

“With a revenue growth of 27%, we clearly met our objective to gain market share in 2007 again.”





5 FINANCIAL STATEMENTS

Consolidated Balance Sheet	PAGE 64
Consolidated Income Statement	PAGE 66
Consolidated Statement of Recognised Income and Expense (SORIE)	PAGE 67
Consolidated Cash Flow Statement	PAGE 68
Notes to the Consolidated Financial Statements	PAGE 70
Company Balance Sheet as at 31 December 2007 of Ordina N.V.	PAGE 127
Company Income Statement of Ordina N.V.	PAGE 128
Notes to the Company Balance Sheet and Income Statement	PAGE 128
List of subsidiaries	PAGE 135
Independent auditor's report	PAGE 136



Marcel Thaens a knowledge partner to the Ordina Group and a professor at Rotterdam's Erasmus University.

Consolidated balance sheet as at 31 December 2007

	Notes	2007	2006
Assets			
<i>Non-current assets</i>			
Intangible assets	7	292,611	242,101
Property, plant and equipment	8	29,064	21,839
Investments in associates	9	143	119
Deferred income tax assets	20	4,955	6,146
Derivatives	11	717	292
Total non-current assets		327,490	270,497
<i>Current assets</i>			
Inventories	12	-	103
Trade and other receivables	13	168,670	142,414
Current tax receivable		-	10,529
Cash and cash equivalents	14	35,993	32,828
Current assets		204,663	185,874
Assets held for sale	15	-	666
Total current assets		204,663	186,540
Total assets		532,153	457,037

(in euro thousands)

Consolidated balance sheet as at 31 December 2007

	Notes	2007	2006
Equity			
Paid-up and called-up share capital	16	4,119	3,899
Share premium reserve	17	75,744	50,337
Hedging reserve	17	534	218
Retained earnings	17	143,800	113,757
Profit for the year	17	30,394	25,828
Total equity		254,591	194,039
Liabilities			
<i>Non-current liabilities</i>			
Long-term borrowings	18	34,893	44,852
Finance lease commitments	19	2,665	1,299
Employee related provisions	21	7,348	12,269
Other provisions	22	2,238	1,743
Deferred income tax liabilities	20	11,517	11,724
Total non-current liabilities		58,661	71,887
<i>Current liabilities</i>			
Borrowings	18	57,716	38,041
Trade and other payables	23	154,904	149,120
Current tax payable		6,281	3,378
Current liabilities		218,901	190,539
Liabilities held for sale	15	-	572
Total current liabilities		218,901	191,111
Total liabilities		277,562	262,998
Total equity and liabilities		532,153	457,037

(in euro thousands)

Consolidated income statement

	Notes	2007	2006
Revenue	6	665,402	530,411
Cost of hardware and software		22,232	19,310
Work contracted out		93,754	68,234
Personnel expenses	24	430,543	348,512
Amortisation	7	21,280	13,243
Depreciation	8	9,597	8,648
Other operating expenses	25	42,248	34,813
Total operating expenses		619,654	492,760
Operating profit		45,748	37,651
Finance income	26	242	318
Finance costs	26	-4,910	-2,617
Share of profit of associates	9	76	5
Profit before tax		41,156	35,357
Income tax expense	27	-10,762	-9,529
Net profit for the year		30,394	25,828

(in euro thousands)

	Notes	2007	2006
Earnings per share			
Earnings per share – basic	28	0,75	0,68
Earnings per share – diluted	28	0,74	0,67

(in euros)

Consolidated statement of recognised income and expense (SORIE)

	Notes	2007	2006
Actuarial gains and losses on defined benefit plans	21	2,342	-2,219
Changes in fair value of cash flow hedges	11	425	292
Tax on items taken directly to or transferred from equity	20	-705	583
Net income recognised directly in equity	17	2,062	-1,344
Profit for the year	17	30,394	25,828
Total recognised income and expense for the year		32,456	24,484

(in euro thousands)

Consolidated cash flow statement

	Notes	2007	2006
Cash flows from operating activities			
Profit for the year		30,394	25,828
<i>Adjustments for:</i>			
Finance costs -net		4,668	2,299
Share of profit of associates		-76	-5
Taxes		10,762	9,529
		15,354	11,823
Operating profit		45,748	37,651
<i>Adjustments for:</i>			
Amortisation	7	21,280	13,243
Depreciation	8	9,597	8,648
Share-based payment		704	829
		31,581	22,720
Operating profit before changes in working capital and provisions		77,329	60,371
Movements in receivables		-18,788	-541
Movements in inventories and work in progress		103	-47
Movements in current liabilities		21,206	-9,207
Movements in provisions		-2,214	-8,221
		307	-18,016
Cash generated from operations		77,636	42,355
Interest paid		-4,261	-1,637
Income taxes paid		1,217	-6,606
Net cash from operating activities		74,592	34,112

(in euro thousands)

Consolidated cash flow statement (continued)

	Notes	2007	2006
Cash flows from investing activities			
Acquisition of subsidiaries	32	-34,116	-82,717
Divestment of subsidiaries/activities		406	3,082
Purchases of intangible assets	7	-30,549	-10,459
Purchases of property, plant and equipment	8	-13,145	-12,588
Proceeds from sale of intangible assets	7	48	50
Proceeds from sale of property, plant and equipment	8	826	5,554
Dividends received from associates	9	52	11
Net cash used in investing activities		-76,478	-97,067
Cash flows from financing activities			
Proceeds from issue of ordinary shares	16/17	3,586	3,284
Drawing/repayment of borrowings	18	-	44,619
Dividends paid to shareholders	17	-8,210	-7,505
Net cash used in financing activities		-4,624	40,398
Net decrease in cash and cash equivalents		-6,510	-22,557

	2007	2006
Net decrease in cash and cash equivalents	-6,510	-22,557
Cash and cash equivalents at beginning of year	-5,213	17,344
Cash and cash equivalents at end of year	-11,723	-5,213

(in euro thousands)

Notes to the consolidated financial statements

1. GENERAL INFORMATION

Ordina N.V., a public limited liability company, was incorporated in 1973 and has its registered office in Nieuwegein, the Netherlands. The consolidated financial statements for 2007 comprise the financial information of the company and all its subsidiaries (referred to jointly as the Ordina Group). A list of key subsidiaries is included on page 135.

The financial statements were prepared by the Management Board on 3 March 2008 and discussed in the Supervisory Board meeting of 3 March 2008; they will be submitted for adoption to the Annual General Meeting of Shareholders on 14 May 2008.

The ordinary shares in Ordina N.V. are quoted on Amsterdam's Euronext Stock Exchange. In addition, Ordina is included in the Midkap index (AMX).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

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

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

Standards, amendments and interpretations effective in 2007

IFRS 7, Financial Instruments: Disclosures, and the complementary amendment to IAS 1, Presentation of Financial Statements: Capital Disclosures (effective from 1 January 2007) introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Ordina Group's financial instruments, or the disclosures relating to taxation, and trade and other payables.

IFRIC 8, *Scope of IFRS 2*, requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the Ordina Group's financial statements.

IFRIC 10, *Interim Financial Reporting and Impairment*, prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Ordina Group's financial statements.

Standards, amendments and interpretations effective in 2007, but not relevant for the Ordina Group

The standards, amendments and interpretations IFRS 4 (*Insurance Contracts*), IFRIC 7 (*Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies*) and IFRIC 9 (*Re-assessment of Embedded Derivatives*) to published standards are mandatory for accounting periods beginning on or after 1 January 2007, but they are not relevant to the Ordina Group's operations.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

The following standards, amendments and interpretations to existing standards have been published that are mandatory for the Ordina Group's accounting periods beginning on or after 1 January 2008 and are not early adopted by the Ordina Group:

IAS 23 (*Amendment*), *Borrowing Costs* (effective from 1 January 2009). This amendment to the standard is yet to be approved by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset.

The option of immediately expensing those borrowing costs will be removed. The Ordina Group will apply IAS 23 (*Amendment*) from 1 January 2009. Ordina will assess the impact of this amendment in 2008.

IFRS 8, *Operating Segments* (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, *Disclosures about Segments of and Enterprise and Related Information*. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Ordina Group will apply IFRS 8 from 1 January 2009. Ordina will further assess its impact in 2008.

IFRIC 11, '*IFRS 2 – Share based payments*', which stipulates guidelines for the reporting of share based payments (effective for book years commencing after 1 March 2007). The Ordina Group will apply IFRIC 11 from the beginning of 2008 and the impact of this standard will be assessed during 2008.

IFRIC 14, *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Ordina Group will apply IFRIC 14 from 1 January 2008, but it is not expected to have any impact on the Group's accounts.

Interpretations to existing standards that are not yet effective and are not relevant

The interpretations of IFRIC 12 (*Service Concession Arrangements*) and IFRIC 13 (*Customer Loyalty Programmes*) to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008, but are not relevant for the Ordina Group's operations.

2.2 Consolidation

The consolidation includes Ordina N.V. and all subsidiaries in which it exercises direct or indirect control. Control exists when the Ordina Group has the power, either directly or indirectly, to govern the financial and operating policies of an entity, generally accompanying a shareholding of more than one half of the voting rights. The financial information of such subsidiaries is included in the consolidated financial statements of Ordina N.V. from the date that control is transferred to it until the date that control ceases. All subsidiaries included in the consolidated financial statements for 2006 and 2007 are wholly owned. Consequently, no minority interest exists.

The cost of an acquisition is measured as the fair value of the assets given and, if applicable, equity instruments issued (i.e. shares) at the date of exchange, plus costs directly attributable to the acquisition. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity, including contingent liabilities, at the date of acquisition. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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

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

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

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments. Ordina is organised in the business segments of IT Services and Business Process Outsourcing. For details, reference is made to Note 6.

2.4 Foreign currency translation

2.4.1 *Functional and presentation currency*

All subsidiaries use the euro as their functional currency. Consequently, the consolidated financial statements are presented in euros, the Ordina Group's functional and presentation currency.

2.4.2 *Transactions and balances*

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

2.5 Intangible assets

2.5.1 *Goodwill*

Acquisitions of subsidiaries after 1 January 2004 have been accounted for using the purchase method of accounting. Goodwill results from the acquisition of subsidiaries. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity, including contingent liabilities, at the date of acquisition. 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. An impairment loss recognised for goodwill will not be reversed in a subsequent period. If an entity is sold, the carrying amount of the goodwill is recognised in profit or loss.

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

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

2.5.2 **Software**

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

2.5.3 **Intangible assets related to customers**

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

2.5.4 **Intellectual property rights related to business processes**

These intangible assets are comprised of intellectual property rights relating to Business Process Outsourcing activities. Where these intellectual property rights were acquired, they are stated at cost less accumulated amortisation and impairment. Where they relate to internally generated assets, of which it is probable that they will serve to generate economic benefits in excess of cost for a period of more than one year, these intellectual property rights are stated at cost less accumulated amortisation and impairment losses. Intellectual property rights related to business processes are amortised based on the terms to maturity of the underlying Business Process Outsourcing contracts.

2.5.5 **Subsequent expenditure**

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Subsequent expenditure relates to necessary investments in Business Process Outsourcing activities.

