

PRESS RELEASE

Ordina N.V. results third quarter 2014

Results continue to improve in Q3

Nieuwegein, 4 November 2014

Highlights Q3

- Recurring EBITDA increases to 5.3 million (Q3 2013: EUR 4.2 million);
- Recurring EBITDA margin higher at 6.0% (Q3 2013: 4.5%);
- Turnover declines 4.9% to EUR 88.2 million (Q3 2013: EUR 92.8 million);
- Net debt position reduces to EUR 5.4 million (Q3 2013: EUR 18.5 million); the ratio net debt / 'adjusted' EBITDA stands at 0.3 (maximum leverage ratio: ≤ 1.50);
- Customer satisfaction rating among Sourcing and Application Management clients up once again in the annual GiarTE survey.

Highlights Q1-Q3

- Recurring EBITDA increases to EUR 13.6 million (first nine months 2013: EUR 7.8 million);
- Recurring EBITDA margin higher at 5.0% (first nine months 2013: 2.8%);
- Turnover declines 1.6% to EUR 273.4 million (first nine months 2013: EUR 277.8 million).

Stépan Breedveld, CEO Ordina, on the results

"Our results showed a clear improvement compared to last year. The cost-savings programme we launched last year is having a structural effect. Turnover was down in the third quarter, largely due to a lower number of large projects. When normalised for the effect of the dismantling of the generic Ordina Consulting Public (OCP) activities, turnover in the first nine months remained largely stable.

We are taking the reports in which Ordina is accused of irregularities in tenders in the period 2005-2010 very seriously. We will communicate transparently about the outcome of the internal investigation and the measures we take. Should there be any reason, additional investigations will be initiated, also if these would concern the period before 2005 or after 2010. We will undertake anything necessary in order to ensure that our clients can be certain that our integrity is guaranteed.

We are pleased to have obtained one of the highest scores in the annual GiarTE survey into customer satisfaction in IT Outsourcing (Sourcing and Application Management). Combining our Sourcing and Application Management activities in separate divisions gives us focus and results in increased customer satisfaction.

On 29 October last, we welcomed 200 clients to our annual Ordina Open Innovation day. This year's theme was the 'Humanisation of ICT'. This is about how thanks to smart sensors, robotics, virtual reality and wearables ICT is getting closer to or is quite literally worn by people. The winners of the final of the innovation contest, the Public Challenge, were FoodFix and 42 Education with concepts for food waste and education for children with learning difficulties respectively. In line with our motto 'Partnerships in Sustainable Innovation', we will now help the winners to make their innovative ideas reality. This is how ICT will truly work for people again."

Outlook

We decline to give a forecast for the coming period.

Integrity investigation

In our press release of 9 October last, Ordina reported on the preliminary results of the internal investigation into possible irregularities in public sector tenders and contracts in the period 2005-2010.

As announced at the time, an additional internal investigation is still ongoing into a limited number of issues. Ordina expects to complete the current internal investigation in the fourth quarter of 2014, or in the first quarter of 2015 at the latest.

Ordina will publicly report to all stakeholders on the relevant findings once the internal investigations are complete. At the same time we will also provide information on the measures taken in the context of the previously announced integrity programme we are introducing across the company.

The Dutch shareholders association VEB and a number of shareholders, both large shareholders (with an interest of more than 3%) as well as small shareholders (with an interest of less than 3%), have asked questions about the course of events. Also, one small private shareholder has asked for compensation for the losses which would have been suffered due to the share price movement following the Zembla broadcast. We have otherwise not received any other claims, from either customers, competitors or business partners.

To respond to any questions our stakeholders may have, we will at the same time provide an overview of all the relevant facts that emerged in the past period.

It is not possible to make any statement about the financial consequences of the above for the company.

Highlights Q1-Q3

In the third quarter, turnover declined 4.9% to EUR 88.2 million (Q3 2013: EUR 92.8 million), largely driven by a smaller number of large projects. The impact of the dismantling of the generic OCP activities is EUR 1.7 million. The recurring EBITDA rose to EUR 5.3 million (Q3 2013: EUR 4.2 million), after adjustment for redundancy payments (Q3 2014: EUR 0.5 million) and external costs related to the internal investigation (Q3 2014: EUR 0.6 million).

