

“We place our intellectual capacity as well as development and organisational capabilities at the disposal of our clients, and help them to find solutions that contribute visibly to their future success.”





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Ronald Kasteel Chief Executive Officer
Hans den Hartog Chief Financial Officer

DIRECTORS' REPORT

Market trends: opportunities and threats

INTRODUCTION

In 2007, we benefited from favourable conditions in the markets in which we are active. Economic growth in the Benelux countries contributed to a rise in consumer and business confidence. This is reflected in our clients' spending patterns and greater willingness to invest. We do not believe that the upward trend of the past few years is likely to reverse at the present time, despite recent world economic developments.

The economic upturn has clearly affected the labour market. The number of job vacancies in the Netherlands reached an all-time high in 2007, while unemployment was at its lowest point in nine years. The shortage of highly skilled workers has logically also become an issue in our sector. Clients and suppliers have to go to great lengths to recruit and retain staff. Especially the number of IT professionals starting their own businesses has increased dramatically. This creates opportunities as well as threats. At Ordina, we use these external resources to meet growing demand in an ever-expanding market, making our business more flexible. At the same time, we are working hard to distinguish ourselves from other IT providers because we see it as a priority to attract and retain talented individuals. Despite fierce competition on the labour market, our workforce continued to grow organically at a rate of 6% during 2007. The recruitment campaign launched in the second half of 2007 certainly boosted our visibility in the labour market.

The high demand for consultants and IT specialists has led to an increase in salary and fee levels. However, revenues in the sector did not necessarily keep pace with this rise. Maintaining a strong presence with large clients continues to be a critical success factor as clients will value quality over price given the long-term interests involved. This development ties in with our vision on sustainability and putting the interests of our clients first.

Corporate social responsibility is a topic that has been highlighted by the authorities and business leaders on an increasing scale. Supply chain partners and investors are reviewing companies based on their corporate social responsibility policies and the criteria are becoming more stringent.

OUR MARKETS

Ordina wishes to achieve sustainable growth. We believe that the Finance and Public markets will provide the greatest opportunities for sustainable growth in the long run. But we will continue to serve the industrial market as well. With our portfolio and focus on client service concepts and business and management issues we are well-positioned to respond to developments in all of these markets.

TRENDS IN THE FINANCE MARKET

Banks, insurance companies and other financial services providers have to go to extra lengths to retain their client and market position. In order to do so they are focussing their efforts to develop client service concepts. The Internet is still gaining importance as a distribution channel. It enables better comparison of providers and it influences consumer behaviour. Margins have come under pressure, particularly for homogeneous products. Innovative products as well as new distribution channels are necessary to differentiate from competitors and to win and retain clients. Because of the increased pressure for transparency financial service providers must respond to the demands for flexibility. These developments affect the way in which they are organised from front office to back office.

Traditional competitive conditions on the financial markets are changing with the arrival of (foreign) market players and consolidation. The acquisition of ABN Amro by a consortium of three banks is the most concrete example of this. Foreign players do not have to resort to a merger or acquisition to win Dutch clients however, simply using the Internet as distribution channel enables any supplier to sell products or services from remote locations to the Dutch market.

In this changing commercial arena, financial institutions still need to be beacons of trust and calmness within the economic system. Boundaries between insurance and banking activities are fading, making full transparency essential. Increasingly strict and ever-changing laws and more stringent oversight by the Netherlands Authority for the Financial Markets (AFM) of compliance with those laws affect the scale of compliance investments made by financial institutions.

Against the backdrop of these major trends, our entire services portfolio, and especially BPO, stands to benefit greatly from market developments and the ensuing growth potential. Financial institutions are likely to focus more on the customer side of their operations and less on their back office as a core activity or unique proposition. Replacing legacy systems by flexible solutions that are, and will remain,

compliant with prevailing laws and regulations requires enormous investments. These are only a few reasons why small and medium-sized financial institutions in particular are outsourcing some of their back office operations. However, large banks are also increasingly considering their options.

TRENDS IN THE PUBLIC MARKET

Public Sector performance is in the spotlight, with citizens and businesses having specific views on how the Public Sector is, or should be, operating. Driven by public opinion, the Dutch government has initiated a debate on how Public Sector performance can be improved and streamlined so that citizens regard the services they receive as valuable. Citizens are faced with increasing regulatory pressures and little transparency. The quality of service from the Public Sector is perceived as poor. The Dutch government has decided to introduce measures to change this negative perception.

Firstly, the government wants to deliver better and smarter public services. Similar to the Finance Sector, the focus will be shifted to strengthening front office delivery: the government wants to provide better services by introducing a "one-stop-shopping" concept. The number of policy areas will be reduced, easing regulatory pressures. The extensive standardisation of underlying processes will allow front desk staff to deliver more responsive services. Digitisation will play a key role in the change process.

It is paramount that rules imposed by the government should be duly observed. Proper checks by inspectorates will remain as important as ever. However, oversight and enforcement can and must be organised more efficiently. Once again the government plans to do away with much of the bureaucracy by having inspectorates collaborate more closely and offering more digital services.

In addition to these organisational aspects, the government has defined several priority policy aspects. Key areas where the government intends to make changes include education, healthcare, law enforcement, and safety and security.

Core public services in these areas will not only be improved, but transformed. Increased transparency and improved chain management are key to the government's initiatives.

TRENDS IN THE INDUSTRY MARKET

Since the beginning of time the battle for business has existed, but the way in which it is fought has changed. Those in the lead are surpassed by the competition much quicker than before, resulting in a shortened product lifecycle. If businesses do not want to be defeated by their own success, they will have to act quickly and flexibly. Accordingly, industrial companies are increasingly looking to partner up with other businesses in the same supply chain in order to deliver top quality at minimum costs. Overlap is avoided where possible. Reverting to core business activities has become an overall trend. Supply chains are becoming global, scaleable networks of specialist operations that work together to deliver a finished product or service. Choices regarding network composition are made continuously. As a result, organisations are reinventing themselves over and over again.

The Internet is an important channel for services and distribution. It has led to increased transparency and better options for clients and end-users. For suppliers of products and services, the Internet is both an opportunity and a threat. Doing business over the Internet creates high expectations amongst end-users. Suppliers must live up to their promises by properly aligning their processes and systems throughout the supply chain. Operational excellence is a prerequisite for providing quality at competitive prices.

Our industrial clients are looking to strike a balance between sound management on the one hand and entrepreneurialship and innovation on the other. Businesses are forced to conform to generally accepted corporate governance codes, accounting policies, laws and regulations. In addition, the government, shareholders and public opinion make increasingly stringent demands in terms of sustainable business practices. As a result, enterprises need to invest in compliance, in people as well as in

systems, allowing them to better account for their corporate governance performance and their sustainable business practices.

A major concern among industrial companies is how to retain talented employees and business knowledge. To tap that knowledge, they are teaming up with supply chain partners and suppliers, both where supporting processes such as IT and their core portfolios are concerned.

CLIENT CONCERNS CROSSING THE VERTICAL SEGMENTS

In summary, we have seen a number of similar trends occur across all of our market segments. Strikingly, the corporate and public sectors are both becoming more client-focused. Our clients want to create added value by increasing their market share or improving their services. Rapid innovation of front office delivery and product development has become the order of the day; this is where a difference can be made in terms of client or citizen perception. At the same time, this sharpened client focus means that tendering procedures are now more and more time-consuming and also require greater depth. Service providers face higher costs as a result.

The outside world (clients, public opinion, shareholders and regulators) is insisting on greater transparency and compliance. Corporate performance management is widely embraced by both the corporate and public sectors as a means to align execution to strategy. Decision-making on whether to invest in digitisation in order to achieve these process changes and improvements takes place at the highest level. The proper deployment of IT is key to strategy implementation and is purely business-driven. Clients look at these investments rationally. They demand a healthy return on their investment, either in the way of lower costs or in the shape of innovation and progress.