2.5.6 **Internally generated intangible assets**

Development costs related to internally generated intangible assets are capitalised only when it is probable that they will serve to generate the future economic benefits embodied in the specific asset to which they relate for a period of more than one year. Employee activities directly related to internally generated intangible assets are capitalised at cost. Any third-party services contracted for the purposes of the internally generated intangible assets are capitalised at cost. Interest expense is not included in capitalised cost. Internally generated intangible assets are amortised from the date they are available for use.

2.5.7 **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
• trademarks	2-3 years
• customer lists	5 years
• contract portfolios	1-2 years
• intangible assets related to business processes	5-10 years

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2.6 **Property, plant and equipment**

2.6.1 **Freehold property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or manufacture of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Ordina Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to

the income statement during the financial period in which they are incurred.

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

2.6.2 **Leasehold property, plant and equipment**

Leases of property, plant and equipment where the Ordina Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any initial direct costs are added to the amounts recognised as the assets. All other leases are classified as operating leases.

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

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease period.

Payments made under operating leases are charged to the income statement (refer to Note 24 for costs recognised for car leasing and Note 25 for costs recognised for the lease of buildings).

2.6.3 **Depreciation**

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

- | | |
|-----------------------|-----------|
| • equipment | 3-4 years |
| • fixtures & fittings | 3-5 years |
| • renovations | 2-9 years |

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

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

2.7 **Investments in associates**

Associates are all entities in which the Ordina Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss.

The Ordina Group's share of its associates' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2.8 **Derivatives**

The Ordina Group uses derivatives, such as interest rate swaps, to hedge the risks of interest rate fluctuations. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance sheet date.

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

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

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

2.9 Inventories

2.9.1 Goods held for resale

Inventories are stated at the lower of cost and net realisable value as at the balance sheet date. Cost is determined using the first-in, first-out (FIFO) method.

2.9.2 Work in progress

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

2.10 Trade and other receivables

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

Other receivables include revenue from assignments completed and not yet invoiced, as well as pre-payments and accrued income. Pre-payments and accrued income also include amounts receivable by virtue of projects in progress at the balance date where these receivables have already exceeded the amounts billed in relation to these projects. If the amounts billed in relation to current projects should exceed the sum of costs incurred and gains posted, the balance of these projects is recognised within 'other payables'.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash balances and demand deposits, and are stated at fair value. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the cash flow statement. For details on non-current borrowings at year-end 2007, reference is made to Note 18.

2.12 Assets and liabilities held for sale

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

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

2.13 **Impairment of non-financial assets**

Intangible assets that have an indefinite useful life as well as assets that are not yet available for use are not subject to amortisation but tested annually for impairment 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.

2.13.1 **Calculation of recoverable amount**

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

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

2.13.2 **Reversal of impairment losses**

An impairment loss recognised for goodwill will not be reversed in a subsequent period.

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

exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

2.14 **Equity**

2.14.1 **Share capital**

The authorised capital of Ordina N.V. consists of 72,000,000 ordinary shares, 17,999,995 preference shares and one priority share. At year-end 2007, no preference shares were issued. The issued and paid-up priority share and the issued and paid-up ordinary shares are classified as equity.

2.14.2 **Treasury shares**

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

2.14.3 **Dividends**

Dividends are classified as liabilities as soon as the Annual General Meeting of Shareholders declares them.

2.15 **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

2.16 **Employee benefits**

2.16.1 **Pension plans**

The Ordina Group has both defined contribution and defined benefit plans. 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. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

2.16.1.1 **Defined contribution plans**

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

2.16.1.2 **Defined benefit plans**

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

Under IFRS 1, all actuarial gains and losses as at 1 January 2004 (i.e. the date of transition to IFRS) were measured and recognised within equity. Actuarial gains and losses posted after 1 January 2004 are recognised directly in equity (SORIE).

Pension costs incurred during the year (including contributions, interest cost and expected return on plan assets) are recognised as expenses.

2.16.2 **Jubilee benefits**

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

The provision for jubilee benefits is calculated in the same manner as that for defined benefit plans. Under IFRS 1, all actuarial gains and losses as at 1 January 2004 (i.e. the date of transition to IFRS) were measured and recognised within equity. Actuarial gains and losses posted after 1 January 2004 are recognised directly in the income statement.

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

2.16.3 **Share-based payment**

In the years up to and including 2004, Ordina introduced employee share option schemes for several years. Based on IFRS 2 (Share-based Payment), the fair value of options that vested after 7 December 2002 is charged to the income statement. Options awarded under the employee share option scheme 2004 were granted after 7 December 2002. Options granted under the employee share option scheme 2004 become exercisable immediately after having been granted. Under IFRS 2, the cost of this employee share option scheme was recognised in the income statement for 2004. The recognition of these costs has resulted in a corresponding adjustment to equity as well. The value was measured using a binomial model for the valuation of options.

In 2006 and 2007, no options were granted on Ordina N.V shares.

The proceeds received are credited to share capital (par value) and the share premium reserve (difference between exercise price and par value) when the options are exercised.

The members of the Executive Committee are entitled to long-term profit-sharing and bonus benefits in the form of Ordina N.V. shares. For the purposes of these long-term benefits, performance criteria are determined annually for each upcoming three-year period. Based on these performance criteria, the number of shares to be awarded unconditionally is determined annually and for each individual three-year period. The shares that are expected to be awarded are valued based on the price of Ordina N.V. share at the grant date and estimates of the extent to which the relevant targets will be achieved. Any awarded shares will be subject to share transfer restrictions for a consecutive period of two years. These share transfer restrictions do not apply to the sale of part of the shares with a view to paying any taxes due on the grant of the shares. In valuing the shares, allowance was made for these share transfer restrictions, as well as for expected dividend distributions. The change in long-term profit-sharing and bonus benefits is recognised in the income statement at the reporting date based on current estimates. As the liability by virtue of long-term benefits involving a share-based payment is disclosed as an equity component, the expense recognised in the income statement results in a corresponding adjustment to equity. The recognised value of the share-based payment is disclosed as a contribution on the issued shares at the time of payment.

2.17 Provisions

Provisions are recognised in the balance sheet when: 1) the Ordina Group has a present legal or constructive obligation as a result of past events, 2) it is more likely than not that an outflow of resources will be required to settle the obligation, and 3) the amount necessary to settle the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current

market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

In addition to the provisions for pension and jubilee benefits (Notes 2.16.1 and 2.16.2 respectively), a provision can be recognised for vacant buildings, warranty and project commitments, and onerous contracts.

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

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

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

2.18 Trade and other payables

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

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group.

The Ordina Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to

the Group and specific criteria have been met for each of the Group's activities as described below. Revenue is not recognised if there are significant uncertainties about the probability that the costs incurred will be recovered.

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

2.19.1 **Contracts based on contractual rates and subsequent costing**

Revenue from services provided under contracts based on contractual rates and subsequent costing is recognised in the period the services are provided, irrespective of the contracts' terms to maturity.

2.19.2 **Fixed-price contracts**

Revenue from fixed-price contracts for delivering design services is recognised by reference to the stage of completion of a transaction as a proportion of the total transaction (percentage of completion (POC) method), where the services performed on the balance sheet date can be reliably measured and the costs incurred for the transaction and the costs required to complete the transaction can be reliably estimated. Under the POC method, revenue is recognised based on the costs incurred 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 revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

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

When it is probable that the total costs of a transaction will exceed the total revenue generated by it, the expected loss is directly recognised as an expense.

2.19.3 **Outsourcing 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. If additional activities are performed, the related revenue is recognised in accordance with Notes 2.19.1 and 2.19.2, depending on the nature of the additional activities.

2.19.4 **Licences**

Revenue from the sale of licences is fully recognised on the transfer date where the Ordina Group 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 the Ordina Group with regard to the licence, including integration, modification and customisation.

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

2.20 **Costs**

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

Hardware, software and work contracted out are recognised at historical cost in the period in which they are incurred.

2.20.2 **Operating lease payments**

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

2.20.3 **Finance lease payments**

Payments made under finance leases are allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

2.20.4 **Government grants**

Government grants are recognised where there is reasonable assurance that: 1) the Ordina Group will apply with all attached conditions, and 2) the grants will be received. Government grants relating to study costs allowances are recognised in the income statement within 'personnel expenses'.

2.20.5 **Finance income and 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.

2.21 **Income taxes**

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Current and deferred tax is recognised in the income statement, except to the extent that the tax arises from a transaction or event which is recognised directly in equity. In that case, the associated tax is recognised directly in equity 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 the Ordina Group has a legally enforceable right of set-off.

3. **PRESENTATION OF THE CASH FLOW STATEMENT**

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

4. **FINANCIAL RISK MANAGEMENT**

The Ordina Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management programme, which is prescribed by the Management Board, encompasses more than just financial risks. It focuses on identifying key risks and managing them using guidelines, procedures, systems, best practices, specific controls and audits. Our financial risk management focuses specifically on risks that are relevant for the Ordina Group in

this regard. The Ordina Group uses derivative financial instruments to hedge interest rate risk exposures only.

4.1 **Market risk**

4.1.1 **Interest rate risk**

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

At year-end 2007, the Ordina Group's non-current borrowings amounted to EUR 45 million. In order to manage the interest rate risk on these non-current borrowings, the floating interest rate was swapped into 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, the Ordina Group 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 current borrowings is dependent on the term to maturity of the borrowings. The term to maturity of the current borrowings fluctuates depending on cash requirements and ranges between one and three months.

If the floating rate of interest on non-current and current borrowings had been 0.5% higher/lower with all other variables remaining constant during 2007, post-tax profit for the year would have been approximately EUR 0.2 million lower/higher. The 0.5% interest rate on non-current and current borrowings is based on the volatility of interest rates during 2007.

4.1.2 **Currency risk**

All member companies of the Ordina Group are based, and most of their revenue is realised, in the eurozone. Therefore, the Ordina Group has chosen the euro as its presentation currency. The Ordina Group has no assets or liabilities outside the

eurozone. The Management Board qualifies the Ordina Group's foreign currency risk at year-end 2007 as very limited.

4.2 **Credit risk**

Credit risk is managed on a group basis. Credit risk arises on cash and cash equivalents, derivative financial instruments and transactions with customers, including credit exposures. For banks and financial institutions, only independently rated professional parties based in the Netherlands are accepted, with risks being spread over a range of parties. The financing facilities of the Ordina Group, as described on page 103 have been contracted from three parties that meet these criteria, i.e. ABN AMRO Bank, ING Bank and Rabobank. The credit quality of clients is assessed in advance using project acceptance criteria. If available, external credit ratings are used. If there is no independent rating, the Ordina Group assesses the credit quality of the customer based on internal guidelines, taking into account its financial position, past experience and other factors. The exposure to credit risk associated with customers is assessed on an ongoing basis using the internal guidelines. The Management Board of the Ordina Group qualifies the credit risk at year-end 2007 as limited and does not expect that existing counterparties shall not fulfill their obligations.

