2010	2009 <sup>11</sup>	2008 <sup>12</sup>
	<i>(unaudited)</i>				
Intangible assets	201,939	213,340	211,496	224,003	240,028
Property, plant and equipment	11,995	13,273	12,123	16,999	20,355
Investments in associates	300	259	300	516	216
Loans	1,850	-	-	-	-
Deferred income tax assets	16,303	12,349	12,657	8,181	6,605
<b>Total non-current assets</b>	<b>232,387</b>	<b>239,221</b>	<b>236,576</b>	<b>249,699</b>	<b>267,204</b>
Trade and other receivables	87,970	95,022	84,853	98,395	161,393
Cash and cash equivalents	13,726	58,531	21,852	52,575	25,725
Current tax receivable	-	-	-	-	6,149
Assets held for sale	-	996	2,849	-	-
<b>Total current assets</b>	<b>101,696</b>	<b>154,549</b>	<b>109,554</b>	<b>150,970</b>	<b>193,267</b>
<b>Total assets</b>	<b>334,083</b>	<b>393,770</b>	<b>346,130</b>	<b>400,669</b>	<b>460,471</b>
<b>Equity</b>	<b>169,324</b>	<b>172,060</b>	<b>179,748</b>	<b>184,140</b>	<b>163,280</b>
Non-current liabilities	58,332	74,502	62,458	75,483	36,857
Current liabilities	106,427	147,208	103,924	141,046	260,334
<b>Total liabilities</b>	<b>164,759</b>	<b>221,710</b>	<b>166,382</b>	<b>216,529</b>	<b>297,191</b>
<b>Total equity and liabilities</b>	<b>334,083</b>	<b>393,770</b>	<b>346,130</b>	<b>400,669</b>	<b>460,471</b>

<sup>9</sup> Figures of 2009 related to cost of hardware and software and work contracted out are reclassified. The amount of the reclassification is EUR 15.2 million.

<sup>10</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

<sup>11</sup> Figures of 2009 related to cost of hardware and software and work contracted out are reclassified. The amount of the reclassification is EUR 15.2 million.

<sup>12</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

**CONSOLIDATED STATEMENTS OF CASH FLOWS***(EUR thousands)*

	<b>Nine months ended 30 September</b>		<b>Year ended 31 December</b>		
	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2009<sup>13</sup></b>	<b>2008<sup>14</sup></b>
	<i>(unaudited)</i>				
Net cash from operating activities	(9,721)	(16,613)	(1,840)	52,310	8,755
Net cash used in investing activities	(3,274)	(15,915)	(7,036)	(25,813)	(25,217)
Net cash used in financing activities	924	619	(8,519)	58,944	(18,094)
<b>Net movement in cash and cash equivalents</b>	<b>(12,071)</b>	<b>(31,909)</b>	<b>(17,395)</b>	<b>85,441</b>	<b>(34,556)</b>

<sup>13</sup> Figures of 2009 related to cost of hardware and software and work contracted out are reclassified. The amount of the reclassification is EUR 15.2 million.

<sup>14</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

## **12. OPERATING AND FINANCIAL REVIEW**

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set out in chapter 11 "Selected Financial Information" and the Consolidated Financial Statements and the notes thereto, incorporated by reference into this Prospectus, and the 2011 Q3 Figures and the notes thereto attached as Appendix 1 to this Prospectus. For a discussion of the presentation of the Company's financial information, see section 3.2 "Presentation of financial and other information".

### **12.1 Overview**

Ordina is a specialist knowledge supplier and offers consulting, ICT and outsourcing services on the interface between ICT and business processes. Ordina is active on the Benelux market where it focuses on the financial sector, public sector (including healthcare) and industry sector.

Ordina employs approximately 3,000 employees in the Netherlands, Belgium and Luxembourg. The head office is located in Nieuwegein, the Netherlands. In addition, Ordina has several branch offices in the Netherlands, Belgium and Luxembourg. For further information on Ordina's operations see chapter 9 "Business Overview".

### **12.2 Key factors affecting the results of operations**

The key factors that affect the Company's financial results include the following:

#### ***Dutch government decision making***

The Dutch government is our largest customer. The government includes not only the central government but also a number of governmental bodies and municipalities. The public sector (including healthcare) accounts for approximately 39% of our Recurring Revenue (Q3 2010: 40%; 2010: 42%; 2009: 46%). As a result, our revenue in the Netherlands depends on public spending on ICT and we therefore rely on a stable government with a clear investment program. Whenever governmental policy implementation is halted or postponed our revenues in this sector will decrease. In our experience, public spending on current ICT projects is suspended and new ICT projects are postponed in the period between the fall of a Dutch cabinet and the formation of a new one. For example, in February 2010 the Dutch cabinet fell and elections and a protracted phase of government formation began. During that time government ministries suspended and postponed major ICT projects and many of the projects postponed have not been restarted at a later stage. This drove down our 2010 Recurring Revenue generated in the public sector by approximately 22% compared to 2009. Currently, decisions on ICT projects are postponed as a result of the Dutch government's austerity programmes. In general, due to the economic conditions, the government's austerity measures and the postponing of ICT investments by the Dutch government may further drive down our revenue. In the healthcare business, ongoing uncertainty on ICT projects such as the electronic patient file is delaying decisions on ICT investment. A protracted period of uncertainty will adversely affect our revenue.

#### ***Economic conditions***

Our revenue depends to a large extent on economic conditions. In an economic downturn, our customers spend less on ICT. This applies to all of the sectors we are active in and all countries. Our revenue in the finance sector has suffered because of the credit crunch, which caused our customers in the finance sector to cut back drastically on ICT projects, leading to a 27% revenue decrease in this sector in 2009 compared to 2008.

We aim to reduce our exposure to the economic cycle by entering into long-term contracts that extend for more than one year. The percentage of revenue derived from long-term contracts has largely increased over the years.

	Nine months ended 30 September		Year ended 31 December		
	2011	2010	2010	2009	2008
	<i>(unaudited)</i>				
Percentage of Recurring Revenue derived from long-term contracts	32%	33%	32%	27%	18%

We aim to increase this percentage further to 35%.

### ***Available capacity***

Market conditions and technological developments are dynamic. As a result, we need to be able to respond to fluctuations in market demand and have sufficient resources available with the right skill set. We try to achieve that not only by adjusting the productivity of our own staff but also by contracting external independent consultants. These external consultants charge us on the basis of time spent. We also outsource work to nearshore and offshore outsourcing partners. Nearshore partners are located in eastern Europe (such as Levi9), and offshore parties are located in India (our main offshore partner is Cognizant). Hiring external consultants and outsourcing create flexibility and this allows us to meet changes in customer demand without having to hire new personnel or retrain our own personnel. It also allows us to reduce the costs for our customers. In our income statement, the cost involved in retaining external support is reported under "Work contracted out". The share of offshore and nearshore revenue is increasing. In 2010, we paid EUR 29 million to our offshore and nearshore partners (2009: 27 million). The profit margin we achieve on work outsourced to offshore and nearshore partners is generally lower than the profit margin on the work performed ourselves.

### ***Flexibility of indirect costs***

Our indirect costs are those that are not related directly to the work for customers. These include overhead costs such as head office staff, marketing, sales and own ICT costs and lease payments for our offices. These indirect costs are not affected by changes in revenue. The fluctuations in the demand for our ICT services result in fluctuating gross margins as our indirect costs are to an extent inflexible. We aim to make these indirect costs more flexible, so that our margins are less affected by a decrease in revenue. To this purpose, we have taken measures to bring indirect costs more in line with the size of our organisation by outsourcing the management of our own workstations, payroll accounting and employee records.

### ***Commoditisation and oversupply***

The ICT industry generally suffers from commoditisation. As a result, services that were once considered fairly special or unique are gradually becoming commonplace. Brokers and freelancers have entered the business of ICT services and consulting thereby increasing supply of ICT services and consulting. This affects the level of fees that customers are willing to pay for our ICT services and consulting.

Fee levels are also affected if there is oversupply of capacity in the ICT services business. In an economic downturn, markets are generally characterised by excess supply which increases competition and puts pressure on fees. This affects our revenue and profitability. We aim to offset this trend by specialising in a few delineated sectors (i.e. finance, public (including healthcare) and industry) and concentrate on the Benelux. There is less erosion of fees in these sectors than in the ICT market overall.

## **12.3 Acquisitions and disposals**

Our results over the past periods are strongly influenced by acquisitions and disposals. In Q3 2011 and in the financial years ended 31 December 2010, 2009 and 2008, we sold a number of companies to focus on our core activities (consulting, ICT and outsourcing services). In 2008 we acquired one company to strengthen our consulting and ICT activities. We report the book profit or loss attributable to the disposals in our profit and loss statement under the line item "Result on disposed subsidiaries".

### ***Acquisitions and disposals in the nine months ended 30 September 2011***

On 20 April 2011, we sold all shares in Finext B.V. with a book profit of approximately EUR 0.6 million. At the time of transfer, Finext employed about 110 people. The Company decided to sell Finext B.V. as Finext B.V.'s business did not form part of Ordina's core business. We agreed on a vendor loan of approximately EUR 1.9 million consisting of a loan of EUR 1.1 million and a EUR 0.8 million loan. Repayment of the loans depends on Finext B.V.'s future results. Finext B.V.'s results have been consolidated in our results until 1 April 2011.

### ***Acquisitions and disposals in the financial year 2010***

On 1 October 2010, we sold all shares in Integer Noord Nederland B.V., Integer Zuid Nederland B.V. and Integer TWO B.V. (Integer) with a book profit of approximately EUR 2.3 million. At the time of transfer, Integer employed about 185 people. We granted a vendor loan, of which the last instalment is due on 1 October 2013. Integer's results have been consolidated in our results until 31 August 2010.

On 11 November 2010, we sold all shares in Ormit B.V. and Ormit België N.V. with a book profit of approximately EUR 5.8 million. At the time of transfer, Ormit employed about 150 people. Ormit's results have been consolidated in our results until 31 October 2010.

### ***Acquisitions and disposals in the financial year 2009***

Effective 1 April 2009, we sold our business process outsourcing (BPO) activities. We paid the buyer an aggregate amount of EUR 24.0 million as compensation for badwill (i.e. expected future investments and operating losses) of which the last instalment of EUR 9.2 million was paid on 1 April 2010. The loss that results from the sale of BPO, including the operational results in the first quarter of 2009, amounted to approximately EUR 34 million. Of this amount, EUR 32 million was charged as non-recurring costs against the results of 2008.

### ***Acquisitions and disposals in the financial year 2008***

On 31 July 2008, we sold all shares in Ordina Technical Automation B.V. with a book profit of EUR 10.4 million. At the time of transfer, Ordina Technical Automation B.V. employed about 350 people.

In September 2008, we acquired all shares in E-Chain Management BVBA in Belgium for a total cash consideration of approximately EUR 4.3 million payable at acquisition. In addition, an amount of EUR 0.5 million was paid at acquisition by the issue of approximately 74,800 Ordinary Shares. We also made an earn-out payment (partly in cash, partly in Ordinary Shares) of approximately EUR 7 million. E-Chain generated more than EUR 15.2 million in revenue in the full year 2008. E-Chain's results have been consolidated with effect from 1 October 2008. We capitalised EUR 4.2 million in goodwill. At the time of acquisition by Ordina, E-Chain had about 100 employees in Belgium and Luxembourg. E-Chain offers expertise and carries out consulting and ICT projects relating to SAP software.

## **12.4 Non-IFRS reporting measure: Recurring EBITDA and Recurring Revenue**

Recurring EBITDA is a non-IFRS reporting measure and should not be considered as an alternative to the applicable IFRS measures. In particular, Recurring EBITDA should not be considered as a measurement of our financial performance under IFRS, as alternative to revenue, operating income or any other performance measures derived in accordance with IFRS. Recurring EBITDA is a measure of financial performance and has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of our results of operations as reported under IFRS. We use them in evaluating our business as supplemental measures of our operating performance. Other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, investors should rely on our consolidated financial statements prepared in accordance with IFRS

and treat our Recurring EBITDA as supplemental information only.

Recurring EBITDA is defined as operating profit for the period, adding back amortisation and depreciation, where the operating profit is adjusted for restructuring costs and divestments. These restructuring costs relate to one-off restructuring costs incurred in connection with our cost reduction programmes. The divestments are those described above under "Acquisitions and Disposals". We have included Recurring EBITDA in this Prospectus because it is a basis upon which our management assesses underlying business and financial performance and identifies controllable expenses. In addition, we present this measure because it is used by securities analysts, investors and other interested parties as a measure of the financial performance of companies in our industry. Recurring EBITDA is helpful as it eliminates the impact of items that we do not consider indicative of our core operating performance, facilitating comparison of operating performance from period to period and company to company by disregarding potential variations in items such as the amortisation of acquired intangibles.

In evaluating Recurring EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments reflected below. Our presentation of adjusted net income should not be construed as an inference that our future results will be unaffected by amortisations or any unusual or non-recurring items.

The following table presents a reconciliation of Recurring EBITDA to operating profit, the most comparable IFRS measure, for each of the periods indicated.

<i>(EUR million)</i>	<b>Nine months ended</b>		<b>Year ended 31 December</b>		
	<b>30 September</b>		<b>2010</b>	<b>2009</b>	<b>2008<sup>(1)</sup></b>
	<b>2011</b>	<b>2010</b>			
	<i>(unaudited)</i>				
<b>Operating profit (EBIT)</b>	(11.6)	(12.7)	(12.6)	7.9	12.4
Amortisation of acquired intangibles	7.6	10.8	14.2	15.5	16.9
<b>EBITA</b>	<b>(4.0)</b>	<b>(1.9)</b>	<b>1.6</b>	<b>23.4</b>	<b>29.3</b>
Restructuring costs <sup>(2)</sup>	9.5	3.0	6.7	9.1	19.3
EBITA divestments <sup>(3)</sup>	(0.2)	3.0	2.6	-	-
<b>Recurring EBITA</b>	<b>5.3</b>	<b>4.1</b>	<b>10.9</b>	<b>32.5</b>	<b>48.6</b>
Depreciation and amortisation of continuing operations	4.7	5.2	7.2	9.1	12.7
<b>Recurring EBITDA</b>	<b>10.0</b>	<b>9.3</b>	<b>18.1</b>	<b>41.4</b>	<b>61.3</b>

<sup>(1)</sup> Includes Ordina Technical Automation B.V.

<sup>(2)</sup> The restructuring costs are related to reorganisation as well as costs directly related to our cost saving programme 'The Great Return' (executed in 2008 and 2009).

<sup>(3)</sup> Divestments Q3 2011 concern Finext, divestments Q3 2010 concern Finext, Ormit and Integer and divestments full year 2010 concern Ormit and Integer.

We also use the term "Recurring Revenue", in order to compare revenue across time periods ignoring the effect of divestitures. This facilitates identifying the growth or fall in revenue of the businesses as continuously conducted over the period and nets out the revenue attributable to businesses sold. Recurring Revenue is defined as the total revenue for the applicable period (20XX) less the revenue for that period of the divestments made in that period. In order to make like for like comparisons the recurring revenue for the comparable period (20XX-1) is also adjusted for the total revenue of these same divestments (in 20XX) and for the total revenue of the divestments made in prior year (20XX-1). Consequently, the recurring numbers provided for 2009 when compared to 2010, differ from those provided for the same year 2009 when compared to 2008. This is because these comparisons exclude different businesses, in order to enable a like-for-like comparison.

## **12.5 Description of key line items**

### ***Cost of hardware and software***

The cost of hardware and software relates to the cost of hardware and software used in projects for customers.

### ***Work contracted out***

Work contracted out relates to the work performed by external parties including offshore and nearshore partners.

### ***Personnel expenses***

Personnel expenses includes the costs of personnel employed by the Group such as wages and salaries, social security payments and pension costs. Personnel expenses consists of both the costs of our personnel working for clients and costs of support staff and the Company's management.

### ***Depreciation and amortisation***

Depreciation and amortisation relate to the depreciation of property, plant and equipment, amortisation of software and other intangibles and impairment of intangible and tangible assets.

### ***Other operating expenses***

Other operating expenses relate to office accommodation costs, marketing and selling expenses and other expenses (including information management and automation expenses, insurance costs and audit and consulting fees).

### ***Finance costs - net***

Finance costs net is finance costs less finance income. Finance income includes interest received on bank balances and interest received in relation to the settlement of tax claims. Finance costs include interest paid on bank borrowings, interest due on the settlement of tax claims and the interest component of finance lease obligations.

### ***Result on disposed subsidiaries***

Result on disposed subsidiaries relates to the book profit or loss realised with the disposal of the subsidiaries Ordina Technical Automation (2008), Integer (2010), Ormit (2010) and Finext (2011).

### ***Share of profit of associates***

This item relates to the share of profit of associates. Associates of Ordina are Passwerk CVBA (Belgium) which added EUR 0.1 million to the Company's profit in 2010, Rijnconsult B.V. (sold in 2010) and Double Sigma B.V. (sold in 2008).

### ***Income tax expense***

The tax charge attributable to the Company is based on the tax charge attributable to the individual entity or group of entities in the relevant individual tax jurisdictions, on a separate return basis.

### *Net profit/(loss) from continuing operations*

Continuing operations concern the continued operations of the Company, i.e. the consulting, ICT and outsourcing activities.

### *Net profit/(loss) from discontinued operations*

Discontinued operations concern the discontinued operations of BPO (sold in 2009).

## **12.6 Financial review of Q3 2011 and Q3 2010**

The following table shows our consolidated income statement for Q3 2011 and Q3 2010 as derived from the Q3 2011 Figures.

<i>(EUR thousands)</i>	<b>Nine months ended 30 September</b>	
	<b>2011</b>	<b>2010</b>
	<i>(unaudited)</i>	
<b>Revenue</b>	<b>320,951</b>	<b>338,655</b>
Cost of hardware and software	(4,843)	(5,977)
Work contracted out	(93,205)	(75,031)
Personnel expenses	(205,673)	(236,532)
Amortisation	(9,273)	(12,309)
Depreciation	(3,037)	(4,080)
Other operating expenses	(16,546)	(17,428)
<b>Total operating expenses</b>	<b>(332,577)</b>	<b>(351,357)</b>
<b>Operating profit/(loss)</b>	<b>(11,626)</b>	<b>(12,702)</b>
Finance income	122	210
Finance costs	(4,823)	(5,057)
Result on disposed subsidiaries	570	-
Share of profit of associates	-	18
<b>Profit/(loss) before tax</b>	<b>(15,757)</b>	<b>(17,531)</b>
Income tax expense	3,762	4,127
<b>Net profit/(loss) from continuing operations</b>	<b>(11,995)</b>	<b>(13,404)</b>
Net profit/(loss) from discontinued operations	-	-
<b>Net profit/(loss) for the year</b>	<b>(11,995)</b>	<b>(13,404)</b>

### *Revenue*

In Q3 2011, total revenue decreased by EUR 17.7 million to EUR 321.0 million. The total revenue amounts include the revenue of Finext for Q3 2010 and the first three months of 2011, the revenue of Integer up to the first eight months of 2010 and those of Ormit for Q3 2010. In Q3 2011, our Recurring Revenue (i.e. exclusive of Finext, Integer and Ormit sold in 2011 and 2010) increased by EUR 5.9 million (2%) to EUR 318.8 million (Q3 2010: EUR 312.9 million). The increase is entirely attributable to a strong first six months start of the year. But the economic situation changed significantly over the summer months of 2011. Recurring Revenue over the three months period ended 30 September 2011 fell 4% against the same period 2010, from EUR 103.9 million to EUR 99.8 million.



The table below shows the development in our Recurring Revenue for each category of services for the nine and three months ended 30 September 2011 and 2010:

<i>(EUR million)</i>	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Consulting	42.1	45.4	12.8	14.8
ICT	179.0	165.5	55.6	53.6
Outsourcing	97.7	102.0	31.4	35.5
<b>Total</b>	<b>318.8</b>	<b>312.9</b>	<b>99.8</b>	<b>103.9</b>

The drop in Recurring Revenue is mostly felt in the last three months ended 30 September 2011. The growth in ICT Recurring Revenue achieved in the first six months levelled off in the last three months. Consulting Recurring Revenue dropped due to lower economic growth and cost reduction (notably in the finance sector).