Although funds are channelled towards innovation, cost-cutting remains a focal point. Clients demand more standardisation and prefer packaged solutions to customised products. In our key markets, more

and more back office operations are being rationalised through process optimisation (e.g. shared services). Clients outsource their IT operations more readily, through offshoring or otherwise. They are looking for new forms of contracts in which the client and supplier each assume transparent obligations. The trend to outsource a full range of business processes that are no longer regarded as a core business activity has grown.

Finally, each of our markets is affected by a shortage of qualified and highly skilled workers. The challenge to recruit and retain talented individuals is present in all market segments.

Prevalent themes for clients

- Focus on service to end consumers
 - Transparency and compliance
 - Return on investment
 - Outsourcing and offshoring
 - Recruitment and retention of staff
-

VISIBLE IMPACT FOR OUR INDUSTRY

Investments must yield returns. A growing number of clients demand that suppliers take responsibility for deliverables. Whether a project is successful is not the only criterion. What has become important is whether the envisaged cost-savings or improvements are in fact achieved. In order to assume that responsibility, the partners to a project should get together as early as the design stage of a project rather than waiting until the implementation stage. This change of approach means that suppliers will have to work on a project basis more often than before, take on a more dominant and pro-active role as a partner to the client and learn more about the client and organisational issues in general. It is in the best interest of the supplier and the client to make clear agreements at the very start of a project.

Another phenomenon is that outsourced projects tend to become larger and more complex rather than smaller. Large clients select their contract partners for their knowledge and skills, but also based on scale and continuity. Bids on contracts are more

often submitted by enterprises joined in a consortium nowadays. We also see a continuing trend towards consolidation in the sector. This has reduced the number of large suppliers in the Benelux considerably. Winning or losing a large tender now has a much more substantial impact on their market position than before.

Clients are looking for the right specialist provider when it comes to outsourcing processes such as systems development, application management or Internet services. In addition to knowledge and skills, suppliers need to offer scalability and continuity in different subfields. Using different suppliers means that clients increasingly need to professionalise their status as a contract principal. Clients expect support from their suppliers in developing this competence.

Leading suppliers of technology and packaged solutions, such as IBM, Microsoft, SAP and Oracle, have come to dominate the landscape. It is often difficult not to accept and execute a large project other than on the basis of this technology. Accordingly, suppliers need to carefully monitor compatibility with state-of-the-art technology. Offshore businesses also carry out a substantial part of the work, whether alone or in collaboration with (technology) partners.

Finally, the shortage of qualified and highly skilled professionals has also become a reality within our industry. Service providers have hundreds of job vacancies, while professionals increasingly choose to start their own businesses, with or without employing staff.

Strategy and positioning

STRATEGY

Ordina pursues a consistent strategy of growth and value creation. Moreover, we aim to be recognised as the most successful provider of consulting, IT and outsourcing services by our clients and staff. We have fine-tuned a few elements of our previously defined strategic targets and divided them under the propositions Portfolio (Market & Customer), People (Modern Personnel Management) and Performance (Value Creation). In the next section, we will elaborate on the strategic targets for each of these three propositions and discuss the progress achieved thus far. Objectives and realisation of these objectives are described from page 29 onwards.

Portfolio

- Ongoing specialisation
- Focus on large strategic clients
- Long-term contracts
- Targeted acquisitions

People

- Employer of choice in Benelux
- Performance-driven culture
- Leadership development

Performance

- Sustainable value creation throughout economic cycle

POSITIONING

Ordina has positioned itself as a specialist service provider. Finance and Public are our principal

growth markets. We are also active within the Industry market and will continue to do so. In keeping with our specialist profile, we deliver a logical combination of Consulting (business and organisational knowledge), IT (design, development and implementation) and Outsourcing (Application Outsourcing and BPO) services. We take meticulous care to ensure that our core activities are fully aligned, so that we can cater to our clients' every need throughout the value chain. Outsourcing is the means for building long-term relationships with clients. We regard BPO and Application Outsourcing as key drivers for future growth. We believe that BPO offers the greatest growth potential for financial services because there are very few competitors in the Netherlands in this field and demand is growing. Our clients' business requirements dictate every action we undertake, hereby building tomorrow's success. For our clients and for Ordina.

MARKET SHARE

We can only guess at the exact size of our market share because our portfolio does not lend itself to simple comparison with that of our direct competitors. In building our portfolio, we have deliberately chosen to position our business in a different and more specialist niche of the market. According to different surveys, our market will grow at a rate of 7% per annum until 2011. On the basis of our revenue information and that of our direct competitors as well as a number of generally known surveys, we estimate our market share at approximately 9,5%. According to these figures, Ordina has been outperforming the market for a number of years now. Our aim is to continue to do so in the future. Broken down into our core activities, i.e. Consulting, IT, Application Outsourcing and BPO, the market developments are:

	Market
Market growth 2008-2011	
Consulting	6%
IT	3%
Application Outsourcing	11%
BPO Financial Services	11%
Total	7%

Source market growth: Forrester

Targets and delivery

PORTFOLIO: TARGETS

Ongoing specialisation

Ordina specifically focuses on three markets: Finance, Public and Industry. Finance and Public have shown the most significant growth. Within these markets, we deliver specialist services geared to business-critical processes and issues relevant to our clients. We offer a coherent portfolio of Consulting, IT and Outsourcing services to strongly support our clients' success. In order to deliver excellent solutions to clients, we are seeking to team up with leading technology partners. Our objective is to increase revenue from Finance and Public over the next few years.

Focus on large strategic clients

We seek to forge strategic partnerships with large organisations. To achieve this, we intend to increase our market share with our ten largest clients and strengthen our presence in 40 of our key accounts. Our long-term target is to generate at least 75% of total revenue from this group of clients. In addition, our Top 10 largest clients should account for at least 40% of our revenue, evenly distributed over the accounts.

Long-term contracts

We are making targeted efforts to be less vulnerable to cyclical movements by bringing stability to our revenue structure and profitability. This is why we endeavour to sign multiple-year outsourcing contracts, focusing on Application Outsourcing and BPO.

Targeted acquisitions and integration of companies

We plan to achieve organic growth and growth through acquisitions in order to strengthen our position with strategic clients in the Netherlands and Belgium. Any future acquisitions will need to add value to our core Consulting and Outsourcing activities in terms of scale and specialist profile, and more importantly, focus on the Public and Finance markets. In Belgium, we intend to accelerate growth of all our three core activities

through acquisitions. The companies that we acquire are integrated into our business in order to join forces and achieve sustainable gains.

PORTFOLIO: DELIVERY

Specialisation

Revenue from Finance and Public has risen sharply, accounting for 64% of total revenue. Ordina is engaged in talks with clients in both markets on a continuous basis, from boardroom level down to project management and procurement. This enables us to be proactive regarding new developments and offer focussed input throughout the project: from design to implementation and management. In 2007, we won several prestigious contracts. Examples include the Rabobank contract, which has strengthened our position and reputation in the Finance market. Rabobank has outsourced a range of its application development and management activities to Ordina for a period of seven years. Under the contract, 150 Rabobank employees were transferred to Ordina in May 2007. In the Public market, we are active and successful in nearly all areas identified by the government as key policy areas. Other major contracts are shown on page 31.

Large strategic clients

As shown in the list of our Top-10 largest clients, the composition of our client base has changed very little over the years. We devote a great deal of our time to nurturing the quality of our relationships with strategic clients, developing these partnerships into longstanding alliances. The emphasis we place on professional account management has delivered the results we expected: we are increasingly involved in our clients' strategic projects. Our 40 most important clients currently account for 69% of our revenue (2006: 68%), which means that this share of revenue is growing at a faster pace than our total revenue. Our ten largest clients accounted for 43% of revenue in 2007 (2006: 41%).