4.3 **Liquidity risk**

With the exception of recent acquisitions, cash management within the Ordina Group has been centralised with use being made of the centrally managed overdraft facilities that the Ordina Group contracted at the end of 2006. At year-end 2007, the Ordina Group was able to draw on a committed facility of EUR 120 million in total and an uncommitted overdraft facility of EUR 60 million. Cash management is aimed at putting the Ordina Group's available cash resources and overdraft facilities to the best possible use. To this end, cash flow forecasts are prepared periodically for both the short and medium terms. These forecasts are revised periodically based on actual results and revised forecasts, if any. In view of seasonal pattern of cash outflows and the flexibility required for potential acquisitions in particular, the Ordina Group has

opted for a high degree of funding flexibility by being able to draw on unconditional overdraft facilities.

The table below analyses the Ordina Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts disclosed are the unconditional, contractual, undiscounted cash flows.

	Carrying amount	Maturity date		
		Less than 1 year	1-2 years	Over 2 years
At 31 December 2007				
Borrowings	-44,893	-10,000	-20,000	-15,000
Derivative financial instruments	717	211	563	153
Finance lease obligations	-4,753	-2,183	-2,168	-551
Trade and other payables	-74,421	-74,421	-	-
At 31 December 2006				
Borrowings	-44,852	-	-20,000	-25,000
Derivative financial instruments	292	128	342	186
Finance lease obligations	-2,992	-1,770	-1,056	-269
Trade and other payables	-52,435	-52,435	-	-

4.4 Capital risk management

The Ordina Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, repurchase shares and issue new shares, in particular to fund potential acquisitions or to reduce debt.

As a policy principle and in line with usual practices within the sector, Ordina seeks to cap its net debt position at twice the amount of earnings before interest, taxes, depreciation and amortisation (EBITDA). At year-end 2007, the net debt position was 0.8 times EBITDA, which falls within the agreed policy (2006: 0.9 times EBITDA).

Ordina's objective is to maintain a minimum capital asset ratio of 25%. The capital asset ratio at year-end 2007 was 48% (year-end 2006: 42%). If, based on a sensitivity analysis, the assumed rate of goodwill impairment is 30%, the capital asset ratio at year-end 2007 was 42% (year-end 2006: 35%). If an impairment rate is assumed of 50%, the capital asset ratio at year-end 2007 was 37% (year-end 2006: 28%).

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5.1 Estimated impairment of goodwill

Ordina tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.13. Where the recoverable amount of goodwill is less than its carrying amount, an impairment loss is recognised. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates (Note 7.6). The recoverable amount is based on the higher of the asset's fair value less costs to sell and its value in use.

If the estimated (pre-tax) discount rate applied to the discounted cash flows had been 10% higher than management's estimates, this would not have resulted in a reduction in the carrying amounts of the intangible assets.

If the estimated medium and long-term growth rates had been 10% lower than management's estimates, this would not have resulted in a reduction in the carrying amounts of the intangible assets.

5.2 Revenue recognition

The Ordina Group uses the percentage of completion method in accounting for fixed-price contracts. Use of this method requires the Ordina Group to estimate the costs incurred to date as a proportion of the estimated costs to meet the contractual obligations (Note 2.19.2). Estimates are based on periodically available information regarding the stage of completion of the projects in question.

5.3 Income tax expense

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

6. SEGMENT INFORMATION

Segment information is provided based on business and geographical segments within the Ordina Group. The primary reporting format is based on the business segments IT Services and Business Process Outsourcing. Segment results, assets and liabilities are items that are directly or reasonably

attributable to a segment. The prices and terms of inter-segment transactions are determined on an arm's length, objective basis. Segment capital expenditure is the total amount incurred during the period to acquire segment assets that are expected to be used for more than one period. Segment results do not include interest revenue or interest expense, income tax, or proceeds from the sale of associates. The assets and liabilities of a segment do not include any tax assets or tax receivables.

6.1 Business segments

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments.

Ordina is organised in the IT Services and Business Process Outsourcing segments. The distinction between these segments is motivated by the fact that the activities within the Business Process Outsourcing division are subject to different risks and returns. In addition, the Business Process Outsourcing segment focuses on a specific target group and has a different business and management model. Segment results, assets and liabilities are items that are directly attributable to the segment.

The IT Services segment performs activities relating to business consulting, system development and integration, and application management and maintenance. Business consulting, system development and integration, and application management and maintenance services are frequently provided to customers in complementarity, so as to offer them high value-added solutions. In view of the complementarity nature of our services, the IT Services segment is managed as one operation even though it comprises different divisions. The overall strategic and commercial activities are aligned and the reporting structure reflects the coordinated focus towards the market. The risks and returns of the activities described correspond significantly.

Within the Business Process Outsourcing segment, Ordina assumes full responsibility for back offices (i.e. business processes and IT) of clients operating in the banking and insurance sectors. The objective is to operate a shared back office for these different clients, allowing them as well as Ordina to benefit from the economies of scale and related efficiency gains. The underlying contracts are of a long-term nature (three to ten years) and the activities are subject to the supervision of external regulators. In view of their different business model and associated risks and returns, Ordina has positioned its Business Process Outsourcing activities separately.

6.1.1 **Primary segment reporting format –
business segments**

The segment results for the year ended
31 December 2006 are as follows:

	Notes	IT- Services	Business Process Outsourcing	Total
Total segment revenue		511,520	20,063	531,583
Inter-segment revenue		-1,172	-	-1,172
Revenue		510,348	20,063	530,411
Operating profit		41,921	-4,270	37,651
Finance costs – net	26			-2,299
Share of profit of associates				5
Profit before tax				35,357
Income tax expense	27			-9,529
Profit for the year				25,828

The segment results for the year ended
31 December 2007 are as follows:

	Notes	IT- Services	Business Process Outsourcing	Total
Total segment revenue		634,592	36,783	671,375
Inter-segment revenue		-5,973	-	-5,973
Revenue		628,619	36,783	665,402
Operating profit		50,318	-4,570	45,748
Finance costs – net	26			-4,668
Share of profit of associates				76
Profit before tax				41,156
Income tax expense	27			-10,762
Profit for the year				30,394

In 2007, the Ordina Group recognised a revenue from the sale of licences of approximately EUR 3.8 million in the IT Services segment (2006: approximately EUR 1.0 million).

Other segment items included in the income statement for 2006 are as follows:

	Notes	IT- Services	Business Process Outsourcing	Total
Amortisation	7	11,691	1,552	13,243
Depreciation	8	7,173	1,475	8,648

Other segment items included in the income statement for 2007 are as follows:

	Notes	IT- Services	Business Process Outsourcing	Total
Amortisation	7	18,738	2,542	21,280
Depreciation	8	7,679	1,918	9,597

The segment assets and liabilities at 31 December 2006 and capital expenditure for the year then ended were as follows:

	Notes	IT- Services	Business Process Outsourcing	Unallocated	Total
Assets		413,937	26,413	16,687	457,037
Liabilities		232,801	9,701	20,496	262,998
Purchases of intangible assets	7	132,856	7,975	-	140,831
Purchases of property, plant and equipment	8	9,498	3,090	-	12,588
Carrying amount of intangible assets	7	227,727	14,374	-	242,101
Carrying amount of property, plant and equipment	8	17,350	4,489	-	21,839

The segment assets and liabilities at 31 December 2007 and capital expenditure for the year then ended were as follows:

	Notes	IT- Services	Business Process Outsourcing	Unallocated	Total
Assets		471,174	56,024	4,955	532,153
Liabilities		218,466	22,129	36,967	277,562
Purchases of intangible assets	7	43,831	28,319	-	72,150
Purchases of property, plant and equipment	8	14,555	2,742	-	17,297
Carrying amount of intangible assets	7	252,460	40,151	-	292,611
Carrying amount of property, plant and equipment	8	23,750	5,314	-	29,064

6.1.2 **Secondary segment reporting format – geographical segments**

The activities of the Ordina Group are concentrated primarily in the Netherlands and Belgium.

The Group's Belgian activities are exclusively comprised of IT services. What follows is a breakdown by geographical segments.

	2007	2006
Revenue		
The Netherlands	609,369	483,185
Belgium	53,089	46,703
Other countries	2,944	523
Total	665,402	530,411

	2007	2006
Assets		
The Netherlands	491,307	429,244
Belgium	40,846	27,793
Total	532,153	457,037

	2007	2006
Capital expenditure		
The Netherlands	77,707	151,808
Belgium	11,740	1,610
Total	89,447	153,418

7. INTANGIBLE ASSETS

This item can be broken down as follows:

	Goodwill	Software	Related to customers	Intellectual property rights	Total
<i>At 1 January 2006</i>					
Cost	85,506	3,269	23,444	9,054	121,273
Accumulated amortisation	-	-513	-5,893	-939	-7,345
Carrying amount at 1 January 2006					
	85,506	2,756	17,551	8,115	113,928
<i>Movements in carrying amount</i>					
Additions	93,088	884	37,283	2,233	133,488
Internally generated	-	1,628	-	5,715	7,343
Acquisitions	-	786	-	-	786
Amortisation	-	-1,620	-10,117	-1,506	-13,243
Assets classified as held for sale	-	-151	-	-	-151
Disposals	-	-50	-	-	-50
Carrying amount at 31 December 2006					
	178,594	4,233	44,717	14,557	242,101
<i>At 31 December 2006</i>					
Cost	178,594	6,351	60,727	16,906	262,578
Accumulated amortisation	-	-2,118	-16,010	-2,349	-20,477
Carrying amount at 31 December 2006					
	178,594	4,233	44,717	14,557	242,101
Of which internally generated	-	2,705	-	6,055	8,760

	Goodwill	Software	Related to customers	Intellectual property rights	Total
<i>At 1 January 2007</i>					
Cost	178,594	6,351	60,727	16,906	262,578
Accumulated amortisation	-	-2,118	-16,010	-2,349	-20,477
Carrying amount at 1 January 2007	178,594	4,233	44,717	14,557	242,101
<i>Movements in carrying amount</i>					
Additions	8,283	810	33,318	23,227	65,638
Internally generated	-	1,780	-	4,732	6,512
Acquisitions	-	-	-	-	-
Amortisation	-	-2,398	-16,385	-2,497	-21,280
Assets classified as held for sale	-	-	-	-	-
Disposals	-312	-48	-	-	-360
Carrying amount at 31 December 2007	186,565	4,377	61,650	40,019	292,611
<i>At 31 December 2007</i>					
Cost	194,827	8,421	94,045	44,616	341,909
Accumulated amortisation	-8,262	-4,044	-32,395	-4,597	-49,298
Carrying amount at 31 December 2007	186,565	4,377	61,650	40,019	292,611
Of which internally generated	-	2,635	-	9,701	12,336

7.1 Additions and disposals

Investments in 2007 in goodwill and intangible assets related to customers mainly involved the acquisition of the YoungWood IT Group, Rabo OBT and ITG Consulting Group N.V. (Belgium). The disinvestment in goodwill comes as a result of the sale of ApplicationNet B.V. in January 2007. Additions to software related to the restructuring of internal IT facilities, among other things. Investments in intellectual property rights pertained to intangible assets related to business processes and were

principally comprised of the design and structure of Business Process Outsourcing activities.

7.2 Impairment and reversal of impairment losses

The Ordina Group did not recognise any impairment losses on intangible assets in 2007. In addition, 2007 did not see the reversal of any prior-year impairment losses.