The table below shows the development in our Recurring Revenue for each of our focus sectors for the nine and three months ended 30 September 2011 and 2010:

<i>(EUR million)</i>	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Finance	99.5	84.1	32.2	29.8
Public (incl. healthcare)	125.3	136.0	38.4	43.2
Industry	94.1	92.8	29.2	30.9
<b>Total</b>	<b>318.8</b>	<b>312.9</b>	<b>99.8</b>	<b>103.9</b>

The developments in Europe and the resulting uncertainties in the finance sector affected ICT expenditure; while Recurring Revenue in this market sector grew in the first six months by 24%, this growth slowed to only 8% over the three months period ended 30 September 2011. In the public sector, clients were still postponing their ICT investments (11% Recurring Revenue drop against the three months ended 30 September 2010). Economic circumstances in the industry sector deteriorated in the third quarter too, driving Recurring Revenue down 6% compared to the same period 2010.

Recurring EBITDA for the three months ended 30 September 2011 came out at EUR 1.9 million, a 17% drop against the same period 2010 (EUR 2.3 million).

#### ***Cost of hardware and software***

In Q3 2011, the cost of hardware and software decreased by EUR 1.2 million (20%) to EUR 4.8 million (Q3 2010: EUR 6.0 million). Cost of hardware and software depends on the purchases of hardware and software for customer projects. The reduction in the costs is largely due to a lower number of customer projects where we also provided the hard- and software related to the project in Q3 2011 in comparison with the same period in Q3 2010.

#### ***Work contracted out***

In Q3 2011, work contracted out increased by EUR 18.2 million (24%) to EUR 93.2 million (Q3 2010: EUR 75.0 million). This increase was mainly due to the increase in the number of projects we outsourced to outsourcing partners, in line with the overall market trend and our strategy.

#### ***Personnel expenses***

In Q3 2011, personnel expenses decreased by EUR 30.8 million (13%) to EUR 205.7 million (Q3 2010:

EUR 236.5 million). The decrease in personnel expenses was mainly due to the divestment of subsidiaries. We hired 126 new people in the third quarter of the year with competencies that reflects market demand. The total number of employees fell from 3,104 at 30 June 2011 to 3,071 at 30 September 2011, which is mainly attributable to the support staff headcount reduction program. As a result, the ratio of professional to support staff has continued to improve over the third quarter of the year 2011. The program envisages a reduction of in total 85 indirect FTEs for the whole of 2011.

### ***Depreciation and amortisation***

In Q3 2011, depreciation and amortisation decreased by EUR 4.1 million (25%) to EUR 12.3 million (Q3 2010: EUR 16.4 million). The decrease is mainly due to the decrease in the amortisation of acquisition intangibles (Q3 2011: EUR 7.6 million and Q3 2010: EUR 10.8 million).

### ***Other operating expenses***

In Q3 2011, the other operating costs decreased by EUR 0.9 million (5%) to EUR 16.5 million (Q3 2010: 17.4 million). The decrease is due to the divestment of subsidiaries and cost saving programs.

### ***Finance costs - net***

In Q3 2011, the finance costs net decreased by EUR 0.1 million to EUR 4.7 million (finance income EUR 122 thousand less finance costs EUR 4,823 thousand) (Q3 2010: EUR 4.8 million) (finance income EUR 210 thousand less finance costs EUR 5,057 thousand).

### ***Result on disposed subsidiaries***

The result on disposed subsidiaries of EUR 0.6 million is attributable to the sale of Finext B.V. in the first half year of 2011. The result on the disposed subsidiaries for Q3 2010 was nil, as the book profit on the sale of Integer and Ormit was recognised in the last quarter of 2010.

### ***Income tax income***

In Q3 2011, the income tax income decreased by EUR 0.3 million (7%) to EUR 3.8 million (Q3 2010: 4.1 million). The decrease was due to the decreased taxable result in Q3 2011 compared to the taxable result in Q3 2010. The effective tax rate for Q3 2011 was 24% (Q3 2010: 24%).

## **12.7 Comparison of the nine month periods ended 30 September 2011 and 2010 by segment**

<i>(EUR thousands)</i>	<b>Nine months ended 30 September<sup>15</sup></b>	
	<b>2011</b>	<b>2010</b>
	<i>(unaudited)</i>	
Netherlands	265,531	288,378
Belgium/Luxembourg	<u>55,420</u>	<u>50,277</u>
<b>Revenue</b>	<b>320,951</b>	<b>338,655</b>
Netherlands	(11,152)	(12,452)
Belgium/Luxembourg	<u>(474)</u>	<u>(250)</u>
<b>Operating profit/(loss)</b>	<b><u>(11,626)</u></b>	<b><u>(12,702)</u></b>

<sup>15</sup> These figures are the reported figures and include Finext (up to and including the first three months of 2011 and Q3 2010), Integer (up to first eight months of 2010) and Ormit (Q3 2010).

### **Revenue by segment**

In Q3 2011, total revenue decreased by EUR 17.7 million (5%) to EUR 321.0 million (Q3 2010: EUR 338.7 million). Revenue in the Netherlands decreased by EUR 22.8 million, mainly due to the divestment of subsidiaries. Revenue in Belgium/Luxembourg increased by EUR 5.1 million. We broadened our positioning in Belgium and Luxembourg, targeting customers in the finance and public markets as well, and achieved revenue growth in all sectors.

### **Operating profit/(loss) by segment**

In Q3 2011, operating loss decreased by EUR 1.1 million (9%) to EUR 11.6 million (Q3 2010: EUR 12.7 million). Operating loss in the Netherlands decreased by EUR 1.3 million, while operating loss in Belgium/Luxembourg remained nearly flat.

## **12.8 Financial review of the financial years ended 31 December 2010 and 2009**

The following table illustrates the Company's consolidated income statement for the year ended 31 December 2010 and 2009.

<i>(EUR thousands)</i>	<b>Year ended 31 December</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenue</b>	<b>455,922</b>	<b>542,311</b>
Cost of hardware and software <sup>16</sup>	(8,227)	(13,687)
Work contracted out <sup>16</sup>	(105,877)	(115,696)
Personnel expenses	(310,190)	(348,500)
Amortisation	(16,352)	(17,388)
Depreciation	(5,370)	(7,085)
Other operating expenses	(22,530)	(32,094)
<b>Total operating expenses</b>	<b>(468,546)</b>	<b>(534,450)</b>
<b>Operating profit/(loss)</b>	<b>(12,624)</b>	<b>7,861</b>
Finance income	485	637
Finance costs	(6,816)	(5,730)
Result on disposed subsidiaries	8,037	-
Share of profit of associates	58	300
<b>Profit/(loss) before tax</b>	<b>(10,860)</b>	<b>3,068</b>
Income tax expense	3,902	(1,749)
<b>Net profit/(loss) from continuing operations</b>	<b>(6,958)</b>	<b>1,319</b>
Net profit/(loss) from discontinued operations	-	(1,139)
<b>Net profit/(loss) for the year</b>	<b>(6,958)</b>	<b>180</b>

### **Revenue**

In 2010, total revenue decreased by EUR 86.4 million (16%) to EUR 455.9 million (2009: EUR 542.3 million). Included in the total revenue are two subsidiaries that were sold in 2010: Integer (sale completed in October 2010) and Ormit (sale completed in November 2010).

Our Recurring Revenue, i.e. the total revenue less the revenue achieved by Integer and Ormit, also fell. The Recurring Revenue decreased by EUR 76.8 million (15%) to EUR 436.6 million (2009: EUR 513.4 million).

<sup>16</sup> Figures of 2009 related to cost of hardware and software and work contracted out are re-classified. The amount of the re-classification is EUR 15.2 million.

The decline was mainly due to lower business volumes even as market conditions started to improve during 2010. The upturn in market conditions was particularly noticeable in the second half of the year. The growing confidence in the market was also reflected in our fee levels. These stabilised after a period of continuous decline during 2009. Productivity was structurally higher than in 2009 through strict management of staff and by limiting unwanted attrition. However, the upturn in market conditions, the stabilisation in fee levels and increased productivity could not fully offset the decrease in demand for our services.

The table below shows the development in our Recurring Revenue for each category of services provided for the years ending on 31 December 2010 and 2009:

<i>(EUR million)</i>	<b>Year ended 31 December</b>	
	<b>2010</b>	<b>2009</b>
Consulting	70.4	95.9
ICT	228.5	269.7
Outsourcing	137.7	147.8
<b>Total</b>	<b>436.6</b>	<b>513.4</b>

The Recurring Revenue decline was mostly felt in the consulting category, where the revenue fell by 27%. The consulting category is more vulnerable than the other categories to a market downturn, as customers looking to reduce their own costs tend to cut back on that type of service first. This occurred mainly in the public sector. The ICT decline of 15% was also mainly caused by the overall market downturn, causing pressure on fees and volumes. The outsourcing category fell the least (7%), thanks to the existence of multi-year contracts with customers. As a percentage of Recurring Revenue, the revenue from outsourcing rose to 32%.

The table below shows the development in our Recurring Revenue for each of our focus sectors for the years ended 31 December 2010 and 2009:

<i>(EUR million)</i>	<b>Year ended 31 December</b>	
	<b>2010</b>	<b>2009</b>
Finance	120.3	137.7
Public (incl. healthcare)	184.3	237.3
Industry	132.0	138.4
<b>Total</b>	<b>436.6</b>	<b>513.4</b>

Recurring Revenue in the public sector decreased by EUR 53.0 million (22%) to EUR 184.3 million (2009: EUR 237.3 million). In February 2010 the Dutch cabinet fell and elections and a protracted phase of government formation began. During that time government ministries suspended and postponed major projects. Recurring Revenue in the finance sector decreased by EUR 17.4 (13%) to EUR 120.3 million (2009: EUR 137.7 million) although demand for consulting services increased in the finance sector in the second half of 2010 as the effects of the credit crunch wore off. Recurring Revenue in the industry sector decreased only slightly (5%), helped by our strong position in the industry sector in Belgium where we implement SAP solutions. The industry sector showed a relatively strong performance in the second half of 2010.

### ***Cost of hardware and software***

In 2010, the cost of hardware and software decreased by EUR 5.5 million 40% to EUR 8.2 million (2009: EUR 13.7 million). Cost of hardware and software depends on the purchases of hardware and software for customer projects. Less hardware and software were required for the customer projects we did in 2010 than in the preceding year.

### ***Work contracted out***

In 2010, the work contracted out decreased by EUR 9.8 million (8%) to EUR 105.9 million (2009: EUR 115.7 million). Less work was contracted out as there was less demand for our services. The cost of work contracted out also includes the costs of offshore and nearshore activities. Although the total cost of work contracted out decreased, the part of the costs related to offshore and nearshore activities increased. This was due to the increase in the value of the projects that were outsourced to offshore and nearshore partners to EUR 29.0 million (2009: EUR 27.0 million).

### ***Personnel expenses***

In 2010, total personnel expenses decreased by EUR 38.3 million (11%) to EUR 310.2 million (2009: EUR 348.5 million). The decrease was mainly due to a smaller workforce (year's end 2010: 3,330 FTEs and year's end 2009: 4,121 FTEs or 3,711 FTEs excluding Integer and Ormit). Total personnel expenses includes personnel expenses of the subsidiaries Integer and Ormit that we sold in 2010. An amount of approximately EUR 8.0 million was recognised under personnel expenses in 2010 for restructuring costs (2009: approximately EUR 4.3 million).

### ***Depreciation and amortisation***

In 2010, depreciation and amortisation decreased by EUR 2.8 million (11%) to EUR 21.7 million (2009: EUR 24.5 million). The decrease was mainly due to the decrease in depreciation of tangible fixed assets (2010: EUR 5.4 million and 2009: EUR 7.1 million) following lower investment levels in previous years and the amortisation of acquisition intangible assets (2010: EUR 14.2 million and 2009: EUR 15.5 million).

### ***Other operating expenses***

In 2010, other operating expenses decreased by EUR 9.6 million (30%) to EUR 22.5 million (2009: EUR 32.1 million). The decrease mainly resulted from on-going cost saving programs.

### ***Finance costs - net***

In 2010, finance costs net increased by EUR 1.2 million (24%) to EUR 6.3 million (finance income EUR 485 thousand less finance costs EUR 6,816 thousand) (2009: EUR 5.1 million) (finance income EUR 637 thousand less finance costs EUR 5,730 thousand). In 2009, the interest rate swap was unwound. Excluding this one-off item the finance costs net for 2009 was EUR 3.8 million. In comparison with the adjusted finance costs net for 2009, the increase in 2010 amounted to EUR 2.5 million reflecting higher cost, mainly related to the Orange Loan as it carried interest only over part of 2009 while over the full year 2010 (see also section 12.13 "Borrowings").

### ***Result on disposed subsidiaries***

In 2010, result on disposed subsidiaries was EUR 8.0 million (2009: zero). The result in 2010 related to the divestment of Integer (net result of EUR 2.3 million) and Ormit (net result of EUR 5.8 million).

### ***Share of profit of associates***

In 2010, the share of profit of associates decreased by EUR 0.2 million to EUR 0.1 million (2009: EUR 0.3 million) due to the sale of Rijnconsult B.V. in 2010. On 31 December 2010, Ordina had one associate, Passwerk CVBA.

### ***Income tax income***

In 2010, income tax income was EUR 3.9 million as a result of the loss in 2010 (2009: income tax expense

EUR 1.7 million). In 2010, the effective tax rate was 36% (2009: 57%). The tax rate was affected by the tax exempt income mainly relating to the gains on the sale of Integer and Ormit. The effective tax rate for 2009 was strongly affected by non-deductable expenses compared to the relatively low pre-tax profit.

## 12.9 Comparison of financial years ended 31 December 2010 and 2009 by segment

<i>(EUR thousands)</i>	<b>Year ended 31 December</b>	
	<b>2010</b>	<b>2009</b>
Netherlands	387,654	472,232
Belgium/Luxembourg	68,268	70,079
<b>Revenue</b>	<b>455,922</b>	<b>542,311</b>
Netherlands	(12,442)	8,733
Belgium/Luxembourg	(182)	(872)
<b>Operating profit/(loss)</b>	<b>(12,624)</b>	<b>7,861</b>

### *Revenue by segment*

Revenue in the Netherlands decreased by EUR 84.6 million, mainly due to the divestment of subsidiaries. In Belgium and Luxembourg, there was only a slight decline in revenue of EUR 1.8 million (less than 3%) and revenue for 2010 came to EUR 68.3 million (2009: EUR 70.1 million). Revenue in Belgium and Luxembourg are less volatile than in the Netherlands, as the Belgian and Luxembourg activities are less susceptible to the economic cycle. The activities in Belgium and Luxembourg contributed 15% of total revenue in 2010 (2009: 13%).

### *Operating profit/(loss) by segment*

The operating loss in the Netherlands was EUR 12.4 million (2009: operating profit of EUR 8.7 million). The operating loss in Belgium/Luxembourg decreased by EUR 0.7 million to EUR 0.2 million (2009: operating loss of EUR 0.9 million). The decrease in operating profit mainly reflects the lower revenue in the Netherlands which was partly offset by on-going cost saving programs. In Belgium, we initiated cost saving programs in 2010 that largely compensated for the effects of the loss of revenue.

## 12.10 Financial review of the financial years ended 31 December 2009 and 2008

The following table illustrates the Company's consolidated income statement for the years ended 31 December 2009 and 2008.

<i>(EUR thousands)</i>	<b>Year ended 31 December</b>	
	<b>2009</b>	<b>2008<sup>17</sup></b>
<b>Revenue</b>	<b>542,311</b>	<b>653,441</b>
Cost of hardware and software <sup>18</sup>	(13,687)	(14,599)
Work contracted out <sup>18</sup>	(115,696)	(108,227)
Personnel expenses	(348,500)	(450,425)
Amortisation	(17,388)	(20,727)
Depreciation	(7,085)	(8,872)
Other operating expenses	(32,094)	(38,192)
<b>Total operating expenses</b>	<b>(534,450)</b>	<b>(641,042)</b>
<b>Operating profit/(loss)</b>	<b>7,861</b>	<b>12,399</b>

<sup>17</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

<sup>18</sup> Figures of 2009 related to cost of hardware and software and work contracted out are re-classified. The amount of the re-classification is EUR 15.2 million.

Finance income	637	195
Finance costs	(5,730)	(5,143)
Result on disposed subsidiaries	-	10,425
Share of profit of associates	300	133
<b>Profit/(loss) before tax</b>	<b>3,068</b>	<b>18,009</b>
Income tax expense	(1,749)	(2,442)
<b>Net profit/(loss) from continuing operations</b>	<b>1,319</b>	<b>15,567</b>
Net profit/(loss) from discontinued operations	(1,139)	(96,701)
<b>Net profit/(loss) for the year</b>	<b>180</b>	<b>(81,134)</b>

### **Revenue**

In 2009, total revenue decreased by EUR 111.1 million (17%) to EUR 542.3 million (2008: EUR 653.4 million). Out of the total revenue decrease, an amount of EUR 20.8 million is due to the divestment of Ordina Technical Automation B.V. Our Recurring Revenue, i.e. excluding Ordina Technical Automation, dropped from EUR 632.6 million in 2008 to EUR 542.3 million in 2009. Recurring Revenue in 2009 includes EUR 13.3 million attributable to the acquisition of E-Chain Management in Belgium.

The table below shows the development in our Recurring Revenue for each category of services provided for the years ended 31 December 2009 and 2008:

<i>(EUR million)</i>	<b>Year ended 31 December</b>	
	<b>2009</b>	<b>2008</b>
Consulting	97.3	158.2
ICT	297.2	362.8
Outsourcing	147.8	111.6
<b>Total</b>	<b>542.3</b>	<b>632.6</b>

In 2009, Recurring Revenue in consulting services decreased by 39% compared to 2008. The decrease was due to the collapse in demand in the finance sector. Recurring Revenue for ICT services also decreased, albeit less (18%). Without the E-Chain acquisition, the drop in ICT Recurring Revenue would have been worse (21%) as the Recurring Revenue for ICT of 297.2 million in 2009 includes EUR 13.3 million generated by E-Chain. Recurring Revenue in the service category 'outsourcing' increased by EUR 36.2 million (32%) to EUR 147.8 million (2008: EUR 111.6 million) also due to long-term contracts in the public sector.

The table below shows the development in our Recurring Revenue for each of our focus sectors for the years ended 31 December 2009 and 2008. Again, the Recurring Revenue numbers exclude the revenues of Ordina Technical Automation B.V.

<i>(EUR million)</i>	<b>Year ended 31 December</b>	
	<b>2009</b>	<b>2008</b>
Finance	143.7	197.3
Public (incl. healthcare)	240.4	248.0
Industry	158.2	187.3
<b>Total</b>	<b>542.3</b>	<b>632.6</b>

Recurring Revenue in the finance sector was hit hardest by the financial crisis and dropped 27%. The effects were concentrated in the first half of 2009 when we experienced a collapse in demand for services in the aftermath of the Lehman Brothers bankruptcy. The high level of uncertainty in the finance sector resulted in

a fall in ICT investments and strict cost control on ICT expenditures. Recurring Revenue in the industry sector also decreased, by 16%, due to pressure on fees and lower demand from our existing industry customers. Recurring Revenue in the public sector was relatively stable (decreased by 3%) as demand in the public sector is slower to react to changing market conditions than the finance sector.

### ***Cost of hardware and software***

In 2009, the cost of hardware and software decreased by EUR 0.9 million (6%) to EUR 13.7 million (2008: EUR 14.6 million). The decrease was mainly due to a lower number of customer projects where we also provided the hardware and software related to the project in 2010 in comparison with 2009.

### ***Work contracted out***

In 2009, the work contracted out increased by EUR 7.5 million (7%) to EUR 115.7 million (2008: EUR 108.2 million). The cost of work contracted out also includes the costs of offshore and nearshore activities. The offshore and nearshore activities increased as a result of which the total cost of work contracted also increased. The work contracted out to offshore and nearshore partners increased in 2009 in comparison to 2008, from approximately EUR 17 million to approximately EUR 27 million.