An overview of our 10 largest clients:

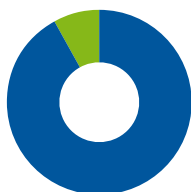
Achmea Group
ING Group
Ministry of Agriculture, Nature and Food Quality
Ministry of Finance
Ministry of Justice
Ministry of Transport, Public Works and Water
Management
Police
Rabobank
Shell
Social Security Administration Board (UWV)

In Belgium, Ordina has now also entered the Top 10 of IT service providers. In this, our second home market, we focus on the same activities and core markets as we do in the Netherlands.

Geographical breakdown of revenue

In %

- 92% the Netherlands
- 8% Belgium

**Long-term contracts**

Within our BPO services, we gave priority to implementing a multi-client basic banking platform, the most important aspects of which were completed at the end of 2007. Regarding the initial timeframe scheduled to transfer clients to the new platform, we expect to experience some delay during 2008. The reason for this delay lies in the fact that the interfacing and integration on the clients' side is taking longer than anticipated. Only once the transformations have been made we will achieve the planned rationalisation and economies of scale. During the preparatory stage, we are committed to maintaining an excellent level of service to existing clients. The integration of approximately 140 new staff members, hired under the new BPO contracts,

also received a great deal of our attention in 2007. Alignment of their terms of employment also took place in 2007.

There is great demand for BPO services in the market. In the short-term, however, investments in BPO services will be greater than the benefits reaped. In the coming years, we will give priority to building a solid organisation, developing standardised platforms and achieving further growth so as to bring extra stability to our portfolio and lay a foundation for our substantive performance.

In 2007, Application Outsourcing accounted for 12% of total revenue (2006: 11%). Our organisation is structured in such a way that we can execute these contracts by deploying the right expertise across the various disciplines. To manage these contracts, we have built up a robust management organisation with a strong client focus. We offer our clients in the Netherlands the assurance that we can take full responsibility for the IT operations that they outsource to us. We assist our clients in preparing for outsourcing by supporting them in their shift from "client" to "contract principal", i.e. professionalising their contract management capability. In addition to intensive client interaction, we can offer scalability and continuity in the day to day running of their project, both in the Netherlands and abroad via Cognizant, our offshore partner.

Breakdown revenue by markets 2007

In %

- 34% Public
- 30% Finance
- 36% Industry



Key contracts in our core portfolio and core markets in 2007

Finance

Consulting and IT:	development of fraud detection system for Delta Lloyd
Outsourcing:	signed new BPO contracts with Robeco Direct, BNG, and Reaal Verzekeringen
Outsourcing:	implementation of the Rabobank contract and integration of staff into our organisation

Public

Outsourcing:	school funding system for the Ministry of Education
Consulting and IT:	streamlining of farmers' subsidies for the Ministry of Agriculture, Nature and Food Quality
Consulting:	design of sourcing organisation for the Directorate-General for Public Works and Water Management
Outsourcing:	SAP sourcing contract with Ministry of Education
Outsourcing:	sourcing of primary process systems for the Public Prosecutor's Office
Outsourcing:	SAP sourcing contract with the National Police Service
Consulting:	improved co-operation between youth care inspection agencies

Industry

Outsourcing:	SAP sourcing contract with the Rotterdam Port Authority
Consulting:	detailing of business intelligence strategy for Essent Netwerk
Outsourcing:	co-sourcing agreement with Ricoh
Outsourcing and IT:	systems development and management for TNT

Acquisitions

New acquisitions

In line with our acquisition strategy, we acquired two companies in 2007; one in the Netherlands and one in Belgium.

YoungWood IT Group is a specialist provider of high-quality IT and consulting services to the Financial Services Industry. It is one of the few specialist companies in the Netherlands when it comes to guaranteeing the continuity of key business-critical applications, such as Internet banking, cash dispensers and automated teller machines and international payment transactions.

With the acquisition of ITG Consulting Group in Belgium, we have gained a foothold in the financial services markets in Belgium and Luxembourg. These are markets where we have had a limited presence in the past. Our goal is to achieve robust growth in these markets over the next few years. To effect this, we will certainly use the knowledge and long-standing experience that we have gained in the Netherlands. We will also be exploring opportunities for BPO and Application Outsourcing in the Finance markets in Belgium and Luxembourg.

Integration

We make acquisitions to strengthen the business as a whole. That is why, usually after an earn-out period, we integrate newly acquired companies into our business. We invariably work with the acquired company's management to ensure a successful integration. The first step in the integration process is to achieve joint commercial success. As a logical following on, we further integrate organisational and accounting processes. Issues such as the alignment of employment terms are addressed at this stage. We have extensive experience in this area, having recently integrated Vertis, YoungWood IT Group and Wisdom into our business. In 2008, we will begin to integrate Be Value.

In Belgium we successfully integrated all acquisitions from prior years, including Evosoft and Iterum Services, during 2007. ITG Consulting Group will be embedded into our Belgian operations after 2008.

PEOPLE: TARGETS

Employer of choice in the Benelux

At Ordina, we seek to be recognised by professionals operating in our markets and core activities as the employer of choice. It is our aim to attract top professionals from all three Benelux countries and retain them by providing an exciting work environment. To achieve this, we offer our staff the best possible potential for advancement, assigning them to interesting projects for major clients. We give our employees every opportunity to develop their careers through training, certification or management development. Above-average employee satisfaction is our ultimate goal. We have put an active health-at-work policy in place, which has led to absenteeism levels that are below market average.

Performance-driven culture

Partnerships and joint efforts are becoming increasingly important. We publish our strategy and objectives clearly. We all work together to achieve this shared goal and make our organisation a success. This is the basis of our leadership philosophy, our management style and our remuneration structure. This should lead to a smoothly and effectively run business, raising the bar as we go, that delivers ever-stronger results.

Leadership development in line with strategy

Management development is essential to develop the leadership capabilities that we need, both now and in the future. We work hard to professionalise our management and encourage staff to aspire to higher-level management functions through

internal promotion. Management rotation across the company is also used to develop management skills.

PEOPLE: DELIVERY

Employer of choice

The response rate to the employee satisfaction survey held in late 2007 was exceptionally high. Of the 4,800 surveyed employees, 3,800 submitted their response (i.e. 77%). This demonstrates the high level of employee involvement at Ordina. Employees from companies acquired by Ordina also actively participated in the survey. The survey findings show that Ordina is on the right track. The average employee satisfaction rate rose for the second year running to 7.0 (year-end 2006: 6.8). It goes without saying that the survey also identified areas for improvement, which we have every intention of addressing (see table). Absenteeism, an indicator of employee satisfaction, is below market average at just above 3%. Our prevention programme would undoubtedly have contributed to this excellent result. The programme entails an active health-at-work policy, focusing on prevention and working conditions.

Despite the shortage of IT skills, Ordina has successfully recruited new staff during 2007. The net influx (excluding influx related to outsourcing contracts) constituted 281 FTE's. The light-hearted recruitment campaign launched in October undoubtedly enhanced Ordina's appeal as a potential employer. Staff members were invited to use the Ordina website to send a video to family and friends, who could

	2007	2006
Highlights from the employee satisfaction survey		
Overall satisfaction	7.0	6.8
Strengths		
Career prospects	121%	115%
Communication about important matters	130%	132%
Sufficient time to complete assignments	114%	112%
Areas for improvement		
Collaboration within divisions	78%	73%
Appreciation by management	96%	93%

National Satisfaction Index = 100%

in turn forward it to their family and friends, and so on. This was done more than 100,000 times. The number of hits on our jobs portal rose sharply in the last quarter of the year.