7.3 Goodwill

Goodwill is allocated to the Ordina Group's cash-generating units. A segment-level summary of these cash flow-generating units is presented below.

	IT- Services	Business Process Outsourcing	Total
Dutch core company	130,369	-	130,369
Be Value	43,129	-	43,129
Rabo OBT	97	-	97
Total Netherlands	173,595	-	173,595
Belgian core company	6,062	-	6,062
ITG Consulting Group	6,908	-	6,908
Total Belgium	12,970	-	12,970
Total Ordina Group	186,565	-	186,565

For notes to the net realisable value based on value in use, reference is made to Note 7.6.

7.4 Intangible assets related to customers

This item relates to the measurement at acquisition of brand names, customer lists and contract portfolios. The different components are amortised based on the individual components over their

estimated useful lives. Intangible assets related to customers are allocated to the Ordina Group's cash-generating units. A segment-level summary of these cash flow-generating units is presented below.

	IT- Services	Business Process Outsourcing	Total
Dutch core company	24,372	-	24,372
Be Value	13,425	-	13,425
Rabo OBT	19,000	-	19,000
Total Netherlands	56,797	-	56,797
Belgian core company	996	-	996
ITG Consulting Group	3,857	-	3,857
Total Belgium	4,853	-	4,853
Total Ordina Group	61,650	-	61,650

7.5 Intellectual property rights related to business processes

These intangible assets are comprised of intellectual property rights relating to Business Process Outsourcing activities. Intellectual property rights related to business processes are amortised based on the terms to maturity of the underlying Business Process Outsourcing contracts.

7.6 Testing cash-generating units with goodwill for impairment

The Ordina Group tests cash-generating units to which goodwill has been allocated for impairment annually. In this regard, reference is made to Notes 2.5, 2.13 and 5. The goodwill disclosed at year-end 2007 can be allocated entirely to cash-generating units within the IT Services segment.

The useful life based on which cash flows are discounted is indefinite in principle. The recoverable amounts of the different cash-generating units to which goodwill can be allocated are determined by calculating their value in use. These calculations use cash flow projections based on actual cash flows, a detailed projection for the coming year and a three-year projection. The growth rates of the short-term cash flows range between 1% and 10%,

and are determined based on the underlying projections of each individual cash-generating unit. Cash flows beyond three years are extrapolated using growth rates of between 0% and 2%, which are considered acceptable for the development in the sector in the medium and long term. Future cash flows are discounted on a pre-tax basis at an interest rate of 9.5%.

The accumulated carrying amount of the goodwill embodied in the cash-generating units is less than its recoverable amount based on value in use. The Ordina Group did not, therefore, recognise any impairment loss on intangible assets for 2007.

8. PROPERTY, PLANT AND EQUIPMENT

This item can be broken down as follows:

	Equipment	Fixtures and fittings	Renovations	Total
<i>At 1 January 2006</i>				
Cost	66,630	4,470	9,853	80,953
Accumulated depreciation	-55,016	-2,104	-3,220	-60,340
Carrying amount at 1 January 2006				
	11,614	2,366	6,633	20,613
<i>Movements in carrying amount</i>				
Additions	8,082	402	4,104	12,588
Acquisitions	1,892	268	775	2,935
Depreciation	-6,519	-828	-1,301	-8,648
Assets classified as held for sale	-95	-	-	-95
Disposals	-5,198	-148	-208	-5,554
Carrying amount at 31 December 2006				
	9,776	2,060	10,003	21,839
<i>At 31 December 2006</i>				
Cost	49,623	5,435	14,683	69,741
Accumulated depreciation	-39,847	-3,375	-4,680	-47,902
Carrying amount at 31 December 2006				
	9,776	2,060	10,003	21,839

	Equipment	Fixtures and fittings	Renovations	Total
<i>At 1 January 2007</i>				
Cost	49,623	5,435	14,683	69,741
Accumulated depreciation	-39,847	-3,375	-4,680	-47,902
Carrying amount 1 January 2007				
	9,776	2,060	10,003	21,839
<i>Movements in carrying amount</i>				
Additions	9,082	958	7,257	17,297
Acquisitions	304	34	13	351
Depreciation	-6,723	-925	-1,949	-9,597
Assets classified as held for sale	-	-	-	-
Disposals	-720	-98	-8	-826
Carrying amount at 31 December 2007				
	11,719	2,029	15,316	29,064
<i>At 31 December 2007</i>				
Cost	28,016	6,053	20,578	54,647
Accumulated depreciation	-16,297	-4,024	-5,262	-25,583
Carrying amount at 31 December 2007				
	11,719	2,029	15,316	29,064

8.1 Additions and disposals

Capital expenditure on renovations and furniture and fixtures in 2007 related mainly to expenditures associated with the central office building in Nieuwegein, the Netherlands. Expenditures on equipment in 2007 related principally to the cost of replacements. The increase as a result of acquisitions was attributable to the consolidation of the YoungWood IT Group and ITG Consulting Group N.V. (Belgium).

8.2 Impairment and reversal of impairment losses

The Ordina Group did not recognise any impairment losses on property, plant and equipment in 2007. In addition, 2007 did not see the reversal of any prior-year impairment losses.

8.3 Leasehold property, plant and equipment

Leased assets relate exclusively to equipment. At year-end 2007, the carrying amount of the leased assets was approximately EUR 4.8 million (approximately EUR 2.9 million at year-end 2006). The terms of the lease contracts range from three to five years. Additions to leased assets during the reporting period amounted to EUR 4.2 million (2006: EUR 2.6 million).

9. INVESTMENTS IN ASSOCIATES

This item can be broken down as follows:

	2007	2006
At 1 January	119	125
Share of profit	76	5
Dividend	-52	-11
At 31 December	143	119

The associates at year-end 2007 were Rijnconsult B.V. (20% interest) and Double Sigma B.V. (22.5% interest).

The following breakdown applies to the associates:

	Assets	Liabilities	Revenue	Profit	Share
Rijnconsult B.V.	2,033	1,451	7,846	385	20.0%
Double Sigma B.V.	156	167	249	-6	22.5%

10. FINANCIAL INSTRUMENTS BY CATEGORY

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

	Loans and receivables	Derivatives used for hedging	Total
<i>At 31 December 2006</i>			
Derivatives	-	292	292
Trade and other receivables	130,382	-	130,382
Cash and cash equivalents	32,828	-	32,828
Total at 31 December 2006	163,210	292	163,502

	Loans and receivables	Derivatives used for hedging	Total
<i>At 31 December 2007</i>			
Derivatives	-	717	717
Trade and other receivables	151,174	-	151,174
Cash and cash equivalents	35,993	-	35,993
Total at 31 December 2007	187,167	717	187,884

All non-current borrowings (year-end 2007: EUR 34.9 million; year-end 2006: EUR 44.9 million) fully qualify as 'other financial obligations'.

11. DERIVATIVES

This item can be broken down as follows:

	2007	2006
Interest rate swaps	717	292
At 31 December	717	292

Movements in derivative financial instruments were as follows:

	2007	2006
At 1 January	292	-
Movements during the year	425	292
At 31 December	717	292

The total carrying amount of the derivative financial instruments relates to the interest rate swap in respect of the non-current borrowings (Note 18). An interest rate swap is used to achieve a good mix of fixed and floating interest rates on external borrowings. The term to maturity and repayment schedule of the interest rate swap correspond with those of the underlying loan. The interest rate swap qualifies as a cash flow hedge. The principal of the non-current borrowings for which the interest rate swap was contracted amounts to EUR 45 million. There is no ineffective portion in relation to the

change in the fair value of the interest rate swap. The interest rate swap was contracted in 2006. For notes to estimated future cash flows arising from the interest rate swap, reference is made to Note 18. The interest rate swap has been contracted from a professional market party whose credit quality is rated as good.

12. INVENTORIES

This item can be broken down as follows:

	2007	2006
Inventories	-	103
Work in progress	-	-
At 31 December	-	103

13. TRADE AND OTHER RECEIVABLES

Trade and other receivables can be summarised as follows:

	2007	2006
Trade receivables	137,317	121,423
Provision for impairment of trade receivables	-2,244	-2,311
Trade receivables – net	135,073	119,112
Unbilled receivables	13,857	8,959
Other receivables	6,193	1,278
Prepayments and accrued income	13,547	13,065
At 31 December	168,670	142,414

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

As at 31 December 2007, trade receivables of EUR 25.9 (31 December 2006: EUR 29.5) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2007	2006
Trade receivables not impaired and not past due	109,206	89,661
Trade receivables not impaired and past due:		
Up to 1 month	3,206	2,316
1 to 2 months	15,769	14,514
2 to 3 months	4,403	5,120
Over 3 months	2,489	7,501
	25,867	29,451
Trade receivables – net	135,073	119,112

Movements in the allowance for doubtful debts were as follows:

	2007	2006
At 1 January	2,311	1,280
Provision for receivables impairment	1,303	1,469
Receivables written off during the year as uncollectible	-998	-15
Unused amounts reversed	-372	-423
At 31 December	2,244	2,311

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

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

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

Under other receivables, an amount of approximately EUR 2.7 million is included regarding settlement of earn-out obligations.

Prepayments and accrued income include prepaid expenses, receivables under fixed-price contracts and other amounts receivable. Other receivables fell due in less than one year at both year-end 2007 and 2006.

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

14. CASH AND CASH EQUIVALENTS

The balances disclosed in this item are at the Group's free disposal. The bank overdraft amounted to EUR 60 million at year-end 2007 (year-end 2006: EUR 60 million). The majority of subsidiaries have assumed joint responsibility for this bank overdraft.

At the balance sheet date, the Ordina Group did not have any financial instruments other than the interest rate swap for the long-term bank borrowings (Notes 11 and 18).

The cash and cash equivalents have been deposited with professional market parties whose credit quality is rated as good.

15. ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale are comprised of:

	2007	2006
Assets		
Non-current assets	-	246
Current assets	-	420
Total assets	-	666
Liabilities		
Current liabilities	-	572
Total liabilities	-	572

At year-end 2006, this item related to the sale of ApplicationNet B.V., which took place on 9 January 2007.

The assets and liabilities held for sale recognised at year-end 2006 involved the IT Services segment. No impairment losses applied to this item.

16. SHARE CAPITAL

Movements in paid-up and called-up capital in 2006 and 2007 were as follows:

	Number of outstanding shares	Issued capital in EUR
At 1 January 2006	37,278	3,728
Issue at acquisitions	1,335	134
Issue at option exercise	291	29
Share-based payment	48	5
Management participation	35	3
At 31 December 2006	38,987	3,899

(in thousands)

	Number of outstanding shares	Issued capital in EUR
At 1 January 2007	38,987	3,899
Issue at acquisitions	1,813	181
Issue at option exercise	351	35
Share-based payment	44	4
At 31 December 2007	41,195	4,119

(in thousands)

16.1 Paid-up and called-up share capital

The total authorised number of shares at year-end 2007 was 89,999,995 shares with a par value of EUR 0.10 per share and one priority share of EUR 0.50, divided as follows:

- priority shares 1
- preference shares 17,999,995
- ordinary shares 72,000,000

At year-end 2007, 1 priority share and 41,194,918 ordinary shares (year-end 2006: 1 priority share and 38,986,796 ordinary shares) were fully paid up. Ordina N.V. did not purchase treasury shares at year-end 2007.