### ***Personnel expense***

In 2009, total personnel expense decreased by EUR 101.9 million (23%) to EUR 348.5 million (2008: EUR 450.4 million). The decrease is almost entirely due to a smaller workforce (year's end 2009: 4,121 FTEs and year's end 2008: 5,030 FTEs). This was a result of personnel reduction as part of cost savings programme 'The Great Return'. An amount of approximately EUR 4.3 million was recognised under personnel expense in 2009 for restructuring costs (2008: approximately EUR 17.0 million). Personnel expense also included an expense item of approximately EUR 0.3 million for share-based payment in 2009 (2008: a positive result of approximately EUR 0.5 million).

### ***Depreciation and amortisation***

In 2009, depreciation and amortisation decreased by EUR 5.1 million (17%) to EUR 24.5 million (2008: EUR 29.6 million). The decrease was mainly due to the decrease in depreciation of tangible fixed assets (2009: EUR 7.1 million and 2008: EUR 8.9 million) following lower investment levels in previous years. The amortisation of acquisition intangible assets was lower in 2009 due to the amortisation scheme of acquisitions in the past (2009: EUR 15.5 million and 2008: EUR 16.9 million).

### ***Other operating expenses***

In 2009, other operating expenses decreased by EUR 6.1 million (16%) to EUR 32.1 million (2008: EUR 38.2 million) as a result of 'The Great Return' costs saving programme.

### ***Finance costs net***

In 2009, finance costs net increased by EUR 0.2 million (4%) to EUR 5.1 million (finance income EUR 637 thousand less finance costs EUR 5,730 thousand) (2008: 4.9 million) (finance income EUR 195 thousand less finance costs EUR 5,143 thousand). In 2009, we renewed our finance facilities. The net finance costs for 2009 included an amount of approximately EUR 1.3 million for the redemption of the interest rate swap involving the long term loan that we terminated in 2009. Excluding this one-off item, the net finance costs for 2009 amounted to EUR 3.8 million, approximately EUR 1.1 million less in comparison to the net finance cost for 2008. The lower adjusted net finance costs for 2009 were due to a lower total debt position on average for 2009 compared to 2008.



### ***Result on disposed subsidiaries***

In 2009, the result on disposed subsidiaries was zero. In 2008, the result on disposed subsidiaries was EUR 10.4 million, reflecting the book profit on the sale of Ordina Technical Automation B.V.

### ***Share of profit of associates***

In 2009, the share of profit increased by EUR 0.2 million to EUR 0.3 million (2008: EUR 0.1 million) attributable to our associates Rijnconsult B.V. and Passwerk CVBA.

### ***Income tax expense***

In 2009, income tax expense decreased by EUR 0.7 million (29%) to EUR 1.7 million (2008: EUR 2.4 million). The income tax expense in 2009 is due to the taxable result for 2009. The effective tax rate for 2009 was 57% (2008: 14%). The effective tax rate for 2009 is mainly affected by non-deductable expenses, tax exempt income and differences with foreign tax rates. The effective tax rate for 2008 is strongly influenced by the tax exempt income regarding the result on the disposed subsidiary Ordina Technical Automation B.V.

## **12.11 Comparison of financial years ended 31 December 2009 and 2008 by segment**

<i>(EUR million)</i>	<b>Year ended 31 December</b>	
	<b>2009</b>	<b>2008<sup>19</sup></b>
Netherlands	472,232	584,884
Belgium/Luxembourg	70,079	68,557
<b>Revenue</b>	<b>542,311</b>	<b>653,441</b>
Netherlands	8,733	8,553
Belgium/Luxembourg	(872)	3,846
<b>Operating profit/(loss)</b>	<b>7,861</b>	<b>12,399</b>

### ***Revenue by segment***

Revenue in the Netherlands decreased by EUR 112.7 million (19%) to EUR 472.2 million (2008: EUR 584.9 million). This decrease was due to the collapse in demand by the finance sector for our services due to the economic conditions as well as the sale of Ordina Technical Automation. Revenue in Belgium and Luxembourg increased slightly, by EUR 1.5 million. A EUR 8.6 million revenue decline due to the deterioration of the economy was offset by the revenue increase of EUR 10.1 million due to the acquisition of E-Chain. In Belgium the revenue was realised almost entirely in the industry sector.

### ***Operating profit by segment***

In 2009, total operating profit decreased by EUR 4.5 million (36%) to EUR 7.9 million (operating profit 2008: EUR 12.4 million). Operating profit in the Netherlands stayed nearly flat whilst in Belgium and Luxembourg the 2008 operating profit of EUR 3.8 million turned into an operating loss of EUR 0.9 million in 2009. In the Netherlands, we were able to compensate the loss of revenue and to improve gross margin and lower indirect cost by a cost saving of more than EUR 25 million as a result of "The Great Return" programme. The decrease in operating profit in Belgium and Luxembourg was caused by the deterioration of the economy, causing pressure on fee levels.

<sup>19</sup> Figures of 2008 are reclassified due to the qualification for BPO as discontinued operations.

## 12.12 Liquidity and capital resources

The following table provides a summary of cash flows from Ordina's operations for each of the periods indicated.

### Cash flow data

<i>(EUR million)</i>	Nine months ended 30 September		Year ended 31 December		
	2011	2010	2010	2009	2008
	<i>(unaudited)</i>				
Net cash flow from operating activities	(9,721)	(16,613)	(1,840)	52,310	8,755
Net cash used in investing activities	(3,274)	(15,915)	(7,036)	(25,813)	(25,217)
Net cash flow from financing activities	924	619	(8,519)	58,944	(18,094)
<b>Increase/(decrease) in net cash position</b>	<b>(12,071)</b>	<b>(31,909)</b>	<b>(17,395)</b>	<b>85,441</b>	<b>(34,556)</b>
Net cash position at beginning of the period	21,767	39,162	39,162	(46,279)	(11,723)
<b>Net cash position at end of the period</b>	<b>9,696</b>	<b>7,253</b>	<b>21,767</b>	<b>39,162</b>	<b>(46,279)</b>

### Net cash from operating activities

In Q3 2011, net cash flow from operating activities was EUR 9.7 million negative (Q3 2010: EUR 16.6 million negative). The change in net cash flow from operating activities in comparison to the same period in 2010 is mainly attributable to movements in operating profit and working capital. Movements in working capital were strongly affected by the difference in movements in short term liabilities (Q3 2011: EUR 1.5 million negative; Q3 2010: EUR 14.3 million negative). Furthermore the operating results in Q3 2011 (EUR 11.6 million negative) were better in comparison to Q3 2010 (EUR 12.7 million negative), although still negative.

In 2010, net cash flow from operating activities was EUR 1.8 million negative (2009: EUR 52.3 million positive). The change in net cash flow from operating activities in comparison to 2009 was mainly attributable to the movements in operating profit and working capital. In 2010, the days sales outstanding (DSO) (which is the number of days our clients take to pay their outstanding bills) amounted 52 days, which is a slight deterioration compared to 2009 (47 days).

In 2009, net cash flow from operating activities was EUR 52.3 million positive (2008: EUR 8.8 million positive). The change in net cash flow from operating activities in comparison to 2008 was mainly attributable to the movements in operating profit, working capital and the income tax received (2009: received EUR 6.6 million and 2008: paid EUR 8.0 million). In 2009, the DSO improved to 47 days from 62 days in 2008. In 2009 the movement in trade and other receivables amounted to EUR 44.6 million positive (mainly attributable to an improvement in DSO) and the movement in current liabilities amounted to EUR 27.2 million negative.

### Net cash used in investing activities

In Q3 2011, net cash flow from investing activities was EUR 3.3 million negative (Q3 2010: EUR 15.9 million negative). The change in net cash flow from investing activities in Q3 2011 compared to Q3 2010 was mainly attributable to proceeds received from the divestment of subsidiaries (Q3 2011: EUR 2.0 million positive, related to the divestment of Finext; Q3 2010: 0.2 million negative) and the net cash used in discontinued investing activities (Q3 2011: zero; Q3 2010: EUR 9.2 million negative which was the result of the discontinued investing activities relating to BPO). The net cash flow from acquisitions of group

companies decreased by EUR 1.9 million to EUR 0.8 million (Q3 2010: EUR 2.7 million). These amounts are related to earn out commitments as no acquisitions were made in 2010 and 2011.

In 2010, net cash flow from investing activities was EUR 7.0 million negative (2009: EUR 25.8 million negative). The change in net cash flow from investing activities in 2010 compared to 2009 was mainly the result of the proceeds received from the divestment of subsidiaries (2010: EUR 11.7 million, as a result of the divestment of Integer and Ormit; 2009: zero) and the net cash used in discontinued investing activities (2010: EUR 9.2 million negative and 2009: EUR 16.3 million negative). The net cash used in discontinued investing activities relates to BPO.

In 2009, net cash flow from investing activities was EUR 25.8 million negative (2008: EUR 25.2 million negative). The change in net cash flow from investing activities in 2009 compared to 2008 is mainly the result of the proceeds received from the divestment of associates (2009: zero; 2008: EUR 25.0 million, related to the divestment of Ordina Technical Automation) and the net cash used in discontinued investing activities (2009: negative EUR 16.3 million; 2008: negative EUR 33.2 million). The net cash used in discontinued investing activities relates to BPO.

### ***Net cash used in financing activities***

In Q3 2011, net cash flow from financing activities was EUR 0.9 million positive (Q3 2010: EUR 0.6 million positive). The change in net cash flow from financing activities in comparison to the same period in 2010 was attributable to the proceeds from the issue of Ordinary Shares.

In 2010, net cash flow from financing activities was EUR 8.5 million negative (2009: EUR 58.9 million positive). The change in net cash flow from financing activities in 2010 compared to 2009 was mainly attributable to the drawing/repayment of borrowings (2010: 10.0 million negative and 2009: EUR 39.6 million positive). In addition, in 2009 the proceeds from the issue of Ordinary Shares amounted to EUR 19.3 million (2010: EUR 1.5 million).

In 2009, net cash flow from financing activities was EUR 58.9 million positive (2008: EUR 18.1 million negative). The change in net cash flow from financing activities in 2009 compared to 2008 was mainly attributable to the drawing/repayment of borrowing (2009: EUR 39.6 million positive and 2008: EUR 10.0 million negative). This was the result of the refinancing of previous borrowings in 2009. These were replaced by a EUR 120 million committed senior financing facility (see section 12.13 "Borrowings"). In addition, in 2009 the proceeds from the issue of Ordinary Shares were EUR 19.3 million (2008: EUR 0.2 million). In 2008, dividends paid to Shareholders amounted to EUR 8.3 million (2009: zero dividends).

## **12.13 Borrowings**

### ***Current borrowings and planned refinancing***

At the date of this Prospectus, we have borrowings consisting of a EUR 120 million committed senior financing facility and a EUR 27.5 million subordinated facility (i.e. the Orange Loan), see below. On 30 November 2011, the Company entered into a conditional EUR 55 million term and revolving facilities agreement with ABN AMRO Bank N.V., ING Bank N.V. and NIBC Bank N.V. for the purpose of, among other things, the refinancing of these facilities. The agreement is conditional upon, among other things, the settlement of the Offering and Private Placement.

The Company will use the net proceeds of the share issue completed on 12 October 2011, the Offering and the Private Placement to repay in part its existing EUR 120 million senior committed facility, EUR 44 million (in balance sheet EUR 43.6 million reflecting the effective interest method) on or about 22 December 2011.

The remaining outstanding amount under the existing EUR 120 million senior committed facility, approximately EUR 5.8 million, will be repaid in cash held by the Company. The new EUR 55 million term and revolving facilities are earmarked to be used to (i) repay the Orange Loan (approximately EUR 27.5 million (in balance sheet EUR 26.5 million reflecting the impact of the effective interest method) outstanding per 30 September 2011) in or before February 2012, subject to a 5% prepayment penalty (which will be paid in cash held by the Company), and (ii) general corporate and working capital purposes of the Group.

#### ***Existing EUR 120 million committed senior financing facility***

In October 2009, ING, Rabobank, Fortis Bank Nederland and NIBC provided Ordina a EUR 120 million committed senior financing facility. This facility replaced the committed facility of EUR 110 million, as made available by ING, Rabobank and RBS.

The committed senior financing facility comprises (i) a long-term loan with an original principal of EUR 35 million and (ii) a revolving facility of EUR 85 million. Of the revolving facility, EUR 10 million was used for a committed bank overdraft. The table below sets out the repayment schedule for the long-term loan.

<b>Repayment due</b>	<b>Amount (EUR million)</b>
31 October 2010	10
31 October 2011	10
31 October 2012	15
<b>Total</b>	<b>35</b>

At the date of this Prospectus, there is an amount of approximately EUR 15 million outstanding under the long-term loan.

The interest on the long-term loan and the revolving facility is set based on the prevailing base rate (EURIBOR) plus a margin and mandatory costs. The base rate is linked to the interest period to be designated by Ordina and may, in principle, range from one to six months. The margin depends on the ratio of earnings before interest, taxes, depreciation and amortisation (EBITDA) (adjusted for divestments and restructuring and reorganisation costs and any exceptionals as defined under IFRS) to Ordina's senior net debt (exclusive of the subordinated loan) at the end of each quarter, and may range between 1.75% and 3.75%.

The interest rate (base rate plus margin) on the long-term loan of EUR 35 million was 3.793% at year-end 2010 (year-end 2009: 2.474%). The floating base rate (year-end 2010: 1.043%; year-end 2009: 0.724%) was converted into a fixed interest rate of 1.86% through an interest rate swap based on the three-month interest period.

Ordina has an obligation under the revolving facility of EUR 15 million at year-end 2010 (year-end 2009: EUR 15 million). This obligation was recognised under non-current borrowings at year-end 2009. The interest rate (base rate plus margin) was 3.546% at year-end 2010 (year-end 2009: 2.175%). 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 senior net debt to EBITDA (adjusted for divestments and restructuring and reorganisation costs and any exceptionals as defined under IFRS) and an interest cover ratio. The covenants are based on the Consolidated Financial Statements. The credit agreement stipulates that the leverage ratio may not exceed 2.75:1 until and including 31 December 2010. A maximum leverage ratio of 2.5:1 applies since 1 January 2011. At year-end 2010, the leverage ratio was 0.9:1 (year-end 2009: 0.3:1). The interest cover ratio was 3.5:1 until 31 December 2010; a ratio of 4:1 applies since that date. At year-end 2010, the interest cover ratio was 4.6:1 (year-end 2009: 8.1:1). The credit agreement also stipulates that the total EBITDA (adjusted for divestments and

restructuring and reorganisation costs and any exceptionals as defined under IFRS) 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. This requirement was also satisfied at year-end 2010. The credit agreement furthermore stipulates that at least 70% of the total receivables of the Group should be subject to transaction security in favour of the lenders under the credit agreement. Only some trade receivables were pledged as security for this financing. This requirement was also satisfied at year-end 2010. The majority of group companies have assumed joint responsibility for the term loan and revolving facilities.

This facility will be replaced by a new EUR 55 million term and revolving facilities agreement on or about 22 December 2011 (see below).

#### ***Existing EUR 27.5 million subordinated facility (i.e. the Orange Loan)***

As at the date of this Prospectus, we also have a EUR 27.5 million subordinated facility with ING Corporate Investments Mezzanine Fonds B.V., Delta Lloyd Levensverzekering N.V. and NIBC Bank N.V. (i.e. the Orange Loan). Of the original principal amount of EUR 27.5 million an amount of approximately EUR 25.2 million is outstanding at the date of this Prospectus.

The annual interest coupon on this facility is 13.5%. Since 30 July 2010, interest has been due every three months. The loan has a term of six years. The Orange Loan may be repaid early subject to a penalty of 5% of the repaid amount. We intend to prepay the Orange Loan in full in cash either no later than on 21 February 2012 or 1 March 2012 (the latter if settlement of the Offering should occur after 17 February 2012 as provided in the new EUR 55 million term and loan and revolving facilities agreement) by drawdown under the new EUR 55 million term and revolving facilities. Repayment on 21 February 2012 would result in a penalty of approximately EUR 1.2 million (EUR 1.3 million if before 31 January 2012). The penalty payment will be paid in cash held by the Company.

In addition, Ordina concluded an underwriting agreement on 17 August 2009 with ING Corporate Investments Participaties and Delta Lloyd Levensverzekering N.V. under which Ordina has the option to issue Ordinary Shares to these parties to finance principal and interest payments due under the subordinated loan with the proceeds of an issuance of shares. The subscription price is equal to a discount of 6% of the volume weight average price of Ordinary Shares admitted to trading on Euronext Amsterdam calculated over a period of five business days prior to the issue. Ordina has made three issues under this agreement for a total number of 777,889 Ordinary Shares to ING and Delta Lloyd under this agreement. Ordina does not intend to use the option to issue Ordinary Shares before the planned repayment of the loan.

#### ***New EUR 55 million term and revolving facilities***

On 30 November 2011, the Company entered into a EUR 55 million committed term loan and revolving facilities agreement with ABN AMRO Bank N.V., ING Bank N.V. and NIBC Bank N.V. The Company and Ordina Holding B.V. are the borrowers. The purposes of the facilities are the refinancing of the EUR 120 million committed senior financing facility (see above) and the Orange Loan (see above) and the Group's general corporate and working capital purposes.

The agreement is subject to settlement of the Offering and Private Placement and other conditions common for transactions of this type. Drawings cannot be made under the facilities until the Settlement Date has occurred and which must be before 28 February 2012 (the **Effective Date**). Settlement Date is expected to be 22 December 2011.

The facilities comprise a term loan facility with an original principal amount of EUR 20 million and a EUR 35 million revolving credit facility. Both facilities rank *pari passu* without any preference between them and ahead of the Orange Loan. Ancillary facilities of up to a total aggregate amount of EUR 10 million may be drawn in place of part of the unutilised revolving credit facility commitment of ABN AMRO Bank N.V. and

ING Bank N.V.

The EUR 20 million term loan facility shall be applied to repay all amounts under the Orange Loan no later than on 21 February 2012 (or 1 March 2012, if settlement of the Offering should occur after 17 February 2012, as provided in the new EUR 55 million term and loan and revolving facilities agreement).

The table below sets out the repayment schedule for the EUR 20 million term loan facility.

<b>Repayment due on</b>	<b>Amount (EUR million)</b>
The date falling 18 months after the Effective Date	5
The date falling 24 months after the Effective Date	5
The date falling 30 months after the Effective Date	5
The date falling 36 months after the Effective Date	5
<b>Total</b>	<b>20</b>

The final maturity date for the EUR 35 million revolving credit facility (including the ancillary facilities of up to a total aggregate amount of EUR 10 million) is 22 December 2016 (assuming that the Effective Date is 22 December 2011).

Interest on the EUR 55 million committed term loan and revolving facilities is the sum of the prevailing base rate (EURIBOR), the applicable margin and the mandatory costs (if any). The base rate depends on the interest period chosen by the Company and may, in principle, be one, three or six months. The applicable margin depends on the ratio of Ordina's net debt to earnings before interest, taxes, depreciation and amortisation (EBITDA) (adjusted for non-recurring expenses, divestments and a limited amount of one-off, restructuring, reorganisation and transaction costs incurred in the financial year 2011 and 2012), and may vary between 2.00% and 3.50% annually for the EUR 20 million term loan facility and between 2.25% and 3.75% annually for the EUR 35 million revolving credit facility. An up-front fee in the amount of EUR 550,000 (being 1% of the total amount of the facilities) is payable by the Company to the agent (for the account of the lenders) under the credit agreement in two instalments: (i) 50% was paid on 1 December 2011 and (ii) 50% will be paid on the Effective Date. During the availability period of the term loan facility and the revolving credit facility, a commitment fee computed at 35% of the applicable margin on a lenders' available commitment under the term loan facility and the revolving credit facility, is payable by the Company to the agent (for the account of each relevant lender) under the credit agreement. The accrued commitment fee is payable quarterly in arrears. The Company is also obliged to pay certain fees to ABN AMRO Bank N.V. in their capacity as security agent and agent under the credit agreement.