During the financial year, we welcomed hundreds of new staff members, including 150 Rabobank employees and 140 at Ordina BPO. We devoted a great deal of time to integrating the new arrivals. It is important for them to feel at home at Ordina and for them to see a future filled with opportunities. At 31 December 2007, the total number of employees (FTE's) was 5,702.

Performance-driven culture

We intend to strengthen Ordina's position through a culture and management style that enhance cooperation and entrepreneurialship. At the same time, we wish to highlight the personal advancement and employment relationship with individual employees. Our guiding principle being freedom of choice. This has led to the introduction of the Benefit Shop as a means of offering flexible employment conditions. Seeking to accommodate the wishes and requirements of our staff, we allow them to select their own benefits based on their personal situation. Under the new system, employees can use their own discretion to allocate a personal budget for example on extra days leave, more expensive company cars or a sabbatical leave.

In line with Ordina's performance-driven culture, the level of performance-related pay to professionals and management continued to increase in 2007. This development is greatly appreciated by our staff. For further details, please refer to page 37 of this report.

To encourage staff to interact, cooperate and be creative, we devised a housing concept that has now been fully implemented at our Nieuwegein office. The new work environment offers excellent facilities and makes people feel at home with Ordina, allowing them to do their work anywhere. The use of colours and materials, furniture and space radiate a timeless dynamic that perfectly reflects everything we stand for.

2007 also saw the launch of Young Ordina, a new company-wide network of young employees from all echelons of the company. The network stages information sessions as well as sports events in order to promote cooperation and interaction.

We aim to apply our knowledge to contribute to society. In 2007 we have helped to initiate 'Testen met Autisten', an organisation seeking to employ autistic people as test engineers in the IT industry and contributed to the 'Muiswijs' foundation, which promotes healthy computer use. Our staff greatly appreciates the possibility of offering their input to projects of this nature.

Leadership development

Ordina launched an extensive management development programme in 2007. This was implemented by our subsidiary Ormit. Managers participated in development assessment sessions, with members of the Executive Committee acting as assessors. In 2007, 150 managers took part. These sessions have given us an up-to-date view and good understanding of the quality and development potential of our managers. Information necessary in order to achieve our future plans as well as appoint good successors when staff leave, ensure that talented employees progress to higher-level functions and to allow for proper management rotation. On an individual basis, managers are encouraged to choose a focussed development path.

Works council

In 2007, we held open and constructive consultations with the Works Council once again. The Works Council issued recommendations and granted their formal approval to a number of developments within Ordina, particularly in the areas of employment conditions and organisational structure. In some cases this was done after extensive talks. The Works Council once again proved its worth as a good and critical sounding board for the Management Board in 2007.

PERFORMANCE TRANSLATED INTO FINANCIAL RESULTS: TARGETS

At Ordina, we pursue a strategic course geared towards creating sustainable value that is robust and stable amidst cyclical fluctuations. We have translated this ambition into the following targets.

Sustainable growth

We continually aim to expand our market share by growing our revenue faster than our competitors in our specialist areas. More specifically, we seek to improve the quality and stability of our revenue performance by increasing the share of revenue generated by multi-year contracts. The share of revenue generated by multi-year contracts should grow towards 30% to 35% of the total revenue over the next few years.

Improvements in relative profitability

We want to bring about continuous improvements in our relative profitability throughout the economic cycle. A few years ago, we set ourselves the goal of achieving an EBITA margin of at least 10% and net earnings per share of at least EUR 1.00 before amortisation of intangible assets due to acquisitions in 2007, provided that market conditions continued to improve.

Conservative funding

It is our aim to utilise our financial strength cautiously and prudently. We want to cap the net debt position at no more than twice EBITDA and maintain an equity level that ensures the company's continuity as a going concern.

Stringent management of working capital

To ensure continuity, we advocate stringent working capital management, aiming for a structural DSO (days sales outstanding) level of less than 65.

PERFORMANCE TRANSLATED INTO FINANCIAL RESULTS: DELIVERY

Revenue

Growth above market average

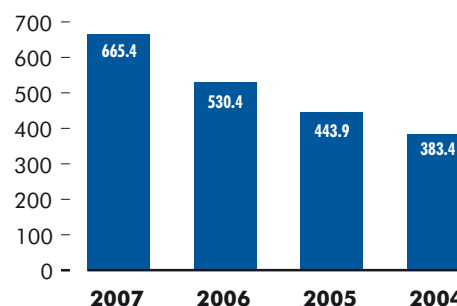
Revenue for 2007 was EUR 665.4 million, which was in line with our expectations. This represents an increase of 27% on our core portfolio on 2006. We achieved more than our target to win market share in 2007, given the average market growth of approximately 7%, as discussed on page 28 of this report.

Organic versus acquisitive growth

Revenue growth was largely achieved organically. Accordingly, we are also overtaking the market in terms of organic growth. In 2007, acquisitions accounted for EUR 66.4 million of revenue growth. Organic revenue growth in 2007 was 14%, mainly driven by several newly signed, large, multi-year contracts for Application Outsourcing (Rabobank contract) and BPO services (Robeco Direct, BNG and Reaal Verzekeringen contracts). These contracts also contribute to our strategic target of increasing the share of revenue generated by multi-year contracts. For further details, please consult page 29 onwards of this report.

In addition to the impact of these prestigious contracts, key drivers for our organic revenue growth were fee increases and a higher average number of professional staff. A slight improvement in productivity also contributed to the growth.

Revenue
In euro millions



	2007 organic	2006	% growth organic	2007 acquisitive	% growth acquisitive	total 2007	% growth total
Revenue development (in euro millions)*							
Consulting	133.9	112.0	20%	27.1	24%	161.0	44%
IT	349.2	335.4	4%	39.3	12%	388.5	16%
Application Outsourcing	79.1	57.5	38%	-	-	79.1	38%
BPO	36.8	20.1	83%	-	-	36.8	83%
Total	599.0	525.0	14%	66.4	13%	665.4	27%

*Revenue for 2006 excludes EUR 5,4 million revenue generated by Infrastructure Management services (2007: nil).

Revenue growth in Belgium

Of the total revenue, EUR 53.1 million was achieved in Belgium, our second home market. Our Belgian operations also showed robust revenue growth, up 14% on 2006 (EUR 46.7 million). Of this increase, 7% was achieved organically, so we also won market share in Belgium on an organic basis.

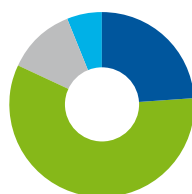
Offshore revenue growth

We signed a seven-year contract with Rabobank in 2007, taking the first concrete step towards using offshore development capacity. We deliver these offshore services in close cooperation with Cognizant, our offshore partner. In 2007, EUR 7 million worth of revenue was earned offshore, whereas revenue from offshore outsourcing was practically nil in 2006.

Breakdown revenue by activities 2007

In %

- 24% Consulting
- 58% IT
- 12% Application Outsourcing
- 6% BPO



Operating margin

EBITA margin on Consulting, IT and Application Outsourcing in 2007 more than 10%

Ordina's Consulting, IT and Application Outsourcing services are largely intertwined. We frequently provide these services as an integrated package to clients, incorporating them into our product offerings. The EBITA margin on these services rose to 10.6% in 2007, in line with our previously announced objective to generate a minimum margin of 10% on these activities. A key driver of the increase in EBITA margin was our ability to raise our fees over and above average salary increases. In addition, Ordina's continued growth and the integration of acquisitions provided opportunities to benefit from economies of scale and cost efficiencies. Finally, our acquisitions in 2007, more specifically YoungWood IT Group in the Netherlands (consolidation from April 2007) and ITG Consulting Group in Belgium (consolidation from September 2007), helped us to achieve our double-digit target margin. From January to December 2007 YoungWood IT Group realised a turnover of EUR 20 million and an EBITA of EUR 4 million, while ITG Consulting generated a turnover of EUR 8.9 million and an EBITA of EUR 1.3 million in 2007.