16.2 Share options

In the years 1999 to 2002, as well as in 2004, options were granted to the Management Board, management and employees on an annual basis. All options outstanding at year-end 2007 have a five-year exercise period. No share options were awarded to the Management Board, management and employees in 2007.

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

No treasury shares were purchased as at year-end 2007 for the purposes of exercising option rights. The number of ordinary shares in the authorised capital allows for future share issues pursuant to the exercise of outstanding option rights.

At year-end 2007, approximately 0.4 million option rights were outstanding under the current share option schemes (year-end 2006: approximately 0.8 million option rights). During the financial year, 348,364 option rights (2006: 272,641) were exercised at an average option exercise price of

EUR 10.24 (2006: EUR 9.53). The average share price at which the option rights were exercised was EUR 16.39 (2006: EUR 16.21). The option exercise price of all 0.4 million option rights outstanding at year-end 2007 (year-end 2006: approximately 0.8 million) was lower than the closing price of EUR 12.20 of the Ordina N.V. share at 31 December 2007 (EUR 16.76 at year-end 2006).

Movements in the total number of outstanding share options in 2006 and 2007 were as follows:

	Granted	Exercised	Lapsed	Outstanding	Average exercise price	Exercise period
Movements in 2006						
Option scheme 2001	982	97	885	-	19,52	5 year
Option scheme 2002	295	30	105	160	13,85	5 year
Option scheme 2002	500	248	54	198	6,73	5 year
Option scheme 2004	175	20	40	115	10,24	5 year
Option scheme 2004	447	153	31	263	8,68	5 year
Option scheme 2004	42	12	2	28	8,20	5 year
Outstanding at year-end 2006				764		

(in thousands)

	Granted	Exercised	Lapsed	Outstanding	Average exercise price	Exercise period
Movements in 2007						
Option scheme 2002	295	190	105	-	13,85	5 year
Option scheme 2002	500	392	108	-	6,73	5 year
Option scheme 2004	175	20	40	115	10,24	5 year
Option scheme 2004	447	192	36	219	8,68	5 year
Option scheme 2004	42	17	2	23	8,20	5 year
Outstanding at year-end 2007				357		

(in thousands)

17. RESERVES

Movements in reserves in 2006 and 2007 can be broken down as follows:

	Share premium reserve	Hedging reserve	Retained earnings	Profit for the year	Total
At 1 January 2006	46,537	-	73,719	28,963	149,219
Prior-year dividend distribution	-	-	-	-7,505	-7,505
Prior-year retained earnings	-	-	21,458	-21,458	-
Issue at acquisitions	19,866	-	-	-	19,866
Issue at option exercise	2,695	-	-	-	2,695
Share-based payment	549	-	276	-	825
Issue due to management participation	556	-	-	-	556
Profit for the year	-	-	-	25,828	25,828
Actuarial gains and losses	-	-	-1,562	-	-1,562
Changes in fair value of cash flow hedges	-	218	-	-	218
Transfer to retained earnings	-19,866	-	19,866	-	-
At 31 December 2006	50,337	218	113,757	25,828	190,140

	Share premium reserve	Hedging reserve	Retained earnings	Profit for the year	Total
At 1 January 2007	50,337	218	113,757	25,828	190,140
Prior-year dividend distribution	-	-	-	-8,210	-8,210
Prior-year retained earnings	-	-	17,618	-17,618	-
Issue at acquisitions	31,836	-	-	-	31,836
Issue at option exercise	3,551	-	-	-	3,551
Share-based payment	476	-	224	-	700
Profit for the year	-	-	-	30,394	30,394
Actuarial gains and losses	-	-	1,745	-	1,745
Changes in fair value of cash flow hedges	-	316	-	-	316
Transfer to retained earnings	-10,456	-	10,456	-	-
At 31 December 2007	75,744	534	143,800	30,394	250,472

The hedging reserve is comprised of the effective portion of the net cumulative change in the fair value of cash flow hedges where the hedge transaction has not yet been settled.

Of retained earnings, an amount of approximately EUR 131.5 million is freely distributable (year-end 2006: approximately EUR 105.0 million). The company financial statements at year-end 2007 include a statutory reserve in the sum of EUR 12.3 million (year-end 2006: EUR 8.8 million).

18. LONG-TERM BORROWINGS

At year-end 2007, non-current borrowings included the bank loan of EUR 45 million that was contracted early in November 2006. Movements in non-current borrowings were as follows:

	2007	2006
At 1 January	44,852	-
Bank borrowings	-	45,000
Change due to effective interest method	41	-148
Repaid	-	-
Transferred to current liabilities	-10,000	-
At 31 December	34,893	44,852

The effective interest rate on the non-current borrowings is 4.41%. The carrying amount of the non-current borrowings was determined based on the effective interest method and approximates to its fair value. The repayment schedule of the non-current borrowings in the sum of EUR 45 million is as follows:

Repayment due on 31 October 2008	10,000
Repayment due on 31 October 2009	10,000
Repayment due on 31 October 2010	10,000
Repayment due on 31 October 2011	15,000
	45,000

In addition to the long-term loan of EUR 45 million, the Ordina Group has had access to an unconditional five-year revolving credit facility of EUR 75 million since early November 2006. The interest on the non-current borrowings and the revolving facility is set based on the prevailing base rate (EURIBOR) plus a margin. The base rate is contingent on the interest period to be designated by Ordina and may range from one to six months in principle. The margin depends on the ratio of earnings before interest, taxes, depreciation and amortisation

(EBITDA) to the net debt position of the Ordina Group at year end and at half-year end, and may range between 0.40% and 0.90%.

The interest rate (base rate plus margin) on the non-current borrowings of EUR 45 million was 4.606% at year-end 2007 (year-end 2006: 4.016%). The floating base rate was converted into a fixed interest rate of 3.794% through an interest rate swap based on the three-month interest period (Note 11).

The Ordina Group had an obligation under the revolving facility of EUR 20 million at year-end 2007 (year-end 2006: EUR 20 million). This obligation was recognised under current borrowings. The interest rate on the revolving facility was 4.683% at year-end 2007 (year-end 2006: 4.116%). A commitment fee of 35% of the margin is due on the unused portion of the revolving facility.

The long-term loan and the revolving facility were granted on the condition that the ratio of earnings before interest, taxes, depreciation and amortisation (EBITDA) to the Ordina Group's net debt position as stipulated in the loan agreement, should not exceed 2.75; this is based on the IFRS-compliant consolidated financial statements. At year-end 2007,

the ratio of EBITDA to the net debt position was 0.8 (year-end 2006: 0.9). Furthermore the credit agreement stipulates that the total EBITDA of the companies bound by the credit agreement should constitute at least 80% of the consolidated EBITDA as stipulated in the credit agreement. This requirement was fulfilled at the end of 2007. The majority of subsidiaries have assumed joint responsibility for the long-term loan and the revolving facility.

Presented below is a table of estimated future cash flows from the contractual obligations assumed under the non-current borrowings of EUR 45 million and the related interest rate swap.

	from fixed interest	from floating interest	from repayments
<i>Estimated future cash flows</i>			
2008	1,824	-211	10,000
2009 to 2010	3,145	-563	20,000
Later than 2010	798	-153	15,000

19. FINANCE LEASES

Finance leases liabilities relate to finance leases of equipment that fall due in more than one year. Lease liabilities that fall due in less than one year

are recognised as 'current liabilities'. The underlying assets are disclosed as 'property, plant and equipment'. All finance leases at the Ordina Group contain a fixed-interest component.

	2007	2006
<i>Minimum lease payments</i>		
No later than 1 year	2,088	1,693
Later than 1 year and no later than 5 years	2,665	1,299
Later than 5 years	-	-
Total at 31 December	4,753	2,992

Presented below is a table of estimated future cash flows from the contractual obligations (both current and non-current) assumed under finance leases.

	from fixed interest	from repayments
Estimated future cash flows		
2008	95	2,088
2009 to 2010	54	2,114
Later than 2010	-	551

20. DEFERRED INCOME TAX

20.1 Deferred income tax assets

Deferred income tax assets can be broken down as follows:

	2007	2006
Intangible assets and property, plant and equipment	1,097	-
Employee related provisions	1,650	2,628
Recognised tax losses	2,106	3,416
Unrealised intercompany gains	102	102
At 31 December	4,955	6,146

The deferred tax asset by virtue of intangible assets and property, plant and equipment relates to the temporary measurement differences due to the changed minimal fiscal amortisation period, starting in 2007. Measurement is at the set tax rates.

The deferred tax asset by virtue of employee related provisions relates to temporary measurement differences where pension and jubilee benefits are concerned. Measurement is at the set tax rates.

Tax losses are recognised if they are expected to be utilised (total at year-end 2007: approximately EUR 8.1 million; year-end 2006: approximately EUR 13.2 million). Measurement is at the fair value that will apply to future financial years. The total tax loss potential at year-end 2007 was approximately EUR 8.7 million (year-end 2006: approximately EUR 16.7 million). Of the tax losses recognised at

year-end 2007, an amount of approximately EUR 6.6 million related to losses suffered by Ordina BPO B.V.

No deferred tax asset was recognised for tax losses amounting to approximately EUR 0.6 million (year-end 2006: approximately EUR 3.5 million) because it is not probable that taxable profit will be available in the future against which any deferred tax asset can be utilised.

Of the deferred tax assets, an amount of approximately EUR 4.7 million has a term of more than one year.

Movements in deferred income tax assets were as follows in 2006:

	Opening balance 2006	Acquisitions	Recognised in income statement	Recognised in equity	Closing balance 2006
Finance leases	118	-	-118	-	-
Employee related provisions	3,486	734	-2,249	657	2,628
Recognised tax losses	2,999	20	397	-	3,416
Unrealised intercompany gains	-	-	102	-	102
	6,603	754	-1,868	657	6,146

Movements in deferred income tax assets were as follows in 2007:

	Opening balance 2007	Acquisitions	Recognised in income statement	Recognised in equity	Closing balance 2007
Intangible assets and property, plant and equipment	-	258	839	-	1,097
Employee related provisions	2,628	33	-414	-597	1,650
Recognised tax losses	3,416	-	-1,310	-	2,106
Unrealised intercompany gains	102	-	-	-	102
	6,146	291	-885	-597	4,955

20.2 Deferred income tax liabilities

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

	2007	2006
Intangible assets related to customers	11,334	11,649
Derivatives	183	75
	11,517	11,724

The deferred tax liabilities mainly relate to temporary measurement differences that arise in relation to intangible assets related to customers acquired in business combinations. They are measured at the fair value that is expected to apply during the amortisation period of these assets.

Of the deferred tax liabilities, an amount of approximately EUR 7.7 million (2006: approximately EUR 8.5 million) has a term of more than one year.