The financial covenants for the EUR 55 million committed term loan and revolving facilities contain a maximum total leverage ratio and an interest cover ratio. The financial covenants is calculated in accordance with IFRS and tested by reference to the relevant Consolidated Financial Statements. The credit agreement stipulates that a total leverage ratio (the Company's total net debt to EBITDA adjusted for non-recurring expenses, divestments and a limited amount of one-off, restructuring, reorganisation and transaction costs incurred in the financial years 2011 and 2012) of 2.50:1.00 applies from 1 January 2012 up to and including 30 September 2012. During the following 15 months the maximum leverage ratio decreases in three steps to 1.25:1.00, which applies from 1 January 2014. An interest cover ratio of 2.5:1.00 applies from 1 January 2012 up to and including 31 March 2012. During the following nine months the interest cover ratio rises to 5.00:1.00, which applies from 1 January 2013. In addition, the Company is under the obligation to repay all amounts outstanding under the Orange Loan no later than on either 21 February 2012 or 1 March 2012, depending on the Effective Date.

The credit agreement stipulates that the total EBITDA of the companies that are party to the credit agreement as obligors should account for at least 80% of the consolidated EBITDA of the Group (excluding any intra Group items). Furthermore, the credit agreement stipulates that at least 70% of the total receivables owned by the Group should be subject to transaction security in favour of the security agent under the credit

agreement. The majority of group companies will give a guarantee under the credit agreement to secure the repayment of the term loan facility and the revolving credit facility.

The credit agreement includes a cross default provision which stipulates that an event of default occurs under the credit agreement if: (i) any financial indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period, (ii) any financial indebtedness of a member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default, (iii) any commitment for any financial indebtedness of a member of the Group is cancelled or suspended by a creditor of a member of the Group as a result of an event of default, or (iv) any creditor of any member of the Group becomes entitled to declare any financial indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default. However, no event of default will occur under the credit agreement if the aggregate amount of financial indebtedness or commitment for financial indebtedness falling within (i) to (iv) above is at any time less than EUR 2,500,000 (or its equivalent in any other currency or currencies).

Security for the EUR 55 million term loan and revolving facilities consists of an undisclosed pledge of trade receivables to be granted by certain subsidiaries of the Company in favour of ABN AMRO Bank N.V. as security agent under the credit agreement.

#### **12.14 Commitments and contingencies and contractual obligations**

At 31 December 2010, Ordina and its group companies have issued guarantees for a total amount of approximately EUR 2.4 million (2009: approximately EUR 2.8 million). These guarantees relate to lease commitments in particular.

Company cars provided to employees are usually acquired under operating leases spanning 36 to 48 months. Within this scope, Ordina and its groups' companies have a total car lease obligation of approximately EUR 16.4 million that falls due in less than one year (2009: EUR 22.6 million).

All buildings where group companies are located are in leasehold. Ordina does not have any buildings in freehold. In addition, Ordina and its group companies have a total building operational lease obligation of approximately EUR 6.9 million that falls due in less than one year (2009: EUR 8.6 million). Of the building leases that fall due within one year, an amount of EUR 4.3 million relates to the head office in Nieuwegein. The lease for the head office in Nieuwegein runs to 30 September 2020.

When BPO was still part of Ordina's Group, Ordina issued parent guarantees to some of BPO's customers for the performance of BPO of its obligations. In April 2009, Ordina transferred its shares in BPO to Centric. Centric agreed to indemnify Ordina for future claims under the parent guarantees given by Ordina and issued a full counter-guarantee. At the date of this Prospectus, Ordina is involved in discussions with two customers of BPO that intend to rely on the parent guarantee. The two customers have directed themselves to Centric (as current owner) but also to Ordina. The claim of one of these two customers is pending before court and concerns a maximum amount of EUR 17 million. If Centric fails to indemnify Ordina for future claims under the parent guarantees, Ordina will need to bear the costs of those parent guarantees itself.

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

The Company has issued indemnities under the Subscription Agreement to PHD (see section 6.2 "Subscription and sub-underwriting agreement") and under the Coordination Agreement to ING (see section 7.1 "Underwriting arrangements and Coordination Agreement").

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

The Company and the majority of its Dutch group companies form one or more tax groups 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.

The Company and the majority of its group companies have assumed joint and several liability for the bank overdrafts. Of trade receivables, an amount of approximately EUR 54.2 million was pledged as security under the financing facility at 31 December 2010 (2009: approximately EUR 56.4 million).

#### **12.15 Working capital statement**

The Company believes that the Group's working capital is sufficient for the Group's present requirements, that is, for at least 12 months following the date of this Prospectus.

#### **12.16 Current trading and outlook**

Historically the fourth quarter has been important for Ordina as a relatively large share of revenues and profits are generated in the last quarter of the year. Main drivers of this relative importance are that customers are keen to finish projects before year-end and hence a large number of project deadlines are set in December. In addition, productivity is relatively high given the limited number of public holidays and employee vacations resulting in a higher number of productive hours. However, the 2008 financial crisis and current economic uncertainties have a far larger impact than this seasonal trend.

The challenging market circumstances, especially in the public sector, that we experienced in the third quarter of 2011 are continuing into the fourth quarter. We expect recurring EBITDA for 2011 to come out at approximately EUR 16 million and net debt to amount to approximately EUR 50 million at 31 December 2011 (excluding the proceeds of the Rights Issue and the Private Placement). See also chapter 13 "Profit Forecast".

#### **12.17 Segmental reporting**

Our segment reporting is based on internal governance, reporting and decision-making aspects. As these are split geographically, we report geographic segment information for the Netherlands and Belgium/Luxembourg. Our associates Integer and Ormit, which we sold in the second half of 2010, and Finext, which we sold in the first half of 2011, were included in the Netherlands segment because of their economic similarities.

#### **12.18 Critical accounting policies**

The preparation of the financial statements of the Company requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities at the date of the Company's financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates 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.

##### ***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, when 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.

#### *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.

#### *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.

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 revenue 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. 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.

#### *Outsourcing contracts*

Individual activities performed under outsourcing 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.

#### *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.

#### *Intangible assets*

##### *Goodwill*

Acquisitions of group companies after 1 January 2004 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.

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'.

#### *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.

#### ***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 at each balance sheet date. 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.

#### ***Costs***

##### *Cost of hardware, software and work contracted out*

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

##### *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.

##### *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.

### *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'.

### *Finance costs*

This item includes interest received 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. In addition, finance costs include the interest component of finance lease obligations.

### *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 relating to 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.

### **13. PROFIT FORECAST**

We made the following public statement on 7 October 2011: "As a result of the challenging market conditions, Ordina management expects the Recurring EBITDA for the full year 2011 to be below that of 2010, resulting at EUR 16 million." This statement is reiterated in this paragraph.

"Recurring EBITDA" means operating profit (EBIT) adjusted for amortisation of intangible assets and depreciation and adjusted for reorganisation costs and EBITDA from disposed subsidiaries. Our Recurring EBITDA is not adjusted for other non-recurring items or EBITDA from abandoned activities. See section 12.4 "Non-IFRS reporting measure: Recurring EBITDA" for a full explanation and a bridge of Recurring EBITDA to operating profit.

#### ***Basis of preparation***

The statement above is based on our unaudited Recurring EBITDA for the nine months ended 30 September 2011, derived from our operating profit as explained by the bridge included in section 12.4 "Non-IFRS reporting measure: Recurring EBITDA", and on our forecast of Recurring EBITDA for the three months ending 31 December 2011. The statement has been prepared on a basis consistent with the accounting policies adopted by Ordina in its next annual financial statements.

#### ***Principal assumptions***

The principal assumptions on which the statement is based are set out below. The assumptions that are exclusively outside our influence are that:

- (a) there will be no material decline in productivity levels of staff for the period up to 31 December 2011;
- (b) there will be no material decline in average hourly rates or project results over the period up to 31 December 2011;
- (c) there will be no material change in the consulting, ICT and outsourcing services markets in which we operate;
- (d) we will retain or expand our current share of the markets in which we operate;
- (e) there will be no business interruptions that materially affect our business;
- (f) there will be no fundamental changes in the political and/or economic environment or natural disasters that would materially affect Ordina;
- (g) there will be no cabinet crisis occurring in the Netherlands or Belgium or other interruption of regular government, such that all investments in ICT projects are halted;
- (h) there will be no deepening of the financial crisis such that our customers in the financial sector will cancel or put their current ICT projects on hold;
- (i) as we experienced in previous years, customers remain keen to finish projects before year-end 2011;
- (j) there will be no material change in the ability or willingness of our customers to meet their payment obligations to us; and

- (k) there will be no material change in legislation or regulatory requirements impacting our operations or its accounting policies.

The assumptions that we can influence are:

- (i) there will be no acquisitions or disposals by Ordina prior to 31 December 2011;
- (ii) the level of variable remuneration will be in line with agreed performance measures and, if necessary, can be adjusted, depending on the company's financial position; and
- (iii) we do not significantly change our relationships with our customers.

### **13.2 Assurance report on the Expected Recurring EBITDA for the full year 2011**

#### ***Assurance report on the Expected Recurring EBITDA***

To: the Management Board of Ordina N.V.

#### ***Engagement and responsibilities***

We report on the compilation of the Expected Recurring EBITDA of Ordina N.V. ("the Company"), Nieuwegein for the year ending 31 December 2011 (the "Expected Recurring EBITDA"), set out in section 13 "Profit Forecast" on pages 92-93 of this Prospectus. The Expected Recurring EBITDA has been prepared on the basis as set out in the paragraph "Basis of preparation" in section 13 "Profit Forecast" of this Prospectus. The Expected Recurring EBITDA is required to be presented on a basis consistent with the accounting policies of the Company.

The Management Board of the Company is responsible for the preparation of this Expected Recurring EBITDA, including the assumptions on which it is based, as set out in the paragraph "Principal assumptions" in section 13 "Profit Forecast" of this Prospectus. Our responsibility is to form an opinion as required by Annex I item 13.2 of European Commission Regulation 809/2004 on the proper compilation of the Expected Recurring EBITDA.

We are not responsible for drawing any other conclusion on the Expected Recurring EBITDA or on any of its constituent elements nor do we express a conclusion on whether the results will be realised.

#### ***Scope and work performed***

We conducted our work in accordance with Dutch law, including Standard 3850N, "Assurance and other engagements with respect to prospectuses". This requires that we plan and perform our examination to obtain reasonable assurance about whether the Expected Recurring EBITDA has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Such an examination, which involved no independent examination of any of the underlying financial information, consisted primarily of an evaluation of the procedures undertaken by the Management Board of the Company in compiling the Expected Recurring EBITDA and the consistency of the Expected Recurring EBITDA with the accounting policies normally adopted by the Company.

Our work does not include evaluating the support for the assumptions underlying the Expected Recurring EBITDA.

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

## Opinion

In our opinion:

- the Expected Recurring EBITDA has been properly compiled on the basis of preparation stated in the paragraph "Basis of preparation" in section 13 "Profit Forecast" of this Prospectus; and
- the basis of accounting used for the Expected Recurring EBITDA is consistent with the accounting policies of Ordina N.V. as described in the paragraph "Basis of preparation" in section 13 "Profit Forecast" of this Prospectus.

### *Inherent limitations related to forecasts and restriction of use*

We draw attention to the fact that this Expected Recurring EBITDA is prepared by using the Management Boards' assumptions. It is not necessarily indicative for actual results. Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the deviation may be material.

The Expected Recurring EBITDA and our Assurance report thereon are required by Annex I item 13.2 of European Commission Regulation 809/2004 and are intended solely for enclosure in this Prospectus and therefore not suitable for any other purpose.

The Hague, 2 December 2011

PricewaterhouseCoopers Accountants N.V.

drs. F.P. Izeboud RA

Partner

## **14. DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE**

Set out below is a summary of some relevant information concerning the Shares and the Articles of Association and a brief summary of certain provisions of Dutch corporate law.

This summary does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the Articles of Association and Dutch law. The full text of the Articles of Association is incorporated in this Prospectus by reference and is available, in Dutch and in English, at the Company's website (see section 19.4 "Availability of documents").

### **14.1 General**

Ordina N.V. is a public limited liability company (*naamloze vennootschap*) and was incorporated under Dutch law by a notarial deed dated 17 January 1986. The Company operates under Dutch law. The Company has its statutory seat in Nieuwegein, the Netherlands, with its registered office at Ringwade 1, 3439 LM Nieuwegein, the Netherlands. The Company is registered with the Trade Register in Midden-Nederland (*Kamer van Koophandel Midden-Nederland*), the Netherlands, under the number 30077528. The telephone number of the Company is + 31 (0)30 6637000. The Company trades under the name Ordina. It also uses the trade name Clockwork for some of its activities.

### **14.2 Corporate Objects**

Pursuant to article 3 of the Articles of Association, our corporate objects are:

- (a) to incorporate and finance or to participate in any way in, to manage, to supervise and to promote enterprises and companies;
- (b) to take out loans, to lend and to place monies, as well as to acquire and to transfer and to dispose of receivables and assets;
- (c) to offer services to companies and enterprises with which the Company is associated in a group, as well as to third parties;
- (d) to furnish guarantees, provide security, warrant performance or in any other way assume liability, whether jointly and severally or otherwise, for or in respect of obligations of companies and enterprises, with which the Company forms a group; and
- (e) to perform any kind of financial or industrial activities and further to engage in any activity which may be related or conducive to the objects set out above.

### **14.3 Large company regime**

The large company regime (*structuurregime*) applies to the Company. Companies to which the large company regime applies are obliged to constitute a supervisory board. In the Company, the General Meeting appoints the members of the Supervisory Board on the nomination of the Priority.

The General Meeting can reject the nomination with an absolute majority of the votes cast with at least one-third of the issued capital represented at the General Meeting. The General Meeting and the works council both have a right of recommendation. A third of the members of the Supervisory Board must be nominated on the basis of the recommendation of the works council. In the Company, the Priority can only object to the recommendation of the works council on the grounds that the recommended person is unsuitable for the exercise of the duties of a member of the Supervisory Board or that the Supervisory Board will not be properly composed in case of appointment in accordance with the recommendation. For a more elaborate

description of the appointment of the Supervisory Board please refer to section 15.2 "Supervisory Board".

A supervisory board has extensive powers under the large company regime. Major strategic and organisational decisions taken within a company require the consent of the supervisory board. The supervisory board is also charged with the appointment and dismissal of the members of the management board. See also section 15.1 "Management Board".

#### 14.4 History of share capital

Set out below is an overview of the Company's authorised share capital for the years 2008, 2009 and 2010 and the issued share capital in these years. The Ordinary Shares and the Preference Shares have a nominal value of EUR 0.10 and the Priority Share has a value of EUR 0.50.

(EUR)	31 December 2008		31 December 2009		31 December 2010		30 September 2011	
	Share capital		Share capital		Share capital		Share capital	
	Authorised	Issued	Authorised	Issued	Authorised	Issued	Authorised	Issued
Ordinary Shares	7,200,000	4,133,374.10	7,200,000	4,928,667.90	10,000,000	5,010,526.30	10,000,000	5,051,320.20
Priority Shares	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Preference Shares	1,799,999.50	-	1,799,999.50	-	2,499,999.50	-	2,499,999.50	-
<b>Total</b>	<b>9,000,000</b>	<b>4,133,374.60</b>	<b>9,000,000</b>	<b>4,928,668.40</b>	<b>12,500,000</b>	<b>5,010,526.80</b>	<b>12,500,000</b>	<b>5,051,320.70</b>

At the date of this Prospectus, the Company's authorised share capital amounts to EUR 12,500,000, divided into:

- 100,000,000 Ordinary Shares with a nominal value of EUR 0.10 each, of which 54,713,202 Ordinary Shares are issued and outstanding;
- one Priority Share with a nominal value of EUR 0.50 which is issued and outstanding; and
- 24,999,995 Preferential Shares with a nominal value of EUR 0.10 each, of which none have been issued and outstanding.

At the date of this Prospectus, neither we nor any of our subsidiaries hold any of our own shares. All outstanding Shares are paid up.

On 12 October 2011, we issued 4,200,000 Ordinary Shares to PHD. On 5 September 2011, we issued 75,100 Ordinary Shares as part of the Management Board's long term remuneration. On 21 February 2011, we issued 66,490 Ordinary Shares in connection with the final earn-out payment for the acquisition of all shares in E-Chain Management N.V. and 266,349 Ordinary Shares to ING Corporate Investments, Delta Lloyd and NIBC pursuant to the Orange Loan.

On 19 November 2010, we issued 295,461 Ordinary Shares and on 20 August 2010 we issued 216,079 Ordinary Shares, all pursuant to the Orange Loan. On 12 July 2010, we issued 307,044 Ordinary Shares in connection with the final earn-out payment for the acquisition of all shares in E-Chain Management N.V.

On 3 July 2009, we issued 7,800,000 Ordinary Shares pursuant to the issuance of 3,200,000 Ordinary Shares to Flevo Deelnemingen V B.V. and 2,500,000 Ordinary Shares to Delta Lloyd N.V. and 2,100,000 Ordinary Shares to Fortis Bank (Nederland) N.V. On 25 May 2009, we issued 152,939 Ordinary Shares in connection with the earn-out payment for the acquisition of all shares in E-Chain Management N.V. in September 2008.

In 2008, we issued 74,800 Ordinary Shares in connection with the acquisition of all shares in E-Chain Management N.V. in September 2008.



#### **14.5 Issued share capital – the Offering**

The issued share capital will be increased significantly as a result of the Offering. After the settlement of the Offering and the Private Placement, the Company's issued share capital will amount to up to EUR 9,185,299.20 (dependent on whether Warrants will be issued), divided into:

- (a) up to 91,852,987 Ordinary Shares with a nominal value of EUR 0.10 each; and
- (b) one Priority Share with a nominal value of EUR 0.50.

Together, the Offer Shares and Private Placement Shares comprise approximately 67.9% of the share capital issued at the date of this Prospectus.

#### **14.6 Issue of Shares**

The Priority may decide to issue Shares. The scope of the Priority's authority to issue Shares is determined by a resolution of the General Meeting and relates at most to all unissued Shares of the authorised capital, as applicable now or at any time in the future. The duration of this authority is also determined by a resolution of the General Meeting and is usually for 18 months but for five years at most. Designation of the Priority as the body competent to issue Shares may be extended by a resolution of the General Meeting for a period not exceeding five years in each case. The number of Shares that may be issued will be determined at the time of designation. Designation by resolution of the General Meeting cannot be withdrawn unless determined otherwise at the time of designation. If the authority to issue Shares is not delegated or upon termination of the authority of the Priority, the General Meeting may decide to issue Shares, save where another corporate body has been designated by the General Meeting.

During the annual general meeting of 11 May 2011, the General Meeting authorised the Priority for a period of 18 months to issue Shares and rights to subscribe for Shares up to an amount of 10% of the then outstanding share capital and an additional 10% in case of a merger or acquisition. On 1 December 2011, the General Meeting authorised the Priority to issue 37,139,785 Ordinary Shares.

#### **14.7 Statutory pre-emptive rights**

Shareholders have a statutory pre-emptive right in the event of an Ordinary Share issue. The Priority has the authority to restrict or exclude the Shareholders' pre-emptive right in the context of an issue of Ordinary Shares. Holders of Ordinary Shares do not have pre-emptive rights to subscribe for an issue of Preference Shares. Designation of the Priority as the body competent to restrict or exclude the pre-emptive right may be extended by a resolution of the General Meeting for a period of usually 18 months but not exceeding five years in each case. Designation by resolution of the General Meeting cannot be withdrawn unless determined otherwise at the time of designation.

During the annual general meeting of 11 May 2011, the General Meeting authorised the Priority for a period of 18 months to restrict or exclude the Shareholders' pre-emptive right in the context of an issue of Shares and rights to subscribe for Shares up to an amount of 10% of the then outstanding share capital and an additional 10% in case of a merger or acquisition. On 1 December 2011, the General Meeting authorised the Priority to restrict or exclude the Shareholders' pre-emptive right in the context of the issue of 37,139,785 Ordinary Shares.

#### **14.8 Share repurchase**

The Company may acquire fully paid-up Shares in its own capital, but only for no consideration or if (i) the distributable part of the shareholders' equity is at least equal to the total purchase price of the repurchased Shares and (ii) the nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed half of the issued capital. The Management Board needs

authorisation by the General Meeting for the repurchase of Ordinary Shares for consideration. This authorisation is valid for a maximum of 18 months. As part of the authorisation, the General Meeting specifies the number of Ordinary Shares that may be repurchased, the manner in which the Ordinary Shares may be acquired and the price range within which the Ordinary Shares may be acquired. A resolution of the Management Board to repurchase Shares is subject to the approval of the Supervisory Board.