	EBITA 2007	EBITA- margin 2007	EBITA 2006	EBITA- margin 2006
Developments in EBITA and EBITA margin*				
Consulting, IT and Application Outsourcing	66.7	10.6%	47.5	9.3%
BPO	-4.6	-12.4%	-4.3	-21.3%
Totaal	62.1	9.3%	43.2	8.1%

* EBITA for 2006 is presented net of the non-recurring income item as a result of the harmonisation of pension plans.

Cost-base flexibility/developments in performance-related remuneration

Personnel expenses are by far the largest cost item in a service organisation. This also poses one of the greater risks we face, given Ordina's vulnerability to cyclical movements. That is why, several years ago, we opted to increase the performance-related remuneration component for both our professionals and our managers. This enables us to offer a highly competitive remuneration package when the economy turns up, and absorb an economic downturn through a well-structured cost base. In 2007, the total variable wage bill, as a percentage of the total personnel cost, rose to 7.0% (2006: 6.3%). In absolute terms, performance-related remuneration amounted to EUR 30 million (2006: EUR 22 million) in 2007.

BPO making losses as expected

Revenue from our BPO services, which we launched in 2004, increased by 83% in 2007. As expected early in 2007, revenue growth still went hand in hand with an EBITA loss. This EBITA-loss constituted EUR 4.6 million, slightly more than the published expectation. BPO's EBITA loss was partly caused by the costs involved in starting up the three major contracts with Robeco Direct, BNG and Reaal Verzekeringen. Furthermore a great deal of effort was put into building a standardised BPO services platform for payments, savings, loans and securities handling (basic banking) in 2007. We expect that it will take longer to implement than anticipated initially, as mentioned on page 30. As a result of the expected delay, a provision of over EUR 1 million was made at the end of 2007 for the additional costs incurred regarding obligations to clients.

Once we have implemented this generic basic banking platform and transferred existing clients to the platform will we be able to achieve synergy benefits and cost-savings within our BPO services. The year 2008 will be dominated by the transition of our client base to the standardised platforms.

Sustainability initiatives

Curbing the use of motor vehicles is one of the most important ways for Ordina to help reduce CO2 emissions. We launched an awareness campaign in 2007 that is eligible for a financial grant from SenterNovem, a Dutch government agency for the promotion of sustainable development and innovation. The project focuses on three elements: encouraging staff members entitled to company cars to use public transport, driving fuel-efficiently, and using cars that are fuel-efficient. In addition, newly leased cars will be fitted with particle filters and have their tyre pressure checked regularly. To qualify for the financial grant, Ordina will have to realise a 75-ton reduction in CO2 emissions on its fleet of vehicles. We are confident that, through the implementation of these three measures, we will exceed this requirement by far.

	2007	2006*	% change
Summarised income statement of Ordina N.V.			
Revenue	665.4	530.4	25%
Operating expenses	-603.3	-482.7	25%
EBITA	62.1	47.7	30%
Amortisation of intangible assets due to acquisitions	-16.4	-10.1	62%
EBIT	45.7	37.6	22%
Interest paid	-4.6	-2.3	200%
Profit from participations	0.1	-	-
EBT	41.2	35.3	17%
Income tax expense	-10.8	-9.5	14%
Profit for the year	30.4	25.8	18%

(in euro millions)

* Revenue for 2006 includes EUR 5,4 million revenue generated by Infrastructure Management services (2007: nil)

Profit for the year and earnings per share
Expected increase in amortisation of intangible assets due to acquisitions

The impact of amortisation of intangible assets due to acquisitions, undertaken in the past few years has increased under IFRS. Over the next few years, intangible assets due to acquisitions, based on all acquisitions undertaken by Ordina up to and including 2007, will be amortised as follows:

	2008	2009	2010	2011	2012	2013	2014
Amortisation of intangible assets due to acquisitions	16.6	14.8	13.5	8.9	3.9	3.0	1.0

(in euro millions)

Goodwill, stated at EUR 186.6 million, was subject to an annual impairment test in 2007. The test showed that there were no indications for goodwill impairment. For further details, please consult pages 91 and 92 of the Financial Statements.

Interest paid

In November 2006, we renewed our financing facilities as we began to make more structural use of our funding capacity. As a result, interest paid increased to EUR 4.7 million in 2007 (2006: EUR 2.3 million).

Effective tax rate

The effective tax rate was 26.2% in 2007. This is slightly higher than the nominal rate prevailing in the Netherlands. In the second half of 2007, we concluded a ruling with the Dutch Revenue Services (Belastingdienst) allowing us to utilise a number of unrecognised prior-year tax losses to the sum of EUR 2,6 million. A number of corrections on preceding years had also been incorporated and there is an effect from the higher effective tax rate in Belgium. Where 2008 and subsequent years are concerned, we expect to incur a tax liability at a rate that is in line with the prevailing nominal tax rate.

Profit for the year and earnings per share

As a result of the developments discussed in this section, profit for 2007 increased by 18% to EUR 30.4 million. Net earnings per share improved by 25% to EUR 0.75 in 2007 (2006: EUR 0.60). Net earnings per share before amortisation of intangible assets due to acquisitions rose by 34% to EUR 1.15 in 2007 (2006: EUR 0.86), meaning that we delivered on the target set late in 2004 to achieve at least EUR 1.00 in net earnings per share before amortisation of intangible assets due to acquisitions in 2007.

Investments and financing

Satisfactory cash flow from operating activities driven by DSO of less than 65 days

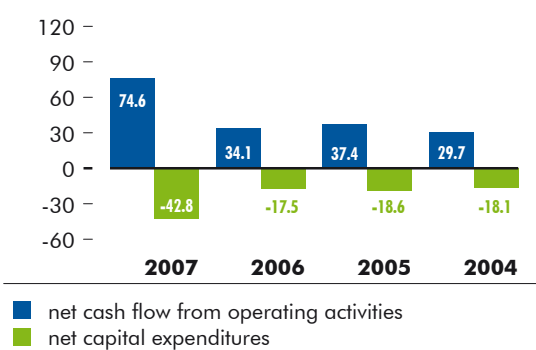
As a direct result of our continued focus on working capital management, we successfully kept DSO below 65 for the second year running in 2007. The DSO stood at 61 at the end of 2007. Stringent management of working capital by managers and administrative departments contributed greatly to a handsome level of net cash from operating activities of EUR 74.6 million in 2007 (2006: EUR 34.1 million).

Investments in business operations

The year 2007 was marked by targeted investments in our business operations. More specifically, as announced early in 2007, we invested heavily in putting in place standardised solutions for our BPO services. The total capital expenditure involved was EUR 28 million in 2007, of which EUR 20 million went towards the basic banking platform. We also invested in support systems for our standard operations at our central office location in Nieuwegein. As the main location for virtually all of our divisions, the office has been designed and furnished with a view to facilitating and encouraging cooperation within Ordina.

Looking ahead, we expect lower expenditure levels in 2008 than in 2007. The investment in finalising the transformation to the basic banking platform is expected to be EUR 11 million in 2008. An additional EUR 10 million will be invested in standardisation and scalability of our investment and mortgage solutions as well as transferring clients to these platforms.