Movements in deferred income tax liabilities were as follows in 2006:

	Opening balance 2006	Acquisitions	Recognised in income statement	Recognised in equity	Closing balance 2006
Intangible assets related to customers	5,442	10,990	-4,783	-	11,649
Derivative financial instruments	-	-	-	75	75
	5,442	10,990	-4,783	75	11,724

Movements in deferred income tax liabilities were as follows in 2007:

	Opening balance 2007	Acquisitions	Recognised in income statement	Recognised in equity	Closing balance 2007
Intangible assets related to customers	11,649	3,471	-3,786	-	11,334
Derivative financial instruments	75	-	-	108	183
	11,724	3,471	-3,786	108	11,517

21. EMPLOYEE RELATED PROVISIONS

Employee related provisions can be summarised as follows:

	2007	2006
Defined benefit obligation	3,358	8,829
Jubilee benefits	3,990	3,440
Total employee benefits	7,348	12,269

21.1 Defined benefit obligation

The defined benefit obligation can be broken down as follows:

	2007	2006
Defined benefit obligation	23,795	44,755
Less: fair value of plan assets	20,437	35,926
Defined benefit obligation	3,358	8,829

Movements in the defined benefit obligation were as follows:

	Notes	2007	2006
At 1 January		44,755	52,319
Change due to acquisitions	32	-	12,480
Current service cost		504	1,145
Interest cost		1,845	1,751
Contributions by plan participants		225	229
Benefits paid		-433	-177
Actuarial gains and losses		-8,409	2,446
Change due to harmonisation		-14,692	-25,438
At 31 December		23,795	44,755

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

	Notes	2007	2006
At 1 January		35,926	41,917
Change due to acquisitions	32	-	8,402
Expected return on plan assets		1,142	920
Employer contributions		1,215	2,272
Benefits paid		-433	-177
Actuarial gains and losses		-6,067	227
Change due to harmonisation		-11,346	-17,635
At 31 December		20,437	35,926

The defined pension obligation (based on average salary or final salary schemes) is measured at present value in accordance with the provisions of IAS 19 (Employee Benefits). Plan assets are stated at fair value. Actuarial gains and losses are recognised directly in equity. All pension plans operated by the Ordina Group are administrated by professional insurers. The plan assets are comprised of qualifying insurance policies.

Following the alignment of pension schemes during 2006, Ordina continued during 2007 to align the schemes of companies recently acquired.

The cumulative change relating to actuarial gains and losses recognised directly in equity (SORIE) amounted to EUR 6.0 million (year-end 2006: EUR 8.3 million).

The amounts recognised in the income statement were as follows:

	Notes	2007	2006
Current service cost		504	1,145
Interest cost		1,845	1,751
Expected return on plan assets		-1,142	-920
Release of pension provision due to harmonisation		-3,346	-7,803
		-2,139	-5,827
Charged against profit due to harmonisation		886	2,884
Total, included in personnel expenses	24	-1,253	-2,943

The actual return on plan assets was nil (2006: EUR 0.6 million). Plan assets are comprised in full of the market value of the insurance contracts that are principally characterised by surplus interest sharing.

There is no separated investment portfolio. Given the nature of the plan assets, the expected return is based on the forecast surplus interest and the contractual interest.

The principal actuarial assumptions were as follows:

	2007	2006
Discount rate at 31 December	5.70%	4.75%
Expected return on plan assets	5.70%	4.75%
Future salary increases (age-related)	2.0% - 5.0%	2.0% - 5.0%
Future increase in pension obligation (plan-related)	2.0% - 3.0%	2.0% - 3.0%

Assumptions involving life expectation are set based on advice in accordance with published statistics. The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:

	2007	2006
Male	18.5	17.8
Female	20.1	20.6

The average life expectancy in years of a pensioner retiring at age 65, 20 years after the balance sheet date, is as follows:

	2007	2006
Male	20.1	19.1
Female	20.9	21.1

21.2 Jubilee benefits

The jubilee obligation can be broken down as follows:

	2007	2006
Jubilee benefits	3,990	3,440
Less: fair value of jubilee assets	-	-
Jubilee benefits	3,990	3,440

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

The amounts recognised in the income statement were as follows:

	2007	2006
Current jubilee cost	534	761
Interest cost	169	128
Actuarial gains and losses	176	-9
Total, included in personnel expenses	879	880

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

	Notes	2007	2006
At 1 January		3,440	2,874
Change due to acquisitions	32	130	62
Charged against profit, standard		492	583
Charged against profit due to harmonisation		211	306
Jubilee benefits		-459	-376
Actuarial gains and losses		176	-9
At 31 December		3,990	3,440

The principal actuarial assumption was as follows:

	2007	2006
Discount rate at 31 December	5.5%	4.5%

22. OTHER PROVISIONS

Movements in this item can be broken down as follows:

	2007	2006
At 1 January	1,743	2,598
Transfers recognised in profit	974	638
Utilised	-479	-1,493
At 31 December	2,238	1,743

Other provisions relate to vacancy of buildings for which the Group has a contractual lease obligation, to ongoing warranty and project commitments, as well as to commitments by virtue of a long-term remuneration component in relation to key management. The provision for vacant buildings was formed to cover the future rent, including directly attributable costs, for the contract period in which the Group does not expect to use these

buildings. The provision for warranty and project commitments pertains to outstanding project activities that were recognised in the financial year under the prevailing accounting policies.

Of the provisions, an amount of approximately EUR 0.8 million (2006: approximately EUR 1.0 million) has a term of more than one year.

23. TRADE AND OTHER PAYABLES

This item can be summarised as follows:

	2007	2006
Trade payables	34,502	21,426
Advanced billings	5,606	8,032
Taxes and social security	19,169	20,496
Pension contributions	969	2,370
Lease payments due within 1 year	2,088	1,693
Other payables	15,871	39,684
Accruals and deferred income	76,699	55,419
At 31 December	154,904	149,120

The item 'other payables' relates to earn-out payments by virtue of acquisitions, among other debts. Accruals and deferred income include commitments involving holiday allowance, leave day entitlements, year-end and other bonuses, and other personnel expenses, as well as items charged to profit for the year under the prevailing accounting policies. Other payables fell due in less than one year at both year-end 2007 and 2006.

24. PERSONNEL EXPENSES

	2007	2006
Salaries	302,639	245,307
Social charges	35,717	29,289
Defined benefit obligation	-1,253	-2,943
Defined contribution obligation	15,803	12,838
Other personnel expenses	77,637	64,021
	430,543	348,512

In 2007, personnel expenses included a non recurring income item of approximately EUR 2.2 million on balance (2006: approximately EUR 4.6 million).

Other personnel expenses include car expenses, hotel and travelling expenses, and study costs. This item also includes an amount of EUR 28.7 million (2006: EUR 23.7 million) for operating leases for cars.

In 2007, other personnel expenses also included an income item relating to ESF subsidies of approximately EUR 1.3 million (2006: approximately EUR 1.4 million).

Of personnel expenses, an amount of approximately EUR 0.7 million (2006: approximately EUR 0.8 million) is recognised for share-based payment.

The average workforce in FTEs numbered 5,388 in 2007 (2006: 4,641).

At year-end 2007, the Ordina Group employed 5,702 FTEs (year-end 2006: 5,009 FTEs). The number of FTEs working at the Belgian subsidiaries was 582 at year-end 2007 (year-end 2006: 455 FTEs).

25. OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

	2007	2006
Office accommodation costs	14,025	14,860
Marketing and selling expenses	8,140	7,489
Other expenses	20,083	12,148
Proceeds from sale of associates	-	316
	42,248	34,813

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

Of office accommodation costs, an amount of EUR 10.5 million (2006: approximately EUR 10.2 million) is recognised for operating leases.

26. FINANCE INCOME AND COSTS

Finance income and costs can be broken down as follows:

	2007	2006
Finance income	242	318
Finance costs	-4,757	-2,405
Finance lease liabilities	-153	-212
Total net finance income and costs	-4,668	-2,299

Finance costs include the following amounts for the non-current borrowings and the contracted interest rate swap, under which the base rate was converted from a floating rate into a fixed rate of interest:

	2007	2006
Floating base rate	-1,859	-250
Fixed base rate – net	128	-14
Floating interest margin	-200	-31
Total finance costs of non-current borrowings	-1,931	-295

27. INCOME TAX EXPENSE

	2007	2006
Current tax	13,593	11,099
Deferred tax	-2,831	-1,570
Tax expense recognised in consolidated financial statements	10,762	9,529

The tax rate of 26.2% (2006: 27.0%) can be broken down as follows:

	2007	2006
Applicable tax rate	25.5	29.6
Unused tax losses	-	-
Impact of prior-year unused tax losses	-0.4	-0.7
Differences with foreign tax rates	1.0	1.0
Upward valuation of deferred tax assets	-0.3	-1.0
Non-deductible amounts	0.9	0.8
Incidental items	-0.5	-2.7
Effective tax rate	26.2	27.0

The effective tax rate was calculated based on profit exclusive of goodwill impairment. Unused tax losses relate to the share of profit of associates that did not qualify for set-off in the financial year and for which no deferred tax asset is recognised. The item 'impact of prior-year unused tax losses' concerns profits of subsidiaries that qualify for set-off during the review period and for which no deferred tax asset is recognised. The upward valuation of deferred tax assets came about by the valuation of tax losses which had not been determined previously. Incidental items for 2007 include the set-off of a number of older non-determined tax losses, which

had been resolved with the Dutch Revenue Services (Belastingdienst). Furthermore, a correction had been made in the review period regarding taxes due in previous years. Incidental items for the financial year 2006 include the impact of the reduction in the nominal tax rate from 29.6% to 25.5%.

28. EARNINGS PER SHARE

28.1 Earnings per share – basic

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

	2007	2006
Profit for the year	30,394	25,828
Average number of outstanding shares (in thousands)	40,632	37,842
Earnings per share – basic (in euros)	0.75	0.68

Recurring net earnings per share before amortisation of intangible assets at acquisitions was EUR 1.15 in 2007 (2006: EUR 0.86).

28.2 Earnings per share – diluted

Diluted earnings per share are calculated by dividing the profit for the year by the average number of outstanding shares during the year inclusive of any outstanding option rights whose exercise price is less than the share price at year end.

	2007	2006
Profit for the year	30,394	25,828
Average number of outstanding shares (in thousands)	40,632	37,842
Adjustment for in-the-money options	357	764
Adjustment for share-based payment obligations	115	159
	41,104	38,765
Earnings per share – diluted (in euros)	0.74	0.67

29. DIVIDENDS PER SHARE

The dividend paid in 2007 on the profit for 2006 was EUR 0.20 per ordinary share. Total dividends distributed in 2007 amounted to EUR 8.2 million. Where the dividend for 2007 is concerned, it will be proposed to the Annual General Meeting of Shareholders on 14 May 2008 to distribute a cash dividend for 2007 of EUR 0.20 per ordinary share in Ordina N.V. and to charge this dividend to the profit for the year. This proposal has not been disclosed in these financial statements (Note 2.14.3).

30. PREFERENCE SHARES

Ordina N.V.'s authorised capital includes 17,999,995 preference shares with a par value of EUR 0.10 per share. Dividends on preference shares shall not exceed the statutory interest rate prevailing at the date the dividends are declared. No preference shares were issued at year-end 2007.

31. COMMITMENTS AND CONTINGENCIES, AND CONTRACTUAL OBLIGATIONS

The Ordina Group has issued guarantees for a total amount of approximately EUR 5.3 million (2006: approximately EUR 5.0 million). These guarantees relate to lease commitments in particular.