No authorisation from the General Meeting is required for the acquisition of fully paid up Shares for the purpose of transferring these Shares to employees pursuant to any share option plan. The Company may not cast votes on Shares held in its own capital nor will such Shares be counted for voting quorum purposes.

On 11 May 2011, the General Meeting authorised the Management Board, subject to prior approval from the Supervisory Board, to acquire a maximum of 10% of the issued share capital for a period of 18 months at a purchase price between the nominal value of the Ordinary Shares and 110% of the share price on Euronext Amsterdam.

#### **14.9 Capital reduction**

The General Meeting may, but only on the proposal of the Priority, resolve to reduce the issued capital by cancelling Shares or by reducing the nominal amount of each Share by amending the Articles of Association. A resolution of the General Meeting to reduce the issued capital must designate the Shares to which the resolution relates. Only Shares held by the Company may be cancelled or all Preference Shares with reimbursement to the holder of Preference Shares of paid in amount. Any partial repayment on Shares or release from the obligation to pay up is only permitted to implement a resolution to reduce the nominal amount of the Shares. Such a repayment or release must be made in respect of all Shares or in respect of all Preference Shares. The General Meeting may only take a decision to reduce the capital with a majority of at least two-thirds of the votes cast if less than half the issued capital is represented.

#### **14.10 Form and transfer of Shares**

The Ordinary Shares are in bearer form and are traded through the book-entry facilities of Euroclear Netherlands. All Ordinary Shares are embodied in a global share certificate, which is currently held in custody by Euroclear Nederland. The Shareholders are entitled to such part of the global share certificate that corresponds with their shareholding.

Shareholders have the option to convert their right in the global share certificate into registered Ordinary Shares. Upon request of a Shareholder, the conversion of that Shareholder's right in the global share certificate into registered Ordinary Shares is effected by (i) transferring the Ordinary Shares by a deed between Euroclear Nederland and the relevant Shareholder, (ii) the acknowledgement by the Company of this transfer, (iii) deregistration by the Company of the relevant deposited Ordinary Shares from the global share certificate, (iv) debiting the relevant affiliated institution's collective depot with the corresponding amount, and (v) registration of the Ordinary Shares in the Company's shareholders register. A holder of registered Ordinary Shares may also request the Company to have those Ordinary Shares be converted into a right in the global share certificate by inclusion of those Ordinary Shares in the global share certificate. The Ordinary Shares are not subject to restrictions on transferability.

The Priority Share is in registered form.

#### **14.11 General Meetings**

The annual General Meeting must be held within six months following the end of each financial year. Typical agenda items are a discussion of the Company's annual report with respect to the general state of affairs and the auditors' report, the adoption of the annual accounts, the approval of the profit allocation and the granting of discharge to members of the Management Board and to members of the Supervisory Board.

General Meetings must be convened by the Management Board or the Supervisory Board. The convening notice must be given no later than the 42nd day before the date of the General Meeting. The General Meetings must be held in Nieuwegein, Amsterdam, Echteld or Utrecht, the Netherlands. The notice of a General Meeting is given on the Company's website ([www.ordina.com](http://www.ordina.com)). The notice of a General Meeting must include an agenda indicating the items for discussion. The notice includes the requirements for admission to the meeting.

Shareholders representing solely or jointly at least 1% of the Company's issued capital, or whose Shares represent at least a value of EUR 50 million, have a right to request the Management Board and the Supervisory Board to include items on the agenda of the General Meeting. The Management Board and the Supervisory Board must agree to these requests, provided that (i) no important interests of the Company exist, which oppose including such subjects on the agenda and (ii) the request was submitted in writing at least 60 days before the date of the General Meeting.

Other General Meetings are held as often as the Management Board or the Supervisory Board deems necessary. In addition, one or more Shareholders, who jointly represent at least one-tenth of the issued share capital may, on its or their application, be authorised by the court in interlocutory proceedings of the District Court to convene a General Meeting.

Each Shareholder is entitled to attend the General Meeting, to address the General Meeting and to exercise voting rights pro rata to its shareholding, either in person or by proxy. Each Shareholder that wishes to attend the General Meeting and to exercise its voting rights must register no later than 28 days before the date of the General Meeting.

Each Shareholder may cast one vote per Ordinary Share held. The Priority Share carries five votes. The General Meeting may adopt resolutions by a simple majority of the votes cast, except where a larger majority is prescribed by law or the Company's articles of association. Members of the Management Board and members of the Supervisory Board may attend a General Meeting. In these General Meetings, they have an advisory role.

#### **14.12 Annual accounts, semi-annual accounts and quarterly statements**

Annually, within four months after the end of the financial year, the Management Board must prepare the annual accounts and make them available for inspection by the Shareholders at the office of the Company. The annual accounts must be accompanied by an auditor's statement, an annual report and certain other information required under Dutch law and a report of the Supervisory Board. The annual accounts must be signed by the members of the Management Board and the Supervisory Board.

The annual accounts, the annual report, the other information required under Dutch law, the report of the Supervisory Board and the auditor's statement must be made available to the Shareholders for review as from the day of the notice convening the annual General Meeting. The annual accounts must be adopted by the General Meeting. The Management Board must send the adopted annual accounts to the AFM within five business days after adoption.

Within two months after the end of the first six months of the financial year, the Management Board must prepare a semi-annual financial statement and make it publicly available. If the semi-annual financial reporting is audited or reviewed, the independent auditor's statement must be made publicly available together with the semi-annual financial reporting.

During a period between ten weeks after the start and six weeks before the end of each half of the financial year the Management Board must prepare an interim statement and make it publicly available. The interim statement includes an explanation of the important events and transactions that took place during the period between the start of the financial year and publication of the interim statement and the consequences for the

financial position of the Company. The interim statement also includes a general description of the financial position and the performance of the Company during that period.

The Company will be obliged to publish the annual, semi-annual and quarterly statements and comply with other reporting obligations, including those resulting from the listing of the Ordinary Shares on Euronext Amsterdam, in accordance with the relevant Dutch laws.

#### **14.13 Dividends and other distributions**

The profit of the Company is at the disposal of the General Meeting to distribute to the Shareholders pro rata the number of Ordinary Shares they hold. The Company may only make distributions to the Shareholders and other persons entitled to the profit capable of distribution insofar as the Company's equity is larger than the amount of the paid-up part of the capital increased with the reserves that should be maintained pursuant to the law or the Articles of Association.

Any entitlement to a dividend distribution by a Shareholder expires five years after the date those dividends were released for payment.

See also chapter 4 "Dividend Policy".

#### **14.14 Dissolution and liquidation**

A resolution of the General Meeting to dissolve the Company may only be taken upon proposal by the Management Board with the approval of the Supervisory Board and the Priority. In the event of the dissolution of the Company pursuant to a resolution of the General Meeting, the members of the Management Board will be charged with the liquidation of the business of the Company and the Supervisory Board with the supervision thereof.

Out of the balance of the property of the Company after payment of all debts and the costs of the liquidation must first be distributed to the holders of the Preference Shares the nominal amount paid up on these Preference Shares. The remainder must be distributed to the holders of Ordinary Shares and the Priority Share in proportion to the aggregate nominal value of their Ordinary Shares or Priority Share, provided that to the holder of the Priority Shares no more than the nominal value of the Priority Share may be paid.

#### **14.15 Amendment of the Articles of Association**

The General Meeting may resolve to amend our Articles of Association, subject to a proposal by the Management Board, which requires the approval of the Supervisory Board and the Priority. Any change of the rights of holders of any classes of shares requires an amendment of the Articles of Association. The decision to amend the Articles of Association may be taken by the General Meeting with an absolute majority of the votes, irrespective of the represented capital.

#### **14.16 Rules governing obligations to make a public offer**

Based on Directive 2004/25/EC of the European Parliament and of the Council of the European Union (the **Takeover Directive**) each Member State should ensure the protection of minority Shareholders by obliging the person that acquires control of a company to make an offer to all the holders of that company's voting securities for all their holdings at an equitable price. The Takeover Directive applies to all companies governed by the laws of a Member State of which all or some voting securities are admitted to trading on a regulated market in one or more Member States. The laws of each Member State provide a percentage that forms the threshold for control over companies.

Under the laws of the Netherlands, the above percentage is 30%. A person – whether acting alone or in concert – that acquires 30% or more of the voting rights of a company whose shares are admitted to trading

on a regulated market must make an offer for the remaining shares of that company.

#### **14.17 Squeeze-out procedures**

If a person or company holds a total of at least 95% of a company's issued share capital by nominal value for its own account (a **Controlling Entity**), Dutch law permits such Controlling Entity to acquire the remaining shares in the company by initiating proceedings against the remaining shareholders. The price to be paid for those shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*).

Minority shareholders that have not previously tendered their shares under a public offer have a right to sell their shares, if the Controlling Entity has acquired at least 95% of the class of shares subject to the public offer and represents at least 95% of the total voting rights attached to these shares.

#### **14.18 Obligations to disclose holdings and transactions**

Shareholders may be subject to disclosure requirements under the Dutch Financial Supervision Act. The most important disclosure requirements for the Shareholders are:

- (a) any person who, directly or indirectly, acquires or disposes of a capital interest or voting rights in the Company must forthwith give written notice to the AFM of such capital interest and/or voting rights. This notification obligation will exist if an acquisition or disposal causes the total percentage of the capital interest and/or voting rights held to reach, exceed or fall below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%; and
- (b) any person whose capital interest or voting rights in the Company reaches, exceeds or falls below a threshold due to a change in the Company's outstanding share capital, or in votes that can be cast on the Shares of the Company as notified to the AFM by the Company, should notify the AFM no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital.

Any person with a capital interest or voting rights in the Company reaching or exceeding 5% will be required to notify the AFM of any changes in the composition (actual or potential) of this interest annually within four weeks from 31 December at 24:00 hours.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) Shares directly held (or acquired or disposed of) by any person; (ii) Shares (or depository receipts for Shares) held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; and (iii) Shares which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of including, but not limited to, on the basis of convertible bonds). Special rules apply to attribution of community of property. A holder of a pledge or right of usufruct in respect of the Shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the Shares. If a pledge holder or holder of a right of usufruct acquires such (conditional) voting rights, this may trigger reporting obligations for the holder of the Shares (or depository receipts for the Shares).

Furthermore, each member of the Management Board and Supervisory Board must immediately give written notice to the AFM by means of a standard form of any change in his or her holding of Shares and voting rights in the Company.

#### **14.19 Stichting Prioriteit Ordina Groep and Preference Shares**

On 9 December 1986 the Priority was incorporated. The purpose of the Priority is to safeguard our continuity

and to support our Company. The Priority tries to achieve this purpose amongst others by holding and exercising the rights attached to the Priority Share. The board of the Priority determines the number of board members A and board member B that make up the board of the Priority, provided that no more than half of the board members consists of board members A. Board members A are appointed by our Management Board and board members B are appointed by our Supervisory Board. At the date of this Prospectus, Stépan Breedveld is serving as board member A, Pamela Boumeester and Johan van der Werf are serving as board members B of the Priority.

As set out above under sections 14.6 "Issue of Shares" and 14.7 "Statutory pre-emptive rights", the Priority has been authorised as the corporate body to issue Shares and to limit or exclude pre-emptive rights in relation to an issuance of Shares, subject to the restrictions set out in the designation.

Without approval from the General Meeting, the number of issued Preference Shares may not exceed 50% of the other issued Shares. A decision of the Priority to issue Preference Shares requires approval of the Supervisory Board. Upon the issue of Preference Shares, at least 25% of the nominal value of the Preference Shares must be paid up.

#### **14.20 Market abuse regime**

The Company's insiders as described in article 5:60 of the Dutch Financial Supervision Act are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in Shares or in securities of which the value is at least in part determined by the value of the Shares. Insiders of the Company as described in article 5:60 of the Dutch Financial Supervision Act include (i) members of the Management Board, (ii) members of the Supervisory Board and (iii) persons who have a managerial position within the Company and in that capacity are authorised to make decisions which have consequences for the future development and prospects of the Company and who have access to inside information on a regular basis.

In addition, persons designated by the Dutch Market Abuse Decree who are closely associated with the members of the Management Board, the Supervisory Board or any other insider referred to above, must notify the AFM of the existence of any transaction conducted for their own account relating to the Shares of the company or securities of which the value is at least in part determined by the value of such Shares. The Dutch Market Abuse Decree designates the following categories of persons as being closely related for the purposes of the Dutch Market Abuse Decree: (i) the spouse or any partner considered by national law as equivalent to a spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, among other things, managed or controlled by members of the Management Board, the Supervisory Board or any other insiders referred to above.

This notification must be made no later than the fifth business day following the transaction date. The notification may be delayed until the moment that the value of the transactions performed for that person's own account, together with the transactions carried out by the persons associated with that person, reach or exceed an amount of EUR 5,000 in the calendar year in question. Non-compliance with the reporting obligations under the Dutch Financial Supervision Act could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with the reporting obligations under the Dutch Financial Supervision Act may lead to civil sanctions.

## **15. MANAGEMENT BOARD, SUPERVISORY BOARD AND EMPLOYEES**

This chapter contains a summary of the relevant information concerning the Management Board and the Supervisory Board as well as highlights of certain relevant provisions of the Articles of Association and Dutch corporate law. This summary describes the Articles of Association as applicable on the date of this Prospectus.

This chapter further includes a brief summary of information concerning the employees, incentives and pension plans.

As we are subject to the 'large company regime' (*structuurregime*), we have a mandatory two-tier board structure. The Management Board is the executive body and is responsible for the day-to-day management of the Company, its strategy and its operations. We also have a broader group-level management, consisting of key employees responsible for the management of the business units of the Group. The Supervisory Board supervises and advises the Management Board. In addition, Supervisory Board approval is required for certain important decisions of the Management Board.

### **15.1 Management Board**

#### ***Powers, responsibilities and functioning***

The Management Board is responsible for our day-to-day management, strategy and operations. The Management Board is required to keep the Supervisory Board informed and to consult the Supervisory Board on important matters, and must submit certain important decisions to the Supervisory Board for its prior approval.

The Management Board may perform all acts necessary or useful for achieving our corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association. The members of the Management Board have joint powers and responsibilities. The members of the Management Board share responsibility for all decisions and acts of the Management Board and for the acts of each individual member of the Management Board. The Management Board may only adopt resolutions with an absolute voting majority.

The Management Board as a whole is entitled to represent the Company. Additionally, each member of the Management Board is authorised to solely represent the Company.

In the event of a conflict of interest between the Company and a member of the Management Board, the Company must be represented by another member of the Management Board. If all members of the Management Board have a conflict of interest, the Company may be represented by such person appointed by the Supervisory Board for this purpose. The General Meeting may also always appoint someone for this purpose.

#### ***Appointment, term and dismissal***

The Articles of Association provide that the number of members of the Management Board will be determined by the Priority and that the Management Board will consist of at least one member.

The Supervisory Board appoints the members of the Management Board. The Supervisory Board informs the General Meeting about an intended appointment of a member of the Management Board.

The Supervisory Board may suspend or dismiss Management Board members at any time. The Supervisory Board may not dismiss a member of the Management Board unless the General Meeting has been consulted.

### ***Management Board resolutions requiring prior approval***

The Articles of Association provide that certain resolutions of the Management Board require the approval of the Supervisory Board. These include:

- (a) the issue and acquisition of Shares of the Company and debt instruments issued by the Company;
- (b) co-operation in the issue of depository receipts for Shares;
- (c) an application for admission of the instruments as referred to under (a) and (b) for trade on a regulated market, or an application for the withdrawal of such admission;
- (d) the entering into or termination of long-term co-operation of the Company or a subsidiary with any other company or legal entity or as a fully liable partner in a limited partnership or general partnership if such co-operation or termination is of fundamental importance to the Company;
- (e) the acquisition of a participation worth at least a quarter of the value of the issued capital plus reserves according to the Company's balance sheet plus explanatory notes, by the Company or a subsidiary in the capital of another company, and any substantial increase or decrease of such a participation;
- (f) investments requiring an amount equal to at least a quarter of the Company's issued capital plus reserves according to its balance sheet plus explanatory notes;
- (g) a proposal to amend the Articles of Association;
- (h) a proposal to dissolve the Company;
- (i) a petition for bankruptcy or a request for suspension of payments;
- (j) the termination of the employment of a considerable number of the Company's employees or of a subsidiary's employees simultaneously or within a short period of time;
- (k) a significant change in the employment conditions of a considerable number of the Company's employees or of a subsidiary's employees;
- (l) a proposal to reduce the issued capital of the Company;
- (m) a proposal to merge or demerge;
- (n) the entering into of agreements pursuant to which the Company is granted a bank loan;
- (o) the lending or borrowing of funds, with the exception of the withdrawal of funds from a current account held at the Company's bank(s);
- (p) the provision of personal or business guarantees or security rights;
- (q) the appointment of attorneys-in-fact (procuratiehouders) and the determination of their authority and titles;
- (r) the settlement of disputes;
- (s) the conduct of litigation both as plaintiff and as defendant, including arbitration proceedings, with the exception of the taking of urgent legal measures which cannot wait; and



(t) the exercise of rights attached to shares in the capital of subsidiaries.

The Supervisory Board may require other resolutions of the Management Board, in addition to those specified above, to be subject to its approval.

Additionally, resolutions of the Management Board relating to an important amendment of the identity or the character of the Company, require the prior approval of the General Meeting which includes:

- a transfer of the business or virtually the entire business to a third party
- the entry into or termination of a long-term cooperation of the Company or a subsidiary with another legal person or partnership or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of a far-reaching significance for the Company
- the acquisition or divestment by it or a subsidiary of a participating interest in the capital of a company having a value of at least one-third of the amount of its assets according to its balance sheet and explanatory notes or, if the company prepares a consolidated balance sheet, according to its consolidated balance sheet and explanatory notes in the last adopted annual accounts of the Company

### ***Members of the Management Board***

The Management Board is composed of the following members:

<u>Name</u>	<u>Year of birth</u>	<u>Position</u>	<u>Since</u>
Stépan Breedveld	1967	Chief Executive Officer	2011
Bart de Jong	1963	Chief Financial Officer	2010

The business address of the members of the Management Board is Ringwade 1, 3439 LM Nieuwegein, the Netherlands.

#### *Stépan Breedveld – Chief Executive Officer*

Stépan Breedveld is a Dutch resident and has been with Ordina since 2010 when he was appointed to the Management Board. In this position, he was responsible for the activities of Ordina in the Netherlands. Since 1 September 2011, he is the CEO and Chairman of the Management Board.

Prior to joining the Company, Stépan Breedveld worked at the Boston Consulting Group (**BCG**) for 17 years. At BCG, he helped to develop strategies and bring about performance improvements for telecoms, ICT and technology companies in the Netherlands and abroad. He also gained experience in managing professional services organisations. In his role as a senior partner and managing director, he was in charge of the day-to-day management of the telecoms, media and technology practice of BCG's Amsterdam office and of the worldwide telecoms activities.

#### *Bart de Jong – Chief Financial Officer*

Bart de Jong is a Dutch resident and has been with Ordina since 2009 when he was appointed Director of Finance of the operating unit Ordina Nederland. Since May 2010, he is the CFO and member of the Management Board. Prior to joining the Company, Bart de Jong was group controller at USG People and he fulfilled several senior financial management roles at KPN.

Bart de Jong is not, and has in the previous five years not been, a member of any (other) administrative, management or supervisory bodies in any companies, or a partner in any partnerships, which are relevant for his functioning as our Chief Financial Officer.

## ***Employment and severance agreements of members of the Management Board***

### *Term of employment*

Members of the Management Board have entered into employment contracts for a four-year term after which the contracts are renewable for consecutive periods. The employment contract ends either on its fourth anniversary or by notice of either party. Termination by a member of the Management Board of its employment contract requires a notice period of three months. The Company may terminate such employment contracts with a six-months notice period.

### *Term of appointment*

Members of the Management Board are appointed to the Management Board for a four-year term. On expiry of the four-year term, a member of the Management Board may be reappointed for successive terms of four years each.