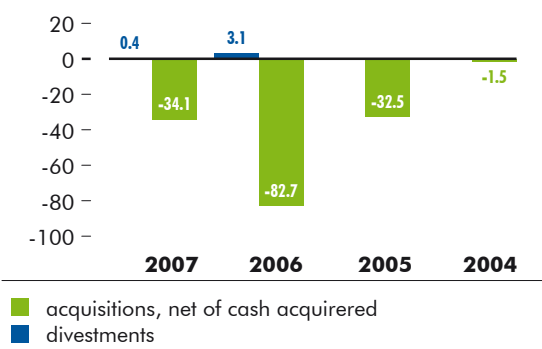
Net cash flows from operating activities and net capital expenditures
In euro millions



Investments in acquisitions

In addition to investing in business operations, we undertook several acquisitions in 2007, although investments were at a substantially lower level than in 2006. We purchased all of the shares in YoungWood IT Group in the first half of 2007, and acquired all of the shares in Belgian-based ITG Consulting Group in the third quarter. In the first quarter of 2007, we paid an additional EUR 32.4 million for acquisitions undertaken in previous years. These additional payments were based on earn-out agreements. In the first quarter of 2008, we expect to pay a total of EUR 8.0 million to satisfy earn-out commitments.

Net cash flow from acquisitions and divestments
In euro millions



Net debt at year-end 2007 lower than once the EBITDA figure

In view of Ordina's business model and susceptibility to cyclical movements, we have opted to pursue a relatively conservative financing policy. Our guiding principle is for our net debt not to exceed twice the EBITDA figure. At the end of 2007, net debt was 61.4 million, this is 0.8 times the EBITDA, remaining well within our policy target. We would note, however, that Ordina's cash flows traditionally follow a strong seasonal pattern. The first six months tend to see relatively large cash outflows due to the payment of bonuses, earn-out commitments, holiday allowances and dividends. The second half of the year is traditionally characterised by large cash inflows. This pattern is expected to

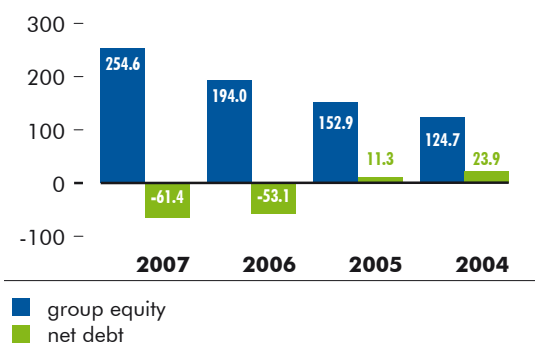
continue in 2008, despite the possibility of having holiday allowances paid out in monthly instalments through our new Benefit Shop.

In light of Ordina's ability to generate strong cash flows from operating activities and the financing facilities extended to us (EUR 120 million committed facilities and EUR 60 million uncommitted overdraft facilities), we have sufficient scope to fund further growth.

Strong equity position ensures continuity

At year-end 2007, Ordina's equity was EUR 254.6 million, i.e. 48% of total assets. We seek to maintain an equity level that optimally ensures the continuity of our business. In tandem with our policy on the use of loan capital, this objective also implies that we will continue to finance future acquisitions partly by issuing Ordina N.V. shares.

Group equity and net debt
In euro millions



	2007	2006
Summarised cash flow statement		
Net cash from operating activities	74.6	34.1
Net cash used in investing activities	-76.5	-97.1
Net cash used in financing activities	-4.6	40.4
Net decrease in cash and cash equivalents	-6.5	-22.6

(in euro millions)

Risk profile

The profile of Ordina's material risks can be summarised in a number of market risks, financial risks and operational risks. These risks are directly associated with market developments, our market position and our operations. These risks and our approach to risk management are described in greater detail elsewhere in this report. Here we have limited ourselves to references to the pages where more detailed descriptions are given of those risks within the context of our business.

MARKET RISKS

- The market continues to be characterised by increasingly large and complex contracts. As a result, winning or losing such contracts may have a material impact on our performance. We refer to page 27.
- The offshore trend is continuing, driven by both shortages on the labour market and cost control. This trend poses a challenge as well as an opportunity. We refer to pages 27 and 36.

FINANCIAL RISKS

- Much of Ordina's portfolio of activities, particularly in the areas of Consulting and IT, are and remain sensitive to upturns and downturns in the economy, with most of the costs of a service provider being fixed. This is not expected to change in the near future. It is of the essence that we continue to focus on increasing our revenue from long-term contracts, cutting costs and increasing the flexibility of our cost-base so that we are able to post a sound performance

regardless of cyclical movements. We refer to pages 29 and 37.

- Our investments in the BPO initiative are considerable. As far as our BPO services are concerned, investments will run ahead of the benefits. Over the next few years, revenue from BPO services will need to continue to increase strongly in order to make this division profitable on a structural basis. We refer to pages 30, 37 and 39.
- Ordina has deliberately opted to pursue a strategy that reinforces our market position through acquisitions. With profitable acquisitions, part of the purchase price is made up of goodwill. If the economy were to falter at any point in the future, we might have to post an impairment loss on some of the goodwill. We refer to pages 32, 36 and 38.

OPERATIONAL RISKS

- Control of increasingly larger projects, some of which are executed offshore while remaining Ordina's responsibility, combined with an overall growing responsibility for deliverables, continue to pose a risk that requires and receives our professional attention on a continuous basis. We refer to page 43.
- Where our BPO services are concerned, we plan to transfer existing clients to our newly built and standardised systems and processes in the course of 2008. Transformations of this kind present a risk and must be executed with the greatest possible care. We refer to pages 30, 37 and 43.

- Ordina acquires businesses with the ultimate goal of integrating them into the Ordina organisation in order to join forces. It is essential that the integration process is handled with due care in order to reduce the risk of unwanted staff turnover. We refer to page 32.
- Increasing shortages on the labour market may slow down future growth. We refer to pages 24 and 33.

Internal Control

Internal Control is one of our Ordina's main priorities. The internal control structure is constantly reviewed and professionalised, with the emphasis being placed on the governance structure, processes, systems and specific controls as well as raising awareness amongst management and staff of the importance of the proper application of such controls.

Our internal governance is composed of the following building blocks:

STRATEGY DEVELOPMENT

At Ordina, we scrutinise our strategy and related objectives and ambitions annually and adjust them where necessary on the basis of market developments and an analysis of opportunities and threats. The Management Board bears responsibility for this effort, in close collaboration with the members of the Executive Committee. Ordina's strategic course is also discussed at length with the Supervisory Board, in the presence of the members of the Executive Committee, on an annual basis.

FROM STRATEGIC TARGETS TO BUSINESS PLANS AND LONG-RANGE AMBITIONS

The strategic targets, including key opportunities and threats, are shared with the Boards of the different divisions, both on a group and individual basis. Ordina's overall strategic targets and the contributions to achieving them by the different divisions form the foundation for the business plans and long-range plans for each division. In addition to setting the financial budget, each division's business plan includes several concrete business targets that are translated into a number of key performance indicators (KPIs), which are consistently monitored for progress throughout the year.

ANALYSIS OF RESULTS AND FORECASTS AS WELL AS MONTHLY INTERNAL REPORTING CYCLE

The financial results of the divisions and their forecasts are analysed monthly using the Ordina Management Information System (Ordina MIS), both at local and at corporate level. The divisional management and business controllers, as well as the Management Board, Executive Committee and Group Finance & Control Division all have direct access to Ordina MIS.

The divisional management and business controllers submit monthly progress reports in respect of the targets defined in their business plan, the related KPIs, and the respective division's financial performance to the members of the Executive Committee and Group Finance & Control. Based on the reports, progress meetings are held monthly, which serve to discuss any previously agreed actions, relevant commercial developments, the financial performance for the past month and the updated forecasts, staff turnover and recruitment, and any progress made in the execution of important projects.