Turnover in the first nine months of the year was down 1.6% at EUR 273.4 million (first nine months 2013: EUR 277.8 million). Turnover is largely stable when adjusted for the dismantling of OCP (impact: EUR 3.2 million). Recurring EBITDA came in higher at EUR 13.6 million (Q1-Q3 2013: EUR 7.8 million), after adjustment for redundancy payments (Q1-Q3 2014: EUR 5.6 million) and external costs related to the internal investigation (Q1-Q3 2014: EUR 0.6 million).

	Q3 2014	Q3 2013 ¹	Δ %	Q1-Q3 2014	Q1-Q3 2013 ¹	Δ %
Turnover per market segment (in thousands of euros)						
Public sector	34,480	34,590	-0.3%	106,686	107,345	-0.6%
Financial services	25,118	26,000	-3.4%	77,020	75,909	1.5%
Industry	23,441	26,375	-11.1%	73,685	77,942	-5.5%
Healthcare	5,139	5,802	-11.4%	16,007	16,573	-3.4%
Total	88,177	92,766	-4.9%	273,397	277,770	-1.6%

¹ 2013 figures have been reclassified on the basis of the new organisational structure for comparison purposes.

Turnover in the public sector was stable in the third quarter, at EUR 34.5 million (Q3 2013: EUR 34.6 million), despite the dismantling of the OCP activities. Turnover in the financial services segment declined by 3.4% to EUR 25.1 million (Q3 2013: EUR 26.0 million) due to reduced demand from a number of clients. In the industry segment, turnover fell by 11.1% to EUR 23.4 million (Q3 2013: EUR 26.4 million), partially driven by a number of large projects in this segment that ended in late 2013. Growth from a number of new and existing clients has so far been insufficient to compensate for that decline in turnover. Turnover in healthcare declined

11,4% to EUR 5.1 million due to projects being finalised. New projects won are still in the early start-up phase. We are looking to further boost our position in the healthcare sector with, amongst others, our unique healthcare application Quli and our preconfigured ERP package for hospitals, as well as the associated application management.

	Q3 2014	Q3 2013 ¹	Δ %	Q1-Q3 2014	Q1-Q3 2013 ¹	Δ %
Turnover per division (in thousands of euros)						
Technology & Competences	26,716	28,107	-4.9%	84,022	88,698	-5.3%
Business Consulting & Solutions	10,811	12,887	-16.1%	32,730	39,563	-17.3%
Application Management	13,385	13,673	-2.1%	39,744	41,307	-3.8%
Sourcing	19,869	21,272	-6.6%	63,965	55,753	14.7%
Belgium/Luxembourg	17,559	16,827	3.4%	52,936	52,449	0.9%
Total	88,177	92,766	-4.9%	273,397	277,770	-1.6%

¹ 2013 figures have been reclassified on the basis of the new organisational structure for comparison purposes.

	2014		2013	
	NL	B	NL	B
Overview workable days				
Q1	63	63	63	63
Q2	62	61	61	61
Q3	66	64	66	64
Q4	64	63	64	63
Total	255	251	254	251

Technology & Competences

The Technology & Competences division designs and builds applications for our clients in the form of secondment and project contracts, for both out of the box and tailor-made solutions. Turnover in the division dropped by 4.9% to EUR 26.7 million (Q3 2013: EUR 28.1 million). This decline was largely due to a reduced number of large-scale projects.

Business Consulting & Solutions

The Business Consulting & Solutions division advises clients on how they can improve their processes and IT. The division combines business know-how with technical expertise to create future-proof solutions in the fields of business intelligence, (digital) customer interaction, chain integration and security. Turnover in the division fell by 16.1% to EUR 10.8 million (Q3 2013: EUR 12.9 million). This drop in turnover was largely due to a decline in demand for consultancy services in the public sector. In response to this development, we have opted to dismantle the generic activities and add the specialist activities into existing units. Ordina also signed a cooperation contract with Topicus for savings and investment products. As part of this agreement, Ordina sold the development and exploitation of the Foundation software package. The book profit on the sale was EUR 0.4 million.

Application Management

The Application Management division is responsible for the management, maintenance and renewal of applications through long-term contracts. The division's turnover fell by 2.1% to EUR 13.4 million (Q3 2013: EUR 13.7 million). The drop in turnover was due to the completion of a number of large (end of life) management contracts this is not yet being compensated for by new turnover. We have obtained one of the highest scores in the annual Giarte