### *Severance payments*

If an employment contract with a member of the Management Board is terminated early without this being imputable to that member of the Management Board, he is entitled to a severance payment of no more than 24 times his gross monthly salary. The members of the Management Board are also entitled to a severance payment of no more than 24 times his gross monthly salary in case of a change of control of the Company.

### *Loans and guarantees*

The Company does not grant loans or guarantees, including mortgage loans, to the members of the Management Board. At the date of this Prospectus, no loans are outstanding.

### *Claw-back*

A "claw-back" clause is included in the employment contracts of the members of the Management Board, applicable in the situation that the financial information on which the pay-out of variable remuneration was based is determined to be incorrect.

## **15.2 Supervisory Board**

### ***Powers, responsibilities and functioning***

The Supervisory Board is responsible for supervising the policy pursued by the Management Board and the general course of affairs of the Company and the enterprise connected with the Company. The Supervisory Board will also advise the Management Board. The Management Board must provide the Supervisory Board in good time with the information necessary for the performance of its duties. At least once a year, the Management Board must inform the Supervisory Board of the main aspects of the strategic policy, the general and financial risks and the Company's management and auditing systems. In performing its duties, the Supervisory Board is required to act in the interests of the Company and its business as a whole. The members of the Supervisory Board are generally not authorised to represent the Company in dealings with third parties.

The Supervisory Board must appoint one of its members as a chairman and a vice-chairman. The Supervisory Board must also appoint a secretary. The Supervisory Board will meet whenever the chairman, or two other members of the Supervisory Board, or the Management Board so requests. The Supervisory Board may only adopt resolutions by absolute majority of the votes cast at a meeting if the majority of the members of the Supervisory Board are present or represented at the meeting. The Supervisory Board may also adopt resolutions without holding a meeting, provided the proposed resolutions concerned are submitted

in writing or electronically in a readable form and all members of the Supervisory Board members are in favour of the proposed resolutions.

For internal purposes regulations concerning the Supervisory Board have been drawn up. The Supervisory Board by-laws are published on the Company's website and describe the procedure of holding meetings and decision-making by the Supervisory Board, and its operating procedures. These Supervisory Board by-laws have been established taking into account the Dutch Corporate Governance Code. For further information on the Dutch Corporate Governance Code, see chapter "Corporate Governance".

### ***Appointment, term and dismissal***

Only natural persons (not legal entities) may be elected to the Supervisory Board. The Supervisory Board must consist of at least three members as further determined by the Priority. The Supervisory Board adopts a profile on its size and composition, taking into account the character of the business, its activities and the desired expertise and background of the members of the Supervisory Board.

The General Meeting appoints the members of the Supervisory Board. The Priority will nominate one or more candidates for each vacant seat. The General Meeting may reject a nomination by an absolute majority of the votes cast representing more than one-third of the Company's issued capital. The Priority must simultaneously inform the General Meeting and the works council of a nomination. The nomination will state the reasons on which it is based.

The General Meeting and the works council may recommend candidates to the Priority to be nominated as members of the Supervisory Board. The Priority must inform them in time, when, why and in accordance with what profile a vacancy has to be filled.

With regard to one-third of the total number of members of the Supervisory Board, the Priority must put a person recommended by the works council on the nomination, unless the Priority objects to the recommendation because it is of the opinion that the recommended person is unsuitable for the exercise of the duties of a member of the Supervisory Board or that the Supervisory Board will not be composed properly in case of appointment in accordance with the recommendation. If the number of members of the Supervisory Board cannot be divided by three, the closest lower number that can be divided by three shall be taken into account in order to establish the number of members of the Supervisory Board for which the stronger right of recommendation applies.

A member of the Supervisory Board must resign no later than at the end of the General Meeting held after four years after his last appointment. The members of the Supervisory Board must resign periodically in accordance with a rotation plan to be drawn up by the Supervisory Board. A resigning member of the Supervisory Board may be reappointed once.

The Supervisory Board may suspend members of the Supervisory Board. The General Meeting may, by an absolute majority of the votes cast representing at least one-third of the issued capital, withdraw its confidence in the Supervisory Board. Such a resolution results in the immediate dismissal of the members of the Supervisory Board. When at least one-third of the issued capital was not present at the meeting, another meeting cannot be convened. A resolution of the General Meeting to withdraw its confidence in the Supervisory Board may not be passed until the Management Board has notified the works council of the proposed resolution and the reasons therefor. The notification must be given at least thirty days prior to the meeting at which the proposal is to be considered by the General Meeting. If the works council takes a position with respect to the proposal, the Management Board must inform the Supervisory Board of the same. The works council may explain its position at the meeting of the General Meeting of Shareholders.

### ***Members of the Supervisory Board***

The Supervisory Board is composed of the following members:

<b>Name</b>	<b>Year of birth</b>	<b>Position</b>	<b>Member since</b>	<b>Re-appointed</b>	<b>Resignation or re-appointment</b>
Pamela Boumeester	1958	Member	2009	First seat	2013
Robert-Jan van de Kraats	1960	Member	2004	2008	2012
Aloys Kregting	1967	Member	2011	First seat	2015
Johan van der Werf	1952	Chairman	2010	First seat	2014

The business address of the members of the Supervisory Board is Ringwade 1, 3439 LM Nieuwegein, the Netherlands.

#### *Pamela Boumeester*

Pamela Boumeester has been a member of our Supervisory Board since 2009. She is a Dutch resident. Aside from her function as member of the Supervisory Board, she is general manager at NS Poort, chairman of the supervisory boards of Informatie Beheer Groep and Twente School of Management and member of the supervisory boards of Delta Lloyd and PCM.

Pamela Boumeester holds no shares or options in Ordina.

#### *Robert-Jan van de Kraats*

Robert-Jan van de Kraats has been a member of our Supervisory Board since 2004. He is a Dutch resident. Aside from his function as member of the Supervisory Board, he is CFO and Vice-chairman of the management board at Randstad Holding N.V. and member of the supervisory board of SNS Reaal Groep N.V.

Robert-Jan van de Kraats holds no shares or options in Ordina.

#### *Aloys Kregting*

Aloys Kregting has been a member of our Supervisory Board since 2011. He is a Dutch resident. Aside from his function as member of the Supervisory Board, he is Chief Information Officer at DSM.

Aloys Kregting holds no shares or options in Ordina.

#### *Johan van der Werf*

Johan van der Werf has been a member of our Supervisory Board since 2010. He is a Dutch resident. Aside from his function as member of the Supervisory Board, he is Vice-Chairman of the supervisory board of Delta N.V., the Vice-Chairman of the supervisory board of Zevenwouden and the Vice-Chairman of the supervisory committee of the Utrecht University Medical Centre. He is also a member of the supervisory boards of ONVZ N.V. and De Lotto N.V. and a member of the executive committee of Pensioenfonds Cultuur.

Johan van der Werf holds no shares or options in Ordina.

#### ***Supervisory Board committees***

The Supervisory Board has not appointed an audit committee, selection and appointment committee, remuneration committee or any other committees from among its midst, considering that the Supervisory Board has relatively few members. This means that the full Supervisory Board focuses its attention on all subjects of the committees mentioned before. The Supervisory Board makes targeted use of the specific expertise of its various members, but all discussions and decision-making processes in this regard take place

in a meeting of the full Supervisory Board. Where applicable and relevant, the recommendations from the Dutch Corporate Governance Code governing the committees apply to the full Supervisory Board.

### 15.3 Remuneration

#### *Remuneration of the Management Board*

The remuneration of the members of the Management Board must be determined by the Supervisory Board in accordance with the remuneration policy which has been adopted by the General Meeting. Awards of shares or the granting of rights to subscribe for shares are subject to the approval of the General Meeting. Such a proposal must include the number of shares or rights to subscribe for shares that may be granted to the members of the Management Board and which criteria apply to a grant.

The remuneration policy's objective is (i) to reward the members of the Management Board for realising operational and performance driven short-term targets and strategic and financial long-term targets and (ii) to attract and retain qualified and competent managers who have an orientation and background required to lead and manage an ICT and consultancy enterprise. The remuneration structure for the Management Board is designed to balance fixed and variable remuneration and short-term and long-term bonuses.

The remuneration package consists of a base pay and variable pay element capped at 155% of the gross base pay.

The gross annual base salary (including holiday allowance) of Stépan Breedveld amounts to EUR 385,000 and of Bart de Jong to EUR 266,000. The total variable income amounts to a maximum of 155% of the base salary per year. It is a combined short-term and long-term incentive plan.

The other periodic paid compensation includes Company costs related to customary benefits, tax, social security and pensions.

In 2010 the total remuneration to the Management Board amounted to EUR 1.2 million, including remuneration to Hans den Hartog (3 months) and Ronald Kasteel (12 months). Hans den Hartog and Ronald Kasteel both resigned as members of the Management Board. Upon his resignation, Ronald Kasteel received EUR 1.7 million, consisting of a severance payment and bonus for 2011.

The total 2010 remuneration of the current individual members of the Management Board is set out in the table below:

(EUR)	Base salary	Short-term incentive	Long-term incentive	Other periodic compensation	Pension costs	Total 2010
Stépan Breedveld (1.5 months)	42,248	-	-	5,296	7,000	54,544
Bart de Jong (9 months)	202,010	44,000	-	32,513	35,108	313,631
<b>Total</b>	<b>244,258</b>	<b>44,000</b>	<b>-</b>	<b>37,809</b>	<b>42,108</b>	<b>368,175</b>

#### *Remuneration of the Supervisory Board*

The General Meeting establishes the remuneration of the Supervisory Board. In 2010, the remuneration of the Supervisory Board was EUR 24,089 per member and EUR 31,975 for the chairman of the Supervisory Board. Supervisory Board members are entitled to an expense allowance of EUR 2,270 each per annum. The total remuneration of the Supervisory Board in 2010 amounted to EUR 117,000, including remuneration to Mr. van der Werf from the period starting 12 May 2010. The remuneration is not related to the Company's performance. The remuneration of the members of the Supervisory Board has been amended by the General Meeting of 11 May 2011.

No member of the Supervisory Board will be entitled to a contractual severance payment in the event of

removal by the General Meeting.

#### **15.4 Equity holdings**

The members of the Management Board are entitled to long-term profit-sharing and bonus benefits in the form of Ordinary 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 Ordinary Shares to be awarded unconditionally is determined annually and for each individual three-year period. The Ordinary Shares that are expected to be awarded are valued based on the price of Ordinary Shares at the grant date and estimates of the extent to which the relevant targets will be achieved. Any awarded Ordinary 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 Ordinary Shares with a view to paying any taxes due on the grant of the Ordinary Shares.

Stépan Breedveld and Bart de Jong have been awarded conditional Ordinary Shares as part of the Company's longterm investment plan and are subject to certain targets being met. As such, these Ordinary Shares are restricted. Bart de Jong has been awarded options to acquire Ordinary Shares.

	<b>Conditional Ordinary Shares</b>	<b>Options</b>
Stépan Breedveld	152,000	-
Bart de Jong	123,033	15,000
<b>Total</b>	<b>275,033</b>	<b>15,000</b>

The options awarded to Bart de Jong have an exercise price of EUR 4.55 and expire on 2 September 2014.

None of the members of the Supervisory Board owns shares in the Company's share capital or options to acquire such shares.

We may grant options for Ordinary Shares to employees under existing share option schemes. The option exercise price under such schemes is at least equal to the closing price of the Ordinary Shares on the day prior to the grant date. The share 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. On 30 September 2011, there were 45,000 options outstanding. The exercise price of the options is EUR 4.55 and the exercise period is five years and expires on 2 September 2014.

#### **15.5 Potential conflicts of interest**

There are no arrangements or understandings in place with major shareholders, customers, suppliers or others, pursuant to which any member of the Management Board or any member of the Supervisory Board was appointed.

No member of the Management Board and no member of the Supervisory Board has a conflict of interest (actual or potential) between any duties to the Company and his private interests and/or other duties. There is no family relationship between any member of the Management Board, Supervisory Board or key employees.

#### **15.6 Liability of the members of the Management Board and the Supervisory Board**

Under Dutch law, members of the Management Board and the Supervisory Board may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company and towards third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may

also incur additional specific civil and criminal liabilities.

The liability of members of the Management Board, members of the Supervisory Board and other key employees is covered by a directors and officers liability insurance policy. This policy contains limitations and exclusions, such as wilful misconduct or intentional recklessness (*opzet of bewuste roekeloosheid*).

### **15.7 Other information in relation to members of the Management Board and Supervisory Board**

At the date of this Prospectus, no member of the Management Board and no member of the Supervisory Board has, in the previous five years: (i) been convicted of any offences relating to fraud, (ii) held an executive function at any company at the time of or immediately preceding any bankruptcy, receivership or liquidation, (iii) been subject to any official public sanction by any statutory or regulatory authority (including any designated professional body), and (iv) been the subject of any official public incrimination or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

### **15.8 Employees**

#### ***Key employees***

We do not have any key employees who are relevant to establishing that we have the appropriate expertise and experience for the management of our business, other than the members of the Management Board.

#### ***Number of employees***

At 31 December 2010, the Company employed a total of 3,330 FTEs. The table below sets out the number of FTEs per geographic location as at 31 December 2010, 2009 and 2008.

<b>Labour force in FTEs</b>	<b>Year ended 31 December</b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>
Netherlands	2,741	3,495	4,325
Belgium and Luxemburg	589	626	705
<b>Total at year end</b>	<b>3,330</b>	<b>4,121</b>	<b>5,030</b>

### **15.9 Pension schemes**

We provide our employees with both defined contribution and defined benefit pension plans of which the returns are insured, as a consequence of which the Company's liabilities for shortfalls are limited. Stépan Breedveld has waived his pension rights and receives an additional payment amounting to the pension premiums if the Company would have contributed those to a pension fund for him. We provide our employees with collectively negotiated retirement benefits in line with market practices in the Netherlands.

The majority of the personnel takes part in the defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions to an insurance company. The Ordina Group 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. 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.

### **15.10 Works council**

We have established works councils at various levels:

- (a) a works council at Ordina Nederland; and
- (b) a works council at Ordina Belgium.

In the Netherlands, a works council is a representative body of the employees of a Dutch business and its members are elected by the employees. The management board of any company that runs a business with a works council must seek the non-binding advice of the works council before implementing certain decisions with respect to the business, such as those related to a major restructuring, a change of control, or the appointment or dismissal of a member of the management board. If the decision to be implemented is not in line with the advice of the works council, the implementation of the relevant decision must be suspended for one month, during which period the works council may appeal against the decision at the Enterprise Chamber of the Amsterdam Court of Appeal. Certain other decisions directly involving employment conditions that apply either to all employees or to certain groups of employees may only be taken with the works council's consent. In the absence of such prior consent, the decision may nonetheless be taken with the prior consent of the sector cantonal of the district court.



## 16. CORPORATE GOVERNANCE

On 9 December 2003, the Dutch Corporate Governance Committee published the Dutch Corporate Governance Code. Following a review made by the Dutch Corporate Governance Monitoring Committee, the Dutch Corporate Governance Code was updated in December 2008 (the **Dutch Corporate Governance Code**). The Dutch Corporate Governance Code entered into force on 1 January 2009. It contains 22 principles and 129 best practice provisions regarding management boards, supervisory boards, shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. Dutch companies whose shares are listed on a government recognised stock exchange (such as Euronext Amsterdam) are required to disclose in their annual reports whether or not they comply with the provisions of the Dutch Corporate Governance Code and if they do not comply, to explain the reasons why.

We comply with the relevant best practice provisions of the Dutch Corporate Governance Code, except for:

- (a) **Best practice provision II.2.8:** If an employment agreement with a member of our Management Board is terminated early without this being imputable to that member, he is entitled to a severance payment of no more than 24 times his gross monthly salary;
- (b) **Best practice provision III.1.3:** We report on the personal details of our Supervisory Board in the corporate governance chapter of the annual report, instead of in the Supervisory Board's chapter;
- (c) **Best practice provision III.3.1:** Given its small size we deem it unrealistic to set minimum percentages to ensure diversity in the composition of our Supervisory Board;
- (d) **Best practice provision IV.1.5:** Since 1 January 2009 no dividend has been distributed and no proposal has been made to that effect. The absence of such a proposal was not dealt with in a separate point on the agenda of the General Meeting. Instead it was discussed as part of agenda item reserves and dividend policy;
- (e) **Best practice provision IV.3.1:** We announce our meetings with analysts, presentations to analysts, presentations to groups of (institutional) investors and press conferences through our website, not by means of press releases. Presentations given to individual investors are not announced through our website and cannot simultaneously be followed via webcasting. Presentation made during these meetings will, if they are not available on the website, be published on the Company's website after the meeting.

## 17. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### 17.1 Major shareholders

The following table presents information about the ownership of our Shares on the date of this Prospectus for each existing shareholder we know to beneficially own 5% or more of our Shares according to the register with substantial shareholdings notified with the Netherlands Authority for the Financial Markets (please refer to [www.afm.nl/registers](http://www.afm.nl/registers)).

<b>Shareholder</b>	<b>Date notification</b>	<b>Total Shares notified</b>
Project Holland Beheer B.V. (indirectly through PHD)	07-10-2011	4,200,000
Delta Lloyd N.V. (indirectly through Delta Lloyd Levensverzekering N.V.)	06-05-2011	2,741,434
Lazard Frères Gestion SAS (partly indirectly through Sicav Objectif Small Caps Euro)	27-09-2010	2,560,000
<b>Total</b>		<b>13,687,857</b>

Except as disclosed above, we are not aware of any person who, as of the date of this Prospectus, directly or indirectly, has a beneficial interest of 5% or more in our share capital. Our major Shareholders do not have other voting rights than other holders of Ordinary Shares.

We are not aware of any party, or any parties acting in concert, that directly or indirectly control the vote at any General Meeting, nor are we aware of any arrangement the operation of which may result in a change of control of Ordina.

### 17.2 Related party transactions

We are not aware that any members of the Management Board, any member of the Supervisory Board or any major Shareholder has an interest in any material transactions to which the Company is a party since 1 January 2008, or in any transactions which we entered into prior thereto and under which we or the other parties still have ongoing obligations, other than that Delta Lloyd Levensverzekering N.V., an affiliate of Delta Lloyd N.V., participates (as lender) in the Orange Loan for an amount of EUR 5,000,000 (see section 12 "Operating and Financial Review"), and that PHD is a party to the Subscription Agreement (see section 6.2 "Subscription and sub-underwriting agreement"). The Company's agreements with Delta Lloyd Levensverzekering N.V. and PHD are at arms' length.

## 18. TAXATION

### 18.1 Introduction

The following summary outlines the principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Shares and Rights, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. This summary is intended as general information only and each prospective investor should consult a professional tax adviser about the tax consequences of an investment in Shares or Rights.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force on the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

- (a) holders of Shares or Rights holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of Shares or Rights of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (a statutory defined term), directly or indirectly, holds or is deemed to hold: (i) an interest of 5% or more of the total issued capital of the Company or of 5% or more of the issued capital of a certain class of shares of the Company; (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in the Company;
- (b) investment institutions (*fiscale beleggingsinstellingen*);
- (c) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Dutch corporate income tax; and/or
- (d) corporate holders of Shares who qualify for the participation exemption (*deelnemingsvrijstelling*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption if it represents an interest of 5% or more of the nominal paid-up share capital.

Where this summary refers to a holder of Shares or Rights, that reference is restricted to a holder holding legal title to, as well as an economic interest in, those Shares or Rights.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

### 18.2 Dividend tax

#### *Withholding requirement*

The Company is required to withhold 15% Dutch dividend tax in respect of dividends paid on the Shares. Under the Dutch Dividend Tax Act of 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from shares, which include:

- (a) proceeds in cash or in kind including direct or indirect distributions of profit;
- (b) liquidation proceeds, proceeds on redemption of the Shares and, as a rule, the consideration for the repurchase of the Shares by the Company in excess of its average paid-in capital recognised for Dutch dividend tax purposes, unless a particular statutory exemption applies;

- (c) the nominal value of Shares issued to a holder of Shares or an increase in the nominal value of the Shares, except when the (increase in the) nominal value of the Shares is funded out of the Company's paid-in capital as recognised for Dutch dividend tax purposes; and
- (d) partial repayments of paid-in capital for tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the Shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association and the paid-in capital is recognised as capital for Dutch dividend tax purposes.