TRANSPARENT INTERNAL CONTROL STRUCTURE

We have formalised responsibilities, mandates, segregation of duties, guidelines, procedures and processes within Ordina in a clear and accessible format in the Ordina Digital Handbook. The Handbook was updated in 2007. For each process, we have added a description of relevant risks and the appropriate key controls. The divisional management and business controllers are responsible for the correct application of the processes and systems. This improved structure of our risk management system will enable us to continue to raise awareness on how important it is to apply the system consistently in 2008.

Where financial reporting is concerned, there is no margin for error. The financial accounts are kept in SAP, our primary system for accounting and operations. The decision to process financial information at our shared service centre contributes to the consistency and quality of our financial reporting.

Most of the Ordina organisation uses this system. As soon as acquisitions are properly embedded in our organisation, their guidelines, procedures, processes and systems are integrated as well. The Dutch internal governance model serves as a guideline for the further development and professionalisation of risk management at our Belgian operations.

PROJECT MANAGEMENT

A critical review of opportunities and threats in the course of the commercial process and the mandatory involvement of management at the right level (depending on the size of a prospective contract) are the first steps in the control and management of projects with responsibility for deliverables. To this end, we improved our Deal Review System in 2007 to allow for an informed decision to be taken at each stage of the bidding process. Or to determine whether or not to submit a bid (bid no bid). Key elements of the Deal Review System include the assessment of risks and measures available to mitigate those risks. By accepting a project we inherently accept risk, but our track record, experience, stringent project management and contractual agreements with our clients that limit our liability are all measures to identify and manage these risks.

In order for the Deal Review System to be consistently applied, bid and contract management, and the execution of large Consulting, IT and Application Outsourcing contracts have been centralised. Project progress is monitored centrally by the Project Support Office. Ordina BPO also has a project office that actively monitors project progress, including transitions and migrations to the new target environment. Reports on progress and any complicating factors are submitted monthly. The most important findings are addressed in the monthly review meetings between the local management and the members of the Executive Committee.

CONTROL SELF-ASSESSMENT AND INTERNAL AND EXTERNAL AUDITS

The final element in our internal governance structure is formed by a control self-assessment

amongst management as well as internal and external audits. The Internal Audit Department, which reports directly to the Chief Financial Officer, initiates the internal control self-assessment and carries out audits of the correct application of, and compliance with, internal procedures and guidelines. Both financial and operational audits are conducted. The objective is to further improve our internal control structure. In addition, these instruments contribute to a greater risk awareness within the Ordina Group.

Ordina BPO has an autonomous internal audit department that specifically focuses on the effectiveness and design of the administrative organisation, partly in view of the requirements that are imposed in this regard by regulators such as the Dutch Central Bank (DNB) and the Netherlands Authority for the Financial Markets (AFM).

In addition to internal audits, independent external auditors conduct external audits of the quality system, organisation of the administration and the financial statements. Apart from this, we provide independent assurance to specific clients (in BPO en Application Outsourcing) that we have an effective internal control structure in place. The financial statement audit focuses on the correct application and effectiveness of the internal control procedures that are relevant for the preparation of the financial statements. The findings of these audits by the external auditor are reported, both verbally and in writing, to the Management Board as well as to the Supervisory Board.

OPINION

It is the opinion of the Management Board that Ordina takes a professional approach to the design, application and continual improvement of its internal control structure and the related systems. Nevertheless, we cannot provide absolute assurance that no material misstatements will occur at Ordina. Based on all actions that have been performed in this regard during 2007, the Management Board is satisfied that the risk management and internal

control systems provide reasonable assurance that the financial information generated by our systems is reliable and in accordance with the relevant legislation.

Outlook

Ordina had a very positive start to the year 2008 with a number of large high profile projects being (provisionally) awarded to us. These include projects with the Dutch Immigration and Naturalisation Services and the Ministry of Agriculture, Nature and Food Quality.

The market continues to show a healthy demand for our services and to date we have seen no sign of negative impact from a possible economic downturn as result of the credit crisis.

Transferring existing clients to the standardised platforms is the central theme for our BPO services in 2008. Given the large number of transitions and transfers that have to be realised in 2008, it is realistic to expect that our BPO activities will still be generating losses in 2008 and will become profitable in 2009.

Should the market continue its positive development in the course of 2008, we expect to realise a revenue growth of at least 10% and at the same time, a slight improvement of our operating margin as well as growing the portion of revenue generated by long-term contracts with our clients. Please note that we have not taken into account the effect of the intended sale of Ordina Technical Automation in our outlook for 2008.

Compliance with Dutch Corporate Governance Code

The Supervisory Board and Management Board, who jointly bear responsibility for the Company's corporate governance structure, subscribe to virtually all principles and best practices set down in the Dutch Corporate Governance Code, and effectively apply them. For details on our views in relation to all principles and best practices outlined in the Code, we refer to our full-scope response to the Code, which is posted on our website. Ordina N.V. tabled its response to the Dutch Corporate Governance Code during the Annual General Meetings of Shareholders of 2004 and 2005, and deviates from the Code in some minor respects only:

- The current members of the Management Board do not have an appointment for definite duration. We will consider offering new members of the Management Board appointments for a definite duration.
- We use a restricted list of funds that are subject to an investment ban by managing directors and supervisory directors instead of using a system of periodic internal notice of securities holdings.
- There are no contractual agreements concerning maximum severance payments for Management Board members.
- Ordina has no outstanding preference shares. Voting rights attached to preference shares are no different than those attached to ordinary shares, since preference shares can be used for financing as well as anti-takeover purposes.
- We have not compiled a list of potential anti-takeover measures, since we are not convinced of their effect on a company such as Ordina.
- At Ordina, the Management Board is the first point of contact for the independent external auditor. If necessary or appropriate, the independent external auditor and the Supervisory Board can enter into consultations directly without any involvement on the part of the Management Board.

Governance structure

Transparency of governance, robust supervision by the Supervisory Board, a sound internal control structure and independence of the external auditor are principles that we fully uphold and apply. We have embedded these cornerstones in our corporate structure as follows:

MANAGEMENT BOARD UNDER THE ARTICLES OF ASSOCIATION

The members of the Management Board bear the ultimate responsibility for the Company's strategic course and its operations management. Where the commercial and operational management of Consulting, IT and Application Outsourcing activities are concerned, the Management Board works in close collaboration with the members of the Executive Committee. The BPO services, the Belgian operations and the divisions trading under their own name – including any recently acquired businesses – report directly to the Management Board.

Management Board

The two members of the Management Board under the Articles of Association of Ordina N.V. are Ronald Kasteel and Hans den Hartog.

Ronald Kasteel (1962) became a member of the Management Board in 1996 and was appointed Chairman and CEO in September 1999. Ronald is responsible for investor relations and corporate communications, as well as for general corporate affairs. He has worked for Ordina since 1988 and held various positions within the Company prior to his appointment to the Management Board.

Hans den Hartog (1967) is responsible for all financial matters, including finance & control, legal affairs, tax and stock exchange issues. Upon his appointment to the Management Board in January 1999, Hans had been working for Ordina for several years. Prior to joining Ordina in 1996, he was employed by Coopers & Lybrand.

EXECUTIVE COMMITTEE

The Executive Committee (EC) defines the joint strategy, monitors the consistency between strategy and policy, and translates strategy and policy to the various corporate divisions. In addition to Ronald Kasteel (Chairman) and Hans den Hartog, the Executive Committee has the following members:

Philip van Blanken (1962), is responsible for the entire delivery organisation of Ordina's core activities. He is also responsible for HR management and recruitment. Philip was previously responsible for the Finance division. Philip has been in Ordina's employ since 1997. Previously he held various management positions with a number of IT service providers and companies in the insurance sector.