At year-end 2007, the Ordina Group had no material expenditure obligations in relation to property, plant and equipment, and intangible assets.

Company cars provided to employees are usually acquired under operating leases spanning 36 to 48 months. Within this scope, the Ordina Group has a total car lease obligation of approximately EUR 28.2 million (2006: EUR 28.7 million) that falls due in less than one year.

All buildings where group companies are located are in leasehold. The Ordina Group does not have any buildings in freehold. In addition, the Ordina Group has a total building lease obligation of approximately EUR 9.5 million (2006: EUR 8.1 million) that falls due in less than one year. Of the

building leases that fall due within one year, an amount of EUR 5.0 million relates to the head office in Nieuwegein. The lease for the head office in Nieuwegein runs through 1 October 2014.

The total of future minimum lease payments can be broken down as follows for each of the following periods:

	Cars	Buildings
Not later than one year	28,191	9,485
Later than one year and not later than five years	38,498	28,760
Later than five years	-	9,263
	66,689	47,508

Within the scope of the multi-year outsourcing agreements between Ordina BPO B.V. and its contract partners, the parties have made detailed arrangements in relation to the continuity of Ordina's service provision, partly in view of the rules dictated by regulatory authorities. If, at any time, a serious threat should arise to the continuity of the service provision, the contract partners may demand measures based on which such continuity can be safeguarded. These measures comprise the temporary provision by Ordina of hardware and software under conditions that are subject to negotiation.

In accordance with the provisions of Section 403, Book 2, Part 9, of the Netherlands Civil Code, the company has assumed joint and several liability for the obligations arising from the juristic acts of most of the Dutch subsidiaries. The statements to that effect have been filed with the competent Trade Registries. The subsidiaries in question are listed on page 135.

The company and the majority of its Dutch subsidiaries 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 subsidiaries have assumed joint and several liability for the bank overdrafts.

32. ACQUISITIONS AND DISPOSALS

32.1 Acquisitions in 2007

32.1.1 YoungWood IT Group B.V.

Early in April 2007, Ordina acquired a 100% interest in YoungWood IT Group B.V. for a cash consideration of approximately EUR 4.5 million. In addition, an amount of EUR 3.0 million was paid at acquisition in the form of about 172,000 million Ordina N.V. shares. Based on the profit for 2007 expected at acquisition, the business combination was recognised including an earn-out commitment of approximately EUR 8.0 million. The profit of YoungWood has been consolidated with effect from 1 April 2007. The purchase method of accounting was used to account for this business combination. Part of the consideration was allocated to the acquiree's identified acquired assets and liabilities. In addition, an amount of approximately EUR 7.7 million was capitalised in goodwill. YoungWood is a specialist supplier of high-grade IT services and consultancy to financial services providers in particular. It has an excellent track record in guaranteeing the continuity of key business-critical applications for finance, such as Internet banking, bank machines and point-of-sale terminals, and for

international money transfers. At the time of acquisition by Ordina, YoungWood had over 90 employees. YoungWood's revenue for 2007 was in excess of EUR 20 million.

32.1.2 **Rabo OBT**

Early in May 2007, Ordina signed an agreement with Rabobank under which the bank transferred part of the systems developments process of Rabobank Group IT to Ordina. As stipulated in the agreement an amount of EUR 21.0 million was paid at acquisition in the form of about 1.2 million Ordina N.V. shares. The purchase method of accounting was used to account for this business combination. Most of the consideration was allocated to the acquiree's identified acquired assets and liabilities. In addition, a small amount of approximately EUR 0.1 million was capitalised in goodwill. As a result of the acquisition, approximately 150 employees of Rabobank Group IT were transferred to Ordina.

32.1.3 **ITG Consulting Group N.V.**

At the end of August 2007, Ordina acquired a 100% interest in ITG Consulting Group N.V. (Belgium) for a the cash consideration of approximately EUR 4.5 million. In addition, an amount of EUR 0.5 million was paid at acquisition in the form of about 35,500 Ordina N.V. shares. Based on the expected results of 2007 and 2008 at the time of the acquisition, an earn-out obligation of approximately EUR 5 million was stipulated. The profit of ITG has been consolidated with effect from 1 September 2007. The purchase method of accounting was used to account for this business combination. Part of the consideration was allocated to the acquiree's identified acquired assets and liabilities. In addition, an amount of approximately EUR 6.9 million was capitalised in goodwill. ITG's expertise lies in carrying out projects in the area of business consultancy in the finance market in particular, targeting high-end account and finance banks. Its services focus on operations, clearance & settlement, business analysis, process design and implementation of applications. At the time of acquisition by the Ordina Group, ITG had more than 80 employees in Belgium and Luxembourg. In 2007 the ITG Group generated revenue of approximately EUR 9 million.

32.2 **Disposal**

On 9 January 2007, Ordina sold all shares in its subsidiary ApplicationNet B.V. in connection with a management buy-out. ApplicationNet is a service provider specialising in the remote management of computer applications and work station services, which are made available through a network connection to end customers. Ordina acquired the shares in ApplicationNet as part of the acquisition of Vertis B.V. and Magentis B.V. in January 2006. In view of their focus on work station services, ApplicationNet's operating activities are not in line with the specialist profile chosen by Ordina. It was decided, therefore, to sell ApplicationNet. ApplicationNet has about 15 employees and generates a revenue of approximately EUR 1 million annually. In view of its limited size and profitability (both in relative and absolute terms), the selling price for ApplicationNet totals a few hundreds of thousands of euros.

32.3 EFFECTS OF BUSINESS COMBINATIONS

The business combinations had the following effects on the assets and liabilities of the Ordina Group:

	Acquisitions 2007	Acquisitions 2006
Property, plant and equipment	351	2,935
Intangible assets	-	786
Intangible assets related to customers	33,318	37,283
Inventories	-	56
Trade and other receivables	6,942	23,989
Cash and cash equivalents	17	2,521
Provisions	-130	-4,140
Deferred income taxes – net	-3,180	-10,236
Trade and other payables	-5,218	-17,524
Identifiable assets and liabilities – net	32,100	35,670
Goodwill acquired in business combinations	8,283	93,088
Purchase consideration	40,383	128,758
Earn-out commitments	-5,968	-36,563
Earn-out payments related to prior year acquisitions	31,735	13,043
Financing of purchase consideration through share issue	-32,017	-20,000
Purchase consideration settled in cash	34,133	85,238
Cash and cash equivalents in subsidiaries acquired	-17	-2,521
Net cash outflow at acquisitions	34,116	82,717

The following breakdown applies to the effects of the assets and liabilities position of the Ordina Group in relation to the acquisition of subsidiaries in 2007:

	YoungWood	Rabo OBT	ITG	Other	Total
Property, plant and equipment	288	-	63	-	351
Intangible assets	-	-	-	-	-
Intangible assets related to customers	7,918	21,000	4,400	-	33,318
Inventories	-	-	-	-	-
Trade and other receivables	4,653	-	2,289	-	6,942
Cash and cash equivalents	229	-	-212	-	17
Provisions	-	-130	-	-	-130
Deferred income taxes – net	-2,019	33	-1,452	258	-3,180
Trade and other payables	-3,106	-	-1,854	-258	-5,218
Identifiable assets and liabilities – net	7,963	20,903	3,234	-	32,100
Goodwill acquired in business combinations	7,668	97	6,908	-6,390	8,283
Purchase consideration	15,631	21,000	10,142	-6,390	40,383
Earn-out commitments	-8,010	-	-5,000	7,042	-5,968
Earn-out payments related to prior year acquisitions	-	-	-	31,735	31,735
Financing of purchase consideration through share issue	-3,000	-21,000	-500	-7,517	-32,017
Purchase consideration settled in cash	4,621	-	4,642	24,870	34,133
Cash and cash equivalents in subsidiaries acquired	-229	-	212	-	-17
Net cash outflow at acquisitions	4,392	-	4,854	24,870	34,116

The 'other' item includes the adjusted estimated purchase price of Be Value as well as earn-out commitments related to acquisitions from previous years.

The share of YoungWood IT Group and ITG Consulting Group in the profit for 2007 of the Ordina Group over 2007 was approximately EUR 3.1 million in total. The profit for the full year 2007 of YoungWood IT Group and ITG Consulting Group was approximately EUR 4.0 million.

33. RELATED PARTIES

33.1 Identity of related parties

The related parties of Ordina N.V. are its subsidiaries, the members of the Supervisory Board and the members of the Management Board.

33.2 Transactions with the members of the Management Board and Supervisory Board

33.2.1 Remuneration policy

The Supervisory Board determines the compensation of the members of the Management Board on an

annual basis. For notes to the remuneration policy for the members of the Management Board, reference is made to the Report of the Supervisory Board on page 58 of this Annual Report.

33.2.2 Executive compensation

Executive compensation was as follows at year-end 2007 and 2006 respectively:

	2007	2006
R. Kasteel		
Salary	327	287
Variable component/short-term, cash based	260	157
Variable component/long-term, share based	238	285
Pension costs	39	38
	864	767

	2007	2006
J.H. den Hartog		
Salary	286	256
Variable component/short-term, cash based	228	140
Variable component/long-term, share based	208	251
Pension costs	35	33
	757	680

The long-term benefits under variable components are comprised of a payment in Ordina N.V. shares; they are determined for a three-year period for each individual plan. A conditional number of shares is awarded at the beginning of each three-year period. If it is established after three years that the set targets were achieved or exceeded, the shares are awarded unconditionally. The number of shares in Ordina N.V. to be allotted is estimated at the balance sheet date based on the long-term bonus benefits. The costs of the long-term benefits are recognised in the income statement. The costs of the shares expected to be issued are recognised in equity as 'retained earnings'. Within the scope of the long-term profit-sharing and bonus plans for the period 2005 to 2007, Messrs Kasteel and Den Hartog will receive 16,500 and 14,500 shares in Ordina N.V. respectively (2004-2006: 15,500 and 13,500 shares respectively).

The members of the Management Board are provided with a car and a mobile telephone. In addition, they are entitled to a monthly expense allowance.

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

33.2.3 **Shares held by the members of the Management Board**

At year-end 2007, the members of the Management Board held 194,184 shares in Ordina N.V. (year-end 2006: 179,684). The shares are distributed among the members of the Management Board as follows:

	2007	2006
R. Kasteel	157,149	149,399
J.H. den Hartog	37,035	30,285
	194,184	179,684

33.2.4 **Options granted to, and held by, the members of the Management Board**

The options held by the members of the Management Board at year-end 2007 can be broken down as follows:

	granted	exercised	lapsed	outstanding	exercise price	date of lapse
R. Kasteel	45,000	45,000	-	-	13.85	12-03-2007
R. Kasteel	40,000	-	-	40,000	10.24	12-03-2009
Outstanding at year-end 2007				40,000		

	granted	exercised	lapsed	outstanding	exercise price	date of lapse
J.H. den Hartog	45,000	45,000	-	-	13.85	12-03-2007
J.H. den Hartog	35,000	-	-	35,000	10.24	12-03-2009
Outstanding at year-end 2007				35,000		

The aforementioned still current options were granted per 12 March 2004 under the option schemes referred to in Note 16.2.