The issuance of Rights by the Company should not be subject to Dutch dividend withholding tax.

### ***Residents of the Netherlands***

If a holder is a resident of the Netherlands or a deemed resident of the Netherlands or is an individual who has opted to be treated as a resident for the purposes of the Dutch Income Tax Act 2001 (*Wet inkomsten-belasting 2001*), Dutch dividend tax, which is withheld with respect to proceeds from the Shares will generally be creditable for Dutch corporate income tax or Dutch income tax purposes if the holder is the beneficial owner (as described below) thereof.

### ***Non-residents of the Netherlands***

If a holder is a resident of a country other than the Netherlands, and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is the beneficial owner (as described below) of the proceeds from the Shares, and a resident for the purposes of such treaty, the holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend tax.

A refund of the Dutch dividend tax is available to entities resident in Iceland, Liechtenstein, Norway or another Member State other than the Netherlands, provided these entities (i) are not subject to corporate income tax there, (ii) would not be subject to Dutch corporate income tax if they were tax-resident in the Netherlands and (iii) these entities in fact do not have the same function as an exempt investment institution (*vrijgestelde beleggingsinstellingen*) as mentioned in article 6a Dutch corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*) or investment institutions (*fiscale beleggingsinstellingen*) as mentioned in article 28 Dutch corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

### ***Beneficial owner***

A recipient of proceeds from the Shares will not be entitled to any exemption, reduction, refund or credit of Dutch dividend tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will, *inter alia*, not be considered the beneficial owner of these proceeds, if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely that:

- The proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:
  - (i) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend tax; or
  - (ii) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a lower rate or refund of dividend tax; and

- such person or legal entity has, directly or indirectly, retained or acquired an interest in shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

### ***Reduction of Dutch withholding tax upon redistribution of foreign dividends***

Provided certain conditions are met, the Company may apply a reduction of the withholding tax imposed on certain qualifying dividends distributed by the Company, if the Company has itself received dividends from certain qualifying non-Dutch subsidiaries, which dividends were subject to withholding tax upon distribution to the Company. The reduction of the Dutch withholding tax imposed on these dividends that are distributed by the Company is equal to the lesser of:

- 3% of the amount of the dividends distributed by the Company that are subject to withholding tax; and
- 3% of the gross amount of the dividends received during a certain period from the qualifying non-Dutch subsidiaries.

The reduction is applied to the Dutch dividend tax that the Company must pay to the Dutch tax authorities and not to the amount of the Dutch dividend tax that the Company must withhold.

## **18.3 Corporate and individual income tax**

### ***Residents of the Netherlands***

If a holder of Shares or Rights is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Shares or Rights are attributable, income derived from the Shares and gains realised upon the redemption or disposal of the Shares or Rights are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual holder of Shares or Rights is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Shares and gains realised upon the redemption or disposal of the Shares or Rights are taxable at the progressive rates (at up to a maximum rate of 52%) under the Dutch Income Tax Act 2001 (*Wet inkomsten-belasting 2001*) if:

- the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Shares or Rights are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Shares or Rights are attributable; or
- such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Shares or Rights that exceed regular, active portfolio management (*normaal actief vermogensbeheer*).

If neither of the conditions under paragraphs (a) and (b) above applies to the holder of the Shares or Rights, the taxable income from the Shares or Rights will be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*). This deemed return on income from savings and investments has been fixed at a rate of 4% of the yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Shares or Rights less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Shares or Rights will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

### ***Non-residents of the Netherlands***

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Dutch tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not liable to Dutch income tax in respect of income derived from the Shares and gains realised upon the redemption or disposal of the Shares or Rights, unless:

- the holder is not an individual and such holders; (i) have an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Shares or Rights are attributable; or (ii) is (other than by way of securities) entitled to a share in the profits of an enterprise or has a co-entitlement to the net worth of an enterprise which is effectively managed in the Netherlands and to which enterprise the Shares or Rights are attributable.
- This income is subject to Dutch corporate income tax at up to a maximum rate of 25%; or

the holder is an individual and such holder: (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Shares or Rights are attributable; or (ii) realises income or gains with respect to the Shares or Rights that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands with respect to the Shares or Rights which exceed regular, active portfolio management (*normaal actief vermogensbeheer*); or (iii) is (other than by way of securities) entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Shares or Rights are attributable.

Income derived from the Shares or Rights as specified under (i) and (ii) by an individual is subject to individual income tax at up to a maximum rate of 52%. Income derived from a share in the profits as specified under (iii) that is not already included under (i) or (ii) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the shares in the profits of the enterprise (which includes the Shares or Rights) will be part of the individual's Netherlands yield basis and taxed at a rate of 30% over the 4% deemed return on income from savings and investment.

## **18.4 Gift and inheritance tax**

### ***Residents of the Netherlands***

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Shares or Rights by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his death. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is, or is deemed to be, a resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift tax if he or she has been resident in the Netherlands and makes a gift within a 12-month period after leaving the Netherlands. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

### ***Non-residents of the Netherlands***

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Shares or Rights by way of a gift by, or as a result of the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax, unless in the case of a gift of the Shares or Rights by a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands. A gift made by a non-resident under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and could be subject to Dutch gift and inheritance tax if the donor is, or is deemed to be resident of the Netherlands at the time the condition precedent is fulfilled.

#### **18.5 Value added tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Shares or Rights or in respect of a cash payment made under the Shares or Rights, or in respect of a transfer of Shares or Rights.

#### **18.6 Other taxes and duties**

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Shares or Rights.

## 19. GENERAL INFORMATION

### 19.1 Corporate resolutions

The Offering and Listing was authorised by resolutions of the Management Board on 6 October 2011, the Supervisory Board on 6 October 2011 and 9 November 2011, and the Priority on 11 October 2011 and 1 December 2011 respectively. On 1 December 2011, the General Meeting granted the authority to the Priority to issue the Ordinary Shares underlying the Rights and the Private Placement, to limit or exclude the statutory pre-emptive rights of Shareholders and to amend the Articles of Association to allow new Ordinary Shares that may be issued to be paid out of the distributable reserve. The underlying Ordinary Shares to the Rights and the Private Placement will be issued on the Settlement Date.

### 19.2 Statement of significant change

Except as set out below, there has been no significant change in the financial or trading position of the Group since 30 September 2011 up to the date of this Prospectus:

- On 12 October 2011, Ordina raised EUR 5.46 million in gross proceeds from the issue and placement of new Ordinary Shares to PHD, see section 6.2 "Subscription and sub-underwriting agreement"
- On 9 November 2011, Ordina signed a term sheet with ABN AMRO, ING and NIBC regarding a new EUR 55 million committed senior financing facility, which will replace the current EUR 120 million facilities entered into with ING, Rabobank, ABN AMRO and NIBC (i.e. the Refinancing), see section 12.13 "Borrowings".

The effects of these events on the financial condition of the Group is set out in section 10 "Capitalisation and Indebtedness".

### 19.3 Material subsidiaries

The Company is the holding company of a group that includes the following material subsidiaries (held directly or indirectly by the Company), all of which are engaged in the Company's business:

<u>Name</u>	<u>Country of incorporation</u>	<u>Percentage of capital and voting rights held by the Company (directly or indirectly)</u>
Ordina Holding B.V.	Netherlands	100
Ordina Nederland B.V.	Netherlands	100
Ordina Consulting B.V.	Netherlands	100
Ordina ICT B.V.	Netherlands	100
Ordina Application Outsourcing en Projecten B.V.	Netherlands	100
Clockwork B.V.	Netherlands	100
Ordina Belgium N.V.	Belgium	99.945 <sup>20</sup>
Ordina E-Chain Management Financials BVBA	Belgium	100
Ordina Luxembourg SA	Luxembourg	100

### 19.4 Availability of documents

For the life of this Prospectus, copies of the following documents will be available for inspection:

<sup>20</sup> 0.055% is owned by Stichting BB Ordina.



- Deed of incorporation of the Company and the Articles of Association
- Consolidated Financial Statements, including the auditor's report
- Q3 2011 Figures
- Prospectus and any supplement to this Prospectus (if any)

Copies (in print) of the Consolidated Financial Statements, the Q3 2011 Figures, the deed of incorporation of the Company and the Articles of Association are available free of charge at the Company's head office at Ringwade 1, 3439 LM Nieuwegein, the Netherlands, during normal business hours and in electronic form from the Company's website at [www.ordina.com](http://www.ordina.com).

Copies (in print) of this Prospectus and any supplement to this Prospectus (if any) may be obtained at no cost from the date of this Prospectus at the Company's head office. Alternatively, this Prospectus can also be found electronically on the website of the Company at [www.ordina.com](http://www.ordina.com) or on the website of Euronext Amsterdam at [www.euronext.com](http://www.euronext.com) (Dutch residents only).

### **19.5 Independent auditor**

The Consolidated Financial Statements of the Group as of and for the years ended 31 December 2010, 2009 and 2008, incorporated in this Prospectus by reference, have been audited by PricewaterhouseCoopers Accountants N.V., independent auditors, as stated in their auditor's report appearing therein. The auditor's report is unqualified.

The Q3 2011 Figures of the Group, incorporated in this Prospectus by reference, have not been audited by PricewaterhouseCoopers Accountants N.V.

The auditors of the Company have no interest in the Company.

The address of PricewaterhouseCoopers Accountants N.V. is Prinses Margrietplantsoen 46, 2595 BR Den Haag, the Netherlands. The auditors, who sign on behalf of PricewaterhouseCoopers Accountants N.V., are members of the Royal Dutch Institute for Registered Accountants (*Koninklijk Nederlands Instituut van Register Accountants*). PricewaterhouseCoopers Accountants N.V. has given, and has not withdrawn, its consent to the inclusion or incorporation by reference of its report in this Prospectus in the form and context in which they are included.

## 20. DEFINITIONS

The following definitions are used throughout this Prospectus.

<b>AFM</b>	the Dutch Authority for the Financial Markets ( <i>Autoriteit Financiële Markten</i> )
<b>Articles of Association</b>	the articles of association of the Company, as applicable on the date of this Prospectus
<b>Benelux</b>	the Netherlands, Belgium and Luxembourg
<b>BPO</b>	the business processes outsourcing activities that were sold in 2009
<b>CET</b>	Central European time
<b>Company (or Ordina)</b>	Ordina N.V.
<b>Consolidated Financial Statements</b>	audited consolidated financial statements of the Group as of and for the years ended 31 December 2010, 2009 and 2008
<b>Controlling Entity</b>	the person or company holding at least 95% of a company's issued share capital by nominal value for its own account
<b>Coordination Agreement</b>	the coordination agreement entered into by the Company, the Sole Global Coordinator and PHD on 1 December 2011
<b>DSO</b>	days sales outstanding
<b>Dutch Civil Code</b>	the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> ) and rules promulgated hereunder
<b>Dutch Corporate Governance Code</b>	the Dutch Corporate Governance Code ( <i>Nederlandse Corporate Governance Code</i> ) published by the Dutch Corporate Governance Committee on 9 December 2003, including amendments
<b>Dutch Financial Supervision Act</b>	the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and the rules promulgated thereunder
<b>Dutch Market Abuse Decree</b>	the Dutch Decree on Market Abuse pursuant to the Dutch Financial Supervision Act ( <i>Besluit Marktmissbruik Wft</i> )
<b>Dutch Securities (Bank Giro Transactions) Act</b>	the Dutch Securities (Bank Giro Transactions) Act ( <i>Wet giraal effecten verkeer</i> )
<b>EBIT</b>	Earnings Before Interest and Taxation (not in conformity with IFRS)
<b>EBITDA</b>	Earnings Before Interest, Taxation, Depreciation and Amortisation (not in conformity with IFRS)

<b>Effective Date</b>	21 February 2012 (or 1 March 2012, if settlement of the Offering should occur after 17 February 2012)
<b>Eligible Person</b>	persons who are not Ineligible Persons
<b>Exercise Period</b>	period from 09:00 CET on 5 December 2011 until 16:00 CET on 16 December 2011
<b>EU</b>	the European Union
<b>EUR, € or euro</b>	the currency of the European Monetary Union
<b>Euroclear</b>	Euroclear Bank S.A./N.V. as operator of the Euroclear System
<b>Euroclear Nederland</b>	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. trading as Euroclear Nederland, the Dutch depository and settlement institute, a subsidiary of Euroclear
<b>Euronext</b>	Euronext Amsterdam N.V.
<b>Euronext Amsterdam</b>	NYSE Euronext in Amsterdam
<b>First Trading Date</b>	the date that trading in the Ordinary Shares on Euronext Amsterdam is expected to commence, which is 22 December 2011
<b>FTEs</b>	full-time equivalents
<b>General Meeting</b>	the general meeting of Shareholders
<b>Group</b>	Ordina, its subsidiaries and joint ventures and the business conducted by them
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>Ineligible Jurisdiction</b>	any jurisdictions outside the Netherlands wherein the Rights and the Offer Shares may not be offered at all, including, without limitation, the United States, Australia, Canada and Japan
<b>Ineligible Person</b>	any Shareholder or other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer Shares may be offered, but to whom certain restrictions apply, as a result of which he cannot lawfully participate in the Offering
<b>ING</b>	ING Bank N.V.
<b>Integer Group</b>	Integer Noord Nederland B.V., Integer Zuid Nederland B.V. and Integer TWO B.V.

<b>Issue Price</b>	EUR 0.93
<b>Listing</b>	the admission to listing and trading on Euronext Amsterdam of (i) the Rights and Offer Shares and (ii) the Private Placement Shares
<b>Management Board</b>	the board of management ( <i>raad van bestuur</i> ) of the Company
<b>Member State</b>	a member state of the European Economic Area
<b>Offer Shares</b>	new Ordinary Shares in the Company's capital with a nominal value of EUR 0.10 each issued under the Offering
<b>Offering</b>	the issue of up to 23,937,026 Offer Shares at the Issue Price in an offering to existing Shareholders by granting them Rights
<b>Orange Loan</b>	EUR 27,500,000 subordinated facility amendment and restatement agreement dated 19 November 2009
<b>Ordina</b>	Ordina N.V.
<b>Ordinary Shares</b>	ordinary shares in the capital of the Company with a nominal value of EUR 0.10 each
<b>PHD</b>	Project Holland Deelnemingen B.V.
<b>PHF</b>	Project Holland Fund C.V.
<b>Preference Shares</b>	preference shares in the capital of the Company with a nominal value of EUR 0.10 each
<b>Priority</b>	Stichting Prioriteit Ordina Groep
<b>Priority Share</b>	priority share in the capital of the Company with a nominal value of EUR 0.50
<b>Private Placement</b>	issue of up to 13,202,759 Private Placement Shares in a private placement to PHD
<b>Private Placement Shares</b>	new Ordinary Shares in the capital of the Company issued under the Private Placement
<b>Prospectus</b>	this prospectus dated 2 December 2011
<b>Prospectus Directive</b>	the Directive 2003/71/EC of the European Parliament and of the Council of the European Union (and amendments thereto, including the 2010 PD Amendment Directive, to the extent implemented in the Relevant Member State), including all relevant implementing measures
<b>PwC</b>	PricewaterhouseCoopers Accountants N.V.

<b>Q3 2010</b>	first nine months of 2010
<b>Q3 2011</b>	first nine months of 2011
<b>Q3 2011 Figures</b>	unaudited consolidated interim financial information of the Group as of and for the nine-month periods ended 30 September 2011 and 2010
<b>Record Date</b>	2 December 2011. Each Ordinary Share held immediately after close of trading in ordinary shares on Euronext Amsterdam at 17:40 CET on the Record Date will entitle its holder to one (1) Right.
<b>Recurring EBITDA</b>	operating profit for the period, adding back amortisation and depreciation, where the operating profit is adjusted for restructuring costs and divestments.
<b>Recurring Revenue</b>	the total revenue for the applicable period (20XX) less the revenue for that period of the divestments made in that period. In order to make like for like comparisons the recurring revenue for the comparable period (20XX-1) is also adjusted for the total revenue of these same divestments (in 20XX) and for the total revenue of the divestments made in prior year (20XX-1).
<b>Refinancing</b>	Repayment in full of all amounts outstanding under the EUR 120 million senior committed facility and under the Orange Loan (subject to a 5% prepayment penalty) and the entering into a EUR 55 million committed term loan and revolving facilities agreement
<b>Regulation S</b>	Regulation S under the Securities Act
<b>Relevant Implementation Date</b>	The date on which the Prospective Directive is implemented in the Relevant Member State
<b>Relevant Member State</b>	each Member State that has implemented this Prospectus Directive
<b>Remaining Offer Shares</b>	the Offer Shares that have not been subscribed for by the exercise of Rights during the Exercise Period
<b>Rights</b>	transferable subscription entitlements to subscribe for Offer Shares
<b>SaaS</b>	software as a service
<b>Securities Act</b>	the United States Securities Act of 1933, as amended from time to time
<b>Settlement Date</b>	22 December 2011
<b>Shares</b>	the Ordinary Shares, the Preference Shares and Priority Share

<b>Shareholder</b>	a holder of at least one Share in the capital of the Company
<b>Sole Global Coordinator</b>	ING
<b>Subscription Agreement</b>	the subscription and sub-underwriting agreement entered into between PHF, PHD and the Company on 7 October 2011
<b>Subscription, Listing and Settlement Agent</b>	ING
<b>Supervisory Board</b>	the supervisory board ( <i>raad van commissarissen</i> ) of the Company
<b>TA</b>	the technical automation activities that were sold in 2008
<b>Takeover Directive</b>	Directive 2004/25/EC of the European Parliament and of the Council of the European Union
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>Warrants</b>	Warrants that may be issued by the Company to PHD under the Subscription Agreement
<b>Warrant Exercise Price</b>	EUR 0.10 per Ordinary Share (subject to adjustment)
<b>2010 PD Amending Directive</b>	the Directive 2010/73/EC of the European Parliament and of the Council of the European Union amending the Prospectus Directive, including all relevant implementing measures

**APPENDIX 1**

**INTERIM REPORT ORDINA N.V. – Q1-Q3 2011**

9 November 2011

**Q1-Q3**  
**2011**

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	30 sept 2011	31 dec 2010	30 sept 2010
<i>(x euro thousands)</i>			
<b>Assets</b>			
Intangible assets	201,939	211,496	213,340
Tangible assets	11,995	12,123	13,273
Investments in associates	300	300	259
Debtors	1,850	-	-
Deferred income tax assets	16,303	12,657	12,349
<b>Total fixed assets</b>	<b>232,387</b>	<b>236,576</b>	<b>239,221</b>
Trade and other debtors	87,970	84,853	95,022
Income tax assets	-	-	-
Cash & cash equivalents	13,726	21,852	58,531
Assets held for sale	-	2,849	996
<b>Total current assets</b>	<b>101,696</b>	<b>109,554</b>	<b>154,549</b>
<b>Total assets</b>	<b>334,083</b>	<b>346,130</b>	<b>393,770</b>
<b>Equity and liabilities</b>			
Issued capital	5,051	5,011	4,981
Share premium reserve	99,855	98,433	97,601
Hedging reserve	-85	-194	-238
Retained earnings	76,498	83,456	83,120
Profit for the period	-11,995	-6,958	-13,404
<b>Shareholders' equity</b>	<b>169,324</b>	<b>179,748</b>	<b>172,060</b>
Subordinated loans	20,976	24,971	26,308
Long-term borrowings / Term Loan	14,605	14,236	24,067
Long-term borrowings / Other	15,000	15,000	15,000
Derivatives	113	259	320
Financial lease	-	-	4
Employee related provisions	6,508	6,303	6,919
Deferred income tax liabilities	1,130	1,689	1,884
<b>Non-current liabilities</b>	<b>58,332</b>	<b>62,458</b>	<b>74,502</b>
Borrowings	19,530	11,460	61,278
Other provisions	3,065	1,481	967
Trade and other payables	82,788	87,024	84,590
Current tax payable	1,044	1,508	373
Liabilities held for sale	-	2,451	-
<b>Total current liabilities</b>	<b>106,427</b>	<b>103,924</b>	<b>147,208</b>
<b>Total liabilities</b>	<b>164,759</b>	<b>166,382</b>	<b>221,710</b>
<b>Total equity and liabilities</b>	<b>334,083</b>	<b>346,130</b>	<b>393,770</b>