Eddy Vermeire (1952), is responsible for the commercial aspects of Ordina's core activities. In this capacity he oversees strategic account management and sales and he is also involved in marketing, alliances, allocation, innovation and business development. Eddy was co-founder and CEO of TVW Group (The Vision Web & fiNext), which was acquired by Ordina in April 2004.

ADVISORY MEMBER OF THE MANAGEMENT BOARD

Tom Rodrigues (1954), is responsible for positioning Ordina as a socially responsible service provider. To achieve this, he maintains top-level relationships with a number of our 40 key accounts. Tom has been with Ordina since 1997 and is currently responsible for the partners within Ordina. He is also an advisor on issues relating to strategy, leadership and change management, particularly in the Public Sector.

SUPERVISORY BOARD

The Supervisory Board's primary responsibility is to supervise the Company's management, both from a strategic and operational perspective. The Supervisory Board's regulations are posted on our website. They set out a division of duties, detail the Board's working procedures, and describe how the Supervisory Board should interact with the company's Management Board under the Articles of Association, the Annual General Meeting of Shareholders, the independent external auditor and the Works Council.

The composition of the Supervisory Board is based on a profile published on our website. One of the key elements of the profile is that, in view of its relatively limited number of members, the Supervisory Board bears collective responsibility for the supervisory function and should have a diverse composition. Within this scope, the members of the Supervisory Board satisfy one or more of the following expertise or experience requirements: general management experience, financial expertise and experience in and/or knowledge of the IT market and developments in this market.

The members of the Supervisory Board are Carlo de Swart (Chairman), Robert-Jan van de Kraats, Erry de Boer and Jo van Engelen.

For information regarding the Supervisory Board Members we refer to page 60.

SHAREHOLDERS

Please refer to the section entitled 'Information for shareholders' on page 18.

INDEPENDENT EXTERNAL AUDITORS

PricewaterhouseCoopers Accountants N.V. is the Company's independent external auditor. The external auditor is appointed annually by the Annual General Meeting of Shareholders on the recommendation of the Supervisory Board and Management Board. The auditor's quality and independence are discussed by the Supervisory Board and Management Board. Aside from any

measures taken by PricewaterhouseCoopers within their own organisation, the independent position of PricewaterhouseCoopers is ensured through the regular rotation of the lead audit partner.

With a view to the independent position of our external auditors, Ordina has opted to engage the services of two other firms to conduct most the due diligence reviews of acquisitions and provide tax services.

Our business principles

Our operations are commercially sound. We are a loyal and reliable partner, an ethical and attractive employer, a trusted listed company as well as an organisation conscious of its social responsibility.

SUSTAINABILITY

We aim to safeguard business continuity and protect the interests of all our stakeholders by continuing to focus on optimum profitability.

FAIR COMPETITION

We subscribe to fair business practices in all markets in which we are active.

BUSINESS INTEGRITY

Fairness, openness and integrity are the cornerstones of our service provision. We expect our business partners to share these values. Bribes are strictly forbidden, whether they be direct or indirect. We expect our employees to avoid any conflicts between their private financial interests and Ordina interests. All business transactions must be above board.

HUMAN RESOURCES

Our objective is to be an employer of choice for ambitious and talented people. Ordina intends to make targeted investments in employees and wants to offer them the best possible opportunities for professional and personal development in combination with modern, market related terms of employment. In return, we expect our employees to do their best. Our HR policy is aimed at striking a dynamic balance between the interests and opportunities of the organisation and those of individuals.

CORPORATE SOCIAL RESPONSIBILITY

We aim to make a useful contribution to society by applying our core knowledge to social issues. The Care IT programme lays the groundwork for our social role. In all cases, the guiding principle is that our involvement should be beneficial to our clients as well as to Ordina.

INFORMATION PROVISION

Our interim and annual reports are public. They give a fair, accurate, timely and transparent account of our performance. Our financial reports are in accordance with financial reporting requirements generally accepted in the Netherlands and comply with the relevant statutory provisions. Any events affecting our financial performance are published immediately, in accordance with the prevailing rules and regulations.

COMPLIANCE

We comply with the rules and regulations that apply to us, and have the relevant specific regulations and guidelines in place to ensure compliance. We ensure that the relevant parties are familiar with these regulations and guidelines, and monitor their due compliance.

WHISTLE-BLOWING PROCEDURES

Employees are invited to report any instances of abuse without having to fear the slightest consequence for their own position under the Ordina whistle-blowing procedures, which have been published on our website. Reports should be submitted to management and a designated counsellor in the corporate HR Department. Any reports of abuse will be investigated within the specified timeframe. If required, follow-up action will be taken.



SAFETY AND THE ENVIRONMENT

We make every effort to create a safe working environment and a pleasant work climate for employees. Being mindful of environmental considerations, we aim to reduce the kilometres driven by our employees annually. This is also reflected in our efforts to centralise our office locations and facilitate location-independent working.

Provisions of the Articles of Association and additional information

PRIORITY ACCORDING TO THE ARTICLES OF ASSOCIATION

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

Carlo de Swart, Erry de Boer and Ronald Kasteel are on the board of the trust.

The Management Board of Ordina N.V. and the Board of Stichting Prioriteit Ordina Groep share the opinion that the trust operates independently from Ordina N.V., in accordance with the provisions of Schedule X to the Listing and Issuing Rules of Euronext.

APPROPRIATION OF PROFIT ACCORDING TO THE ARTICLES OF ASSOCIATION

If any financial statements submitted by the Supervisory Board and adopted by the Annual General Meeting of Shareholders should disclose that profit has been generated for the reporting year, the Annual General Meeting shall determine how this profit shall be appropriated. Dividends on

preference shares shall not exceed the statutory interest rate prevailing at the date the dividends are declared.

APPROPRIATION OF PROFIT

Pending the final declaration of the dividend for the financial year 2007, the full profit of EUR 30,393,646 for 2007 has been presented as a separate component of equity. The dividend for the accounting period will be declared during the Annual General Meeting of Shareholders scheduled for 14 May 2008. The dividend proposal is set out on page 19 of this report.

APPOINTMENT AND REMOVAL OF MANAGING AND SUPERVISORY DIRECTORS

The Company's managing directors are appointed and removed by the Supervisory Board.

Upon nomination by the priority trust, supervisory directors are appointed by the Annual General Meeting. Supervisory directors may be removed by the Enterprise Section of the Court of Appeal for neglecting their duties, other urgent reasons or a drastic change in circumstances, as a result of which the Company cannot reasonably be expected to keep the supervisory director on.

By absolute majority of votes, representing at least one third of the issued capital, the Annual General Meeting may pass a motion of no confidence in the entire Supervisory Board. Such a resolution will result in the immediate removal of all members of the Supervisory Board.

TREASURY SHARES

The Annual General Meeting of Shareholders on 9 May 2007 authorised the Management Board – subject to the approval of the Supervisory Board – to acquire treasury shares as referred to in Article 8(6) of the Articles of Association for a period of 18 months, commencing on 9 May 2007. The treasury shares will be purchased on the stock exchange or otherwise, up to 10% of the issued capital as at 10 May 2007 and at a price ranging between (i) the shares' par value and (ii) the share price plus 10%. The share price referred to above equals the average closing price of the Ordina share as stated in the Official List of Euronext Amsterdam N.V. for five consecutive trading days immediately preceding the date of purchase.

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

The Company has one contract within the meaning of Article 1(j) of the Decree on the implementation of Article 10 of the Directive on takeover bids. This involves the credit facility as described, for instance, on pages 98, 103 and 104 of this Annual Report. If, at any time, a shareholder or a group of jointly acting shareholders should acquire more than 50% of the total issued share capital or should control more than 50% of the total number of voting rights or should acquire the right to appoint the majority of the Management Board members, this credit facility will be terminated. If the facility is thus terminated, any unused borrowing capacity will lapse and issued facilities will become payable.