33.2.5 **Supervisory Board compensation**

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

	2007	2006
C.J. de Swart, <i>chairman</i>	33	32
E.P. de Boer	25	25
R.J. van de Kraats	25	25
J.M.L. van Engelen	25	16
C.A.Th. Takkenberg	-	9
	108	107

The compensation of the Supervisory Board is not contingent on the financial performance of the company. No loans, advances or guarantees were issued for the benefit of the members of the Supervisory Board.

33.2.6 **Shares held by the members of the Supervisory Board**

At year-end 2007, the members of the Supervisory Board held 124,761 shares in Ordina N.V. (year-end 2006: 124,761). The shares are distributed among the members of the Supervisory Board as follows:

	2007	2006
C.J. de Swart, <i>chairman</i>	-	-
E.P. de Boer	124,761	124,761
R.J. van de Kraats	-	-
J.M.L. van Engelen	-	-
C.A.Th. Takkenberg	-	-
	124,761	124,761

34. **EVENTS AFTER THE BALANCE SHEET DATE**

At the publication of the financial statements for 2007 Ordina has announced its objective to sell off the Technical Automation Division. The reason for this decision is a lack of (commercial) synergy between this division's activities and the activities of the rest of the Group. Finding a suitable buyer who will offer a reasonable consideration for this division is an obvious pre-requisite for such a sale. Ordina Technical Automation generated revenue in the region of EUR 36 million during 2007. The EBITA margin was similar to that of the consulting, IT and Application Outsourcing services within the Ordina Group.

Company balance sheet as at
31 December 2007 of Ordina N.V.

	Notes	2007	2006
Assets			
<i>Non-current assets</i>			
Intangible assets	36	18,564	18,564
Financial assets	37	240,444	165,965
Deferred income tax assets	38	796	1,059
Total non-current assets		259,804	185,588
<i>Current assets</i>			
Other receivables	39	157	1
Current income tax receivable		-	8,244
Cash and cash equivalents		53	543
Total current assets		210	8,788
Total assets		260,014	194,376
Equity			
Paid-up and called-up share capital	40	4,119	3,899
Share premium reserve	40	75,744	50,337
Hedging reserve	40	534	218
Statutory reserve	40	12,336	8,760
Retained earnings	40	131,464	104,997
Profit for the year	40	30,394	25,828
Total equity		254,591	194,039
Liabilities			
<i>Current liabilities</i>			
Short-term borrowings		2,906	-
Trade and other payables	41	37	337
Current income tax payable		2,480	-
Total current liabilities		5,423	337
Total liabilities		5,423	337
Total equity and liabilities		260,014	194,376

(in euro thousands)

Company income statement of Ordina N.V.

	Notes	2007	2006
Share of profit of associates	37	21,622	20,887
Other income		8,772	4,951
Profit for the year		30,394	25,828

(in euro thousands)

Notes to the company balance sheet and income statement

35. BASIS OF PREPARATION

35.1 Basis of preparation of company financial statements

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

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

35.2 Accounting policies

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

35.2.1 Financial assets/Investments in associates

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

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

36. **INTANGIBLE ASSETS**

This item can be broken down as follows:

	Goodwill	Total
Carrying amount at 1 January 2006	18,564	18,564
<i>Changes in 2006</i>		
Additions	-	-
Carrying amount at 31 December 2006	18,564	18,564

	Goodwill	Total
Carrying amount at 1 January 2007	18,564	18,564
<i>Changes in 2007</i>		
Additions	-	-
Carrying amount at 31 December 2007	18,564	18,564

37. FINANCIAL ASSETS

This item can be broken down as follows:

	Investments in group companies	Receivables from group companies	Total
Carrying amount at 1 January 2006	16,602	96,851	113,453
<i>Changes in 2006</i>			
Investments/loans advanced	-	32,979	32,979
Actuarial gains and losses	-1,562	-	-1,562
Changes in fair value of cash flow hedges	218	-	218
Share of profit of associates	20,877	-	20,877
Carrying amount at 31 December 2006	36,135	129,830	165,965

	Investments in group companies	Receivables from group companies	Total
Carrying amount at 1 January 2007	36,135	129,830	165,965
<i>Changes in 2007</i>			
Investments/loans advanced	1,221	49,575	50,796
Actuarial gains and losses	1,745	-	1,745
Changes in fair value of cash flow hedges	316	-	316
Share of profit of associates	21,622	-	21,622
Carrying amount at 31 December 2007	61,039	179,405	240,444

38. DEFERRED INCOME TAX ASSETS

Deferred income tax assets can be broken down as follows:

	2007	2006
Intangible assets and property, plant and equipment	740	-
Recognised tax losses	56	1,059
At 31 December	796	1,059

Deferred income tax assets regarding intangible assets and property, plant and equipment relate to the temporary differences in valuation that arose due to the minimal tax depreciation period instituted in 2007. Assets are valued at fixed rates.

Tax losses are recognised if they are expected to be utilised (total at year-end 2007: approximately EUR 0.2 million; year-end 2006: approximately

EUR 4.2 million). Measurement is at the fair value that will apply to future financial years. For notes to the scale and measurement of the tax losses of the Ordina Group as a whole, reference is made to Note 20.1.

39. OTHER RECEIVABLES

This item can be broken down as follows:

	2007	2006
Prepayments and accrued income	157	1
At 31 December	157	1

40. EQUITY

Movements in equity in 2006 and 2007 were as follows:

	Issued capital	Share premium reserve	Hedging reserve	Statutory reserve	Retained earnings	Profit for the year	Total
At 1 January 2006	3,728	46,537	-	2,400	71,319	28,963	152,947
Prior-year dividend distribution	-	-	-	-	-	-7,505	-7,505
Prior-year retained earnings	-	-	-	-	21,458	-21,458	-
Issue at acquisitions	134	19,866	-	-	-	-	20,000
Issue at option exercise	29	2,695	-	-	-	-	2,724
Actuarial gains and losses	-	-	-	-	-1,562	-	-1,562
Changes in fair value of cash flow hedges	-	-	218	-	-	-	218
Share-based payment	5	549	-	-	276	-	830
Management participation	3	556	-	-	-	-	559
Profit for the year	-	-	-	-	-	25,828	25,828
Transfer to retained earnings	-	-19,866	-	-	19,866	-	-
Transfer to statutory reserves	-	-	-	6,360	-6,360	-	-
At 31 December 2006	3,899	50,337	218	8,760	104,997	25,828	194,039

	Issued capital	Share premium reserve	Hedging reserve	Statutory reserve	Retained earnings	Profit for the year	Total
At 1 January 2007	3,899	50,337	218	8,760	104,997	25,828	194,039
Prior-year dividend distribution	-	-	-	-	-	-8,210	-8,210
Prior-year retained earnings	-	-	-	-	17,618	-17,618	-
Issue at acquisitions	181	31,836	-	-	-	-	32,017
Issue at option exercise	35	3,551	-	-	-	-	3,586
Actuarial gains and losses	-	-	-	-	1,745	-	1,745
Changes in fair value of cash flow hedges	-	-	316	-	-	-	316
Share-based payment	4	476	-	-	224	-	704
Profit for the year	-	-	-	-	-	30,394	30,394
Transfer to retained earnings	-	-10,456	-	-	10,456	-	-
Transfer to statutory reserves	-	-	-	3,576	-3,576	-	-
At 31 December 2007	4,119	75,744	534	12,336	131,464	30,394	254,591

The statutory reserve relates to the carrying amount of the internally generated intangible assets (Note 2.5.6 and 7).

Ordina N.V. did not purchase treasury shares at year-end 2006 and 2007.

For notes to the movements in outstanding option rights in 2006 and 2007, reference is made to Note 16.2.

For notes to executive compensation, please refer to Note 33.2.2.

41. **OTHER PAYABLES, ACCRUALS AND DEFERRED INCOME**

This item can be summarised as follows:

	2007	2006
Other payables	37	335
Accruals and deferred income	-	2
At 31 December	37	337

Nieuwegein, the Netherlands, 3 March 2008

Management Board

R. Kasteel, CEO

J.H. den Hartog, CFO

Supervisory Board

C.J. de Swart, *chairman*

E.P. de Boer

J.M.L. van Engelen

R.J. van de Kraats

List of subsidiaries

	Registered office	Participation as a % at year-end 2007
Ordina Holding B.V. *	Nieuwegein	100
Ordina Nederland B.V. *	Nieuwegein	100
Ordina Commercie B.V.	Nieuwegein	100
Ordina ICT B.V. *	Nieuwegein	100
Ordina Consulting B.V. *	Nieuwegein	100
Ordina Technical Automation B.V. *	Nieuwegein	100
Ordina Infrastructure Solutions B.V. *	Nieuwegein	100
Ordina Enterprise Application Services B.V. *	Nieuwegein	100
Ordina Enterprise Applications B.V. *	Nieuwegein	100
Ordina Application Outsourcing en Projecten B.V. *	Nieuwegein	100
Ordina BPO B.V. *	Zoetermeer	100
fiNext B.V. *	Voorburg	100
Ormit B.V. *	De Bilt	100
Integer Noord Nederland B.V. *	Wormerveer	100
Integer Zuid Nederland B.V. *	Tilburg	100
Ordina Vertis B.V. *	Groningen	100
Ordina Magentis B.V. *	Groningen	100
Be Value B.V.	Apeldoorn	100
Bergson Holding B.V.	Eindhoven	100
Bergson Technical Automation B.V.	Eindhoven	100
Bergson Software Factory & Services B.V.	Eindhoven	100
Wisdom TMLC B.V.	Groningen	100
The Missing Link B.V.	Groningen	100
YoungWood IT Group B.V.	Nieuwegein	100
Ordina Belgium N.V.	Schelle (Belgium)	100
Ordina Denkart N.V.	Schelle (Belgium)	100
ITG Consulting Group N.V.	Brussel (Belgium)	100
ITG Consulting S.A.	Luxemburg (Luxemburg)	100
Ormit België N.V.	Brussel (Belgium)	100

All fully consolidated subsidiaries have their registered offices in the Netherlands unless indicated otherwise.

The company has issued declarations of joint and several liability (pursuant to Section 403, Part 9, Book 2 of the Netherlands Civil Code) for the subsidiaries marked *. These companies were given permission to prepare financial statements based on a format that is in contravention of the provisions of this Part.

Independent auditor's report

To the Annual General Meeting of Shareholders of Ordina N.V.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements 2007 of Ordina N.V., Nieuwegein, the Netherlands, as set out on pages 64 up to and including page 135. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, the consolidated income statement, the consolidated statement of recognised income and expense (SORIE) and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2007, the company income statement for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Ordina N.V. as at 31 December 2007 and of its result and cash flows for the year 2007 then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Ordina N.V. as at 31 December 2007 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL REQUIREMENTS

Pursuant to the legal requirement under Section 393(5)(e) of Book 2 of the Netherlands Civil Code, we report, to the extent of our competence, that the annual report is consistent with the financial statements as required by Section 391(4) of Book 2 of the Netherlands Civil Code.

Utrecht, the Netherlands, 3 March 2008
PricewaterhouseCoopers Accountants N.V.

C.J.A.M. Romme