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**ORDINA N.V.**



	Q1 - Q3 2011	Q1 - Q3 2010	Q3 2011	Q3 2010
<i>(x euro thousands)</i>				
<b>Turnover</b>	<b>320,951</b>	<b>338,655</b>	<b>99,847</b>	<b>111,490</b>
Cost of hardware and software	4,843	5,977	1,314	3,251
Work contracted out (hired staff)	93,205	75,031	29,334	24,305
Personnel expenses	205,673	236,532	63,985	74,379
Amortisation	9,273	12,309	2,703	3,993
Depreciation	3,037	4,080	1,004	1,248
Other operation expenses	16,546	17,428	5,661	8,183
<b>Total operating expenses</b>	<b>332,577</b>	<b>351,357</b>	<b>104,001</b>	<b>115,359</b>
<b>Operating profit</b>	<b>-11,626</b>	<b>-12,702</b>	<b>-4,154</b>	<b>-3,869</b>
Finance costs - net	-4,701	-4,847	-1,598	-1,799
Result on disposed subsidiaries	570	-	-	-
Share of profit of associates	-	18	-	-
<b>Profit before income tax</b>	<b>-15,757</b>	<b>-17,531</b>	<b>-5,752</b>	<b>-5,668</b>
Income tax	3,762	4,127	1,445	1,385
<b>Net profit from continuing operations</b>	<b>-11,995</b>	<b>-13,404</b>	<b>-4,307</b>	<b>-4,283</b>
Net profit from discontinued operations	-	-	-	-
<b>Net profit for the period</b>	<b>-11,995</b>	<b>-13,404</b>	<b>-4,307</b>	<b>-4,283</b>
<b>Net profit is attributable to:</b>				
Shareholders of the company	-11,995	-13,404	-4,307	-4,283
Non-controlling interests	-	-	-	-
<b>Net profit for the period</b>	<b>-11,995</b>	<b>-13,404</b>	<b>-4,307</b>	<b>-4,283</b>
<i>(in euro's, unless indicated otherwise)</i>				
Earnings per share - basic	-0.24	-0.27		
Earnings per share - diluted	-0.24	-0.27		
Recurring earnings per share	-0.11	-0.21		
Number of shares outstanding	50,513,208	49,809,808		

**CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**



	Q1 - Q3 2011	Q1 - Q3 2010	Q3 2011	Q3 2010
<i>(x euro thousands)</i>				
Profit for the period	-11,995	-13,404	-4,307	-4,283
<b>Other comprehensive income</b>				
Actuarial gains and losses on defined benefit plans	-	-	-	-
Changes in fair value of cash flow hedges	145	-219	-80	111
Tax on items taken directly to or transferred from equity	-36	56	20	-28
Net income recognised directly in equity	<b>109</b>	<b>-163</b>	<b>-60</b>	<b>83</b>
<b>Total comprehensive income for the period</b>	<b>-11,886</b>	<b>-13,567</b>	<b>-4,367</b>	<b>-4,200</b>

## STATEMENT OF CHANGES IN EQUITY

(x euro thousands)	Issued capital	Share premium reserve	Hedging reserve	Other reserves	Total equity
<b>At 31 December 2009</b>	<b>4,929</b>	<b>96,124</b>	<b>-75</b>	<b>83,162</b>	<b>184,140</b>
<i>Movements in the first nine month 2010</i>					
Profit for the period	-	-	-	-13,404	-13,404
<b>Other comprehensive income</b>					
Actuarial gains and losses on defined benefit plans	-	-	-	-	-
Changes in fair values of cash flow hedges	-	-	-163	-	-163
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-163</b>	<b>-13,404</b>	<b>-13,567</b>
<b>Transactions with owners</b>					
Share issue pursuant to acquisitions	21	597	-	-	618
Share issue pursuant to exercise of options	31	879	-	-	910
Share issue at acquisitions	-	-	-	-	-
Share based payment	-	-	-	-41	-41
Prior year dividend distribution	-	-	-	-	-
<b>Total transactions with owners</b>	<b>52</b>	<b>1,476</b>	<b>-</b>	<b>-41</b>	<b>1,487</b>
<b>At 30 September 2010</b>	<b>4,981</b>	<b>97,600</b>	<b>-238</b>	<b>69,717</b>	<b>172,060</b>
<i>Movements in Q4 2010</i>					
Profit for the period	-	-	-	6,446	6,446
<b>Other comprehensive income</b>					
Actuarial gains and losses on defined benefit plans	-	-	-	335	335
Changes in fair values of cash flow hedges	-	-	44	-	44
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>6,781</b>	<b>6,825</b>
<b>Transactions with owners</b>					
Share issue pursuant to acquisitions	30	833	-	-	863
Share issue pursuant to exercise of options	-	-	-	-	-
Share issue at acquisitions	-	-	-	-	-
Share based payment	-	-	-	-	-
Prior year dividend distribution	-	-	-	-	-
<b>Total transactions with owners</b>	<b>30</b>	<b>833</b>	<b>-</b>	<b>-</b>	<b>863</b>
<b>At 31 December 2010</b>	<b>5,011</b>	<b>98,433</b>	<b>-194</b>	<b>76,498</b>	<b>179,748</b>
<i>Movements in the first nine month 2011</i>					
Profit for the period	-	-	-	-11,995	-11,995
<b>Other comprehensive income</b>					
Actuarial gains and losses on defined benefit plans	-	-	-	-	-
Changes in fair values of cash flow hedges	-	-	109	-	109
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>-11,995</b>	<b>-11,886</b>
<b>Transactions with owners</b>					
Share issue pursuant to acquisitions	27	897	-	-	924
Share issue pursuant to exercise of options	7	243	-	-	250
Share issue at acquisitions	-	-	-	-	-
Share based payment	6	282	-	-	288
Prior year dividend distribution	-	-	-	-	-
<b>Total transactions with owners</b>	<b>40</b>	<b>1,422</b>	<b>-</b>	<b>-</b>	<b>1,462</b>
<b>At 30 September 2011</b>	<b>5,051</b>	<b>99,855</b>	<b>-85</b>	<b>64,503</b>	<b>169,324</b>

**CONSOLIDATED CASH FLOW STATEMENT**  
**ORDINA N.V.**



	2011 Q1 - Q3	2010 Q1 - Q3
<i>(x euro thousands)</i>		
<b>Cash flow from operating activities</b>		
Net profit for the period	-11,995	-13,404
Net profit from discontinued operations	-	-
Net profit from continuing operations	-11,995	-13,404
<b>Adjustments for:</b>		
Finance costs - net	4,701	4,847
Result on disposed subsidiaries	-570	-
Share of profit of associates	-	-18
Income tax expense	-3,762	-4,127
	369	702
<b>Operating profit</b>	<b>-11,626</b>	<b>-12,702</b>
<b>Adjustments for:</b>		
Amortisation	9,273	12,309
Depreciation	3,037	4,080
Share-based payments	288	-42
	12,598	16,347
<b>Operating profit before changes in working capital and provisions</b>	<b>972</b>	<b>3,645</b>
Movements in trade and other receivables	-4,133	16
Movements in current liabilities	-1,451	-14,287
Movements in provisions	205	-388
	-5,379	-14,659
<b>Cash generated from operations</b>	<b>-4,407</b>	<b>-11,014</b>
Interest paid	-4,421	-4,990
Income taxes received / paid	-893	-609
Net cash from continued operating activities	-9,721	-16,613
Net cash from discontinued operating activities	-	-
<b>Net cash from operating activities</b>	<b>-9,721</b>	<b>-16,613</b>
<b>Cash flow from investing activities</b>		
Acquisitions of group companies	-750	-2,731
Divestments of subsidiaries	1,958	-194
Additions to intangible fixed assets	-1,573	-1,982
Additions to tangible fixed assets	-2,909	-3,316
Proceeds from sale of tangible assets	-	1,233
Divestment of associates	-	275
Net cash used in continued activities	-3,274	-6,715
Net cash used in discontinued activities	-	-9,200
<b>Net cash used in investing activities</b>	<b>-3,274</b>	<b>-15,915</b>
<b>Cash flow from financing activities</b>		
Issue of shares	924	619
Drawing/repayment of borrowings	-	-
Dividends paid	-	-
Net cash used in continued financing activities	924	619
Net cash used in discontinued financing activities	-	-
<b>Net cash used in financing activities</b>	<b>924</b>	<b>619</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-12,071</b>	<b>-31,909</b>
Movements in cash	-12,071	-31,909
Cash and cash equivalents at beginning of the year	21,767	39,162
<b>Cash and cash equivalents at end of period / net</b>	<b>9,696</b>	<b>7,253</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### General information

Ordina N.V. has its registered office in Nieuwegein, the Netherlands. These consolidated interim financial statements for the nine months ended 30 September 2011 comprise the financial information of Ordina N.V. and all its subsidiaries. Having been prepared by the Management Board, the consolidated interim financial statements were discussed with the Supervisory Board on 9 November 2011. The consolidated interim financial statements are unaudited.

Ordina's interim statements have been drawn up in Dutch and English language, with the Dutch version being leading.

### Statement of compliance

The consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted for use within the European Union. As they do not contain all the information that is required to be included in a full set of financial statements, they should be read in conjunction with the consolidated financial statements for 2010 of Ordina N.V. The Annual Report 2010 (including the consolidated financial statements 2010) can be obtained from the offices of Ordina, Ringwade 1, Nieuwegein, the Netherlands, and is available online on the corporate website ([www.ordina.com](http://www.ordina.com)).

### Basis of preparation

For a description of the accounting policies for the balance sheet, the income statement and the statement of cash flows, we refer to the consolidated financial statements for 2010. The consolidated financial statements for 2010 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by European Union. The same accounting policies have been used in the interim financial statements, except for the below new standards, amended standards and interpretations, which have been adopted as relevant to Ordina. These standards and interpretations do not materially impact the consolidated interim financial statements.

- Improvements to IFRSs 2010
- IAS 24, 'Related Party Disclosures'
- IAS 32, 'Classification of Rights Issues'
- IAS 34, 'Interim Financial Reporting'
- IFRIC 14, 'Prepayments of a Minimum Funding Requirement'
- IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments'

### Critical accounting estimates and judgments

The preparation of the consolidated interim financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expense, and contingent assets and liabilities. Actual results may be at variance with these estimates, judgments and assumptions.

Estimates, judgments and assumptions are continually evaluated and based on historical experience and several other factors that are believed to be reasonable under the circumstances. For a list of critical estimates, judgments and assumptions, we refer to the financial statements for 2010. There were no significant changes in estimates, judgments and assumptions in the first nine month of 2011.

### Financial risk management

Ordina's key financial risk management objectives and procedures are consistent with the objectives and procedures presented in the consolidated financial statements for 2010.

### Segment information

Segment information is provided for Ordina Netherlands and Ordina Belgium/Luxembourg. Integer and Ormit, two associates, were sold in the second half of 2010. Finext, another associate, was sold in the first half of 2011. All associates that were sold had similar economic characteristics to Ordina Netherlands. They were similar, for instance, in that they provided the same type of services, had similar clients and a similar geographical spread, and had a similar risk and return profile. For this reason, the financial results of the sold associates, insofar as they had been consolidated with Ordina N.V., have been aggregated into a single operating segment with Ordina Netherlands, in accordance with the requirements of IFRS 8. Segment revenues, assets and liabilities are items that are directly attributable to the segments.

## SEGMENT INFORMATION

(x euro thousands, unless indicated otherwise)

<b>2011 Q1 - Q3</b>	the Netherlands	Belgium/ Luxembourg	subtotal	discontinued operations	total
Total revenue per segment	265,718	56,336	322,054	-	322,054
Inter-segment revenue	-187	-916	-1,103	-	-1,103
<b>Total revenue</b>	<b>265,531</b>	<b>55,420</b>	<b>320,951</b>	<b>-</b>	<b>320,951</b>
Recurring EBITDA	6,690	3,303	9,993	-	9,993
Depreciation of tangible/intangible assets (excl. PPA)	-4,135	-608	-4,743	-	-4,743
Non recurring restructuring costs	-8,070	-1,473	-9,543	-	-9,543
EBITA divestements	235	-	235	-	235
Result disposed subsidiaries	-	-	-	-	-
<b>EBITA</b>	<b>-5,280</b>	<b>1,222</b>	<b>-4,058</b>	<b>-</b>	<b>-4,058</b>
<b>2010 Q1 - Q3</b>	the Netherlands	Belgium/ Luxembourg	subtotal	discontinued operations	total
Total revenue per segment	288,525	51,484	340,009	-	340,009
Inter-segment revenue	-147	-1,207	-1,354	-	-1,354
<b>Total revenue</b>	<b>288,378</b>	<b>50,277</b>	<b>338,655</b>	<b>-</b>	<b>338,655</b>
Recurring EBITDA	6,621	2,698	9,319	-	9,319
Depreciation of tangible/intangible assets (excl. PPA)	-4,608	-657	-5,265	-	-5,265
Non recurring restructuring costs	-2,475	-509	-2,984	-	-2,984
EBITA divestements	-3,021	-	-3,021	-	-3,021
Result disposed subsidiaries	-	-	-	-	-
<b>EBITA</b>	<b>-3,483</b>	<b>1,532</b>	<b>-1,951</b>	<b>-</b>	<b>-1,951</b>
<b>full year 2010</b>	the Netherlands	Belgium/ Luxembourg	subtotal	discontinued operations	total
Total revenue per segment	387,865	69,889	457,754	-	457,754
Inter-segment revenue	-211	-1,621	-1,832	-	-1,832
<b>Total revenue</b>	<b>387,654</b>	<b>68,268</b>	<b>455,922</b>	<b>-</b>	<b>455,922</b>
Recurring EBITDA	14,435	3,680	18,115	-	18,115
Depreciation of tangible/intangible assets (excl. PPA)	-6,318	-943	-7,261	-	-7,261
Non recurring restructuring costs	-6,141	-546	-6,687	-	-6,687
EBITA divestements	-2,604	-	-2,604	-	2,604
Result disposed subsidiaries	-	-	-	-	-
<b>EBITA</b>	<b>-628</b>	<b>2,191</b>	<b>1,563</b>	<b>-</b>	<b>1,563</b>

**SEGMENT INFORMATION (CONTINUED)**
*(x euro thousands, unless indicated otherwise)*

<b>30 September 2011</b>	the Netherlands	Belgium/ Luxembourg	subtotal	discontinued operations	total
Intangible assets	181,474	20,465	201,939	-	201,939
Tangible assets	10,100	1,895	11,995	-	11,995
Total assets	290,998	43,085	334,083	-	334,083
Additions to intangible fixed assets	1,573	-	1,573	-	1,573
Additions to tangible fixed assets	2,567	342	2,909	-	2,909
Amortisation	7,503	1,770	9,273	-	9,273
Depreciation	2,504	533	3,037	-	3,037
Number of staff at end of period (fte's)	2,512	559	3,071	-	3,071
<b>30 September 2010</b>	the Netherlands	Belgium/ Luxembourg	subtotal	discontinued operations	total
Intangible assets	190,489	22,851	213,340	-	213,340
Tangible assets	11,016	2,257	13,273	-	13,273
Total assets	349,121	44,649	393,770	-	393,770
Additions to intangible fixed assets	1,706	-	1,706	-	1,706
Additions to tangible fixed assets	816	214	1,030	-	1,030
Amortisation	10,452	1,857	12,309	-	12,309
Depreciation	3,498	582	4,080	-	4,080
Number of staff at end of period (fte's)	2,675	596	3,271	-	3,271
<b>31 December 2010</b>	the Netherlands	Belgium/ Luxembourg	subtotal	discontinued operations	total
Intangible assets	189,261	22,235	211,496	-	211,496
Tangible assets	10,037	2,086	12,123	-	12,123
Total assets	302,475	43,655	346,130	-	346,130
Additions to intangible fixed assets	4,273	-336	3,937	-	3,937
Additions to tangible fixed assets	3,650	401	4,051	-	4,051
Amortisation	13,879	2,473	16,352	-	16,352
Depreciation	4,527	843	5,370	-	5,370
Number of staff at end of period (fte's)	2,741	589	3,330	-	3,330



### Seasonality of operations

The revenue and operating profits of a service provider such as Ordina are driven to a large extent by staffing levels. In the months when staff commonly take leave, staffing levels come under pressure. Ordina's revenue is usually higher in the second half of the year.

### Impairment tests

Ordina conducted impairment tests of goodwill and other non-current assets in the first nine months of 2011. These tests did not give rise to impairment losses on goodwill and other assets in the first nine month of 2011.

### Intangible assets

Movements in intangible assets in the first nine month of 2011 can be broken down as follows:

(in millions of euros)	goodwill	software	PPA-related	total
Carrying amount at 31 December 2010	186.3	5.3	19.9	211.5
Purchased	-	1.6	-	1.6
Depreciated / Amortised	-	-1.7	-7.6	-9.3
Other changes	-1.9	-	-	-1.9
Carrying amount at 30 September 2011	184.4	5.2	12.3	201.9

Other changes relate to the decrease in goodwill following the sale of Finext.

### Property, plant and equipment

Movements in property, plant and equipment in the first nine month of 2011 can be broken down as follows:

(in millions of euros)	total
Carrying amount at 31 December 2010	12.1
Purchased	2.9
Depreciated	-3.0
Carrying amount at 30 September 2011	12.0

Assets purchased mainly involve replacements of computer equipment.

### Operating results

Operating results for the first nine month of 2011 stood at EUR 11.6 million negative (Q1-Q3 2010: EUR 12.7 million negative). This includes an amount of EUR 9.5 million non-recurring costs associated with restructuring operations in the Netherlands and Belgium. These restructuring costs include an amount of approx. EUR 1.7 million related to the termination of the contract with Mr Kasteel per 1 September 2011, which was determined in accordance with the applicable remuneration policy and the so-called subdistrict court formula.

### Income tax expense

Current tax for the reporting period is calculated by applying the estimated effective annual tax rate to profit before tax. The effective tax rate for the first nine months of 2011 was 23.9% (full-year 2010: 35.9%; first nine month 2010: 23.5%). The variance between the nominal tax rate of 25.0% and the effective tax rate is due in particular to the impact of non-deductible amounts, exempt profit components and fee differences abroad.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred income tax assets mainly involve recognised tax losses, as well as temporary differences arising on property, plant and equipment and pension provisions. Deferred income tax liabilities are mostly associated with temporary differences arising on intangible assets. An amount of about EUR 0,3 million in deferred income tax assets has been netted against deferred income tax liabilities (year-end 2010: about EUR 1.2 million; 30 September 2010: about EUR 1.8 million).

Total deferred income tax recognised directly in equity amounted to about zero for the nine month of 2011 (first nine month 2010: about EUR 0.1 million).

### **Sale of Finext**

Ordina sold its equity interest in Finext to about 70 Finext employees in the first half of 2011. Agreement was reached about the sale early in April 2011; the shares in Finext B.V. were transferred immediately following the agreement. The sale of Finext was prompted by Ordina's strategic choice to focus fully on its core activities in the areas of consulting, ICT and outsourcing. Finext had about 110 employees at the time of the sale. Finext's revenue and profit were consolidated until 1 April 2011. The Ordina Group's share of profit of Finext was approximately EUR 0.2 million for 2011.

The selling price was EUR 4.0 million. Net of costs associated with the sale, the goodwill attributable to Finext that was recognised at acquisition of the TVW Group of which Finext was a member at the time, and Finext's net asset value at the time of the sale, the net gain on the sale amounted to about EUR 0.6 million. Excluding the deferred purchase price of about EUR 1.8 million and Finext's cash reserves of about EUR 0.2 million, the sale resulted in an amount of approximately EUR 2.0 million in positive cash flows. The deferred purchase price of about EUR 1.8 million was disclosed in the consolidated balance sheet as a loan receivable, which will be paid by the buyer depending on Finext's financial performance going forward.

The gross and net gain on the sale of Finext can be matched as follows:

(in millions of euros)	<b>total</b>
Gross gain on sale	4.0
Goodwill	-1.9
Costs associated with the sale	-0.3
Net asset value upon sale	-1.2
Net gain on sale	<u>0.6</u>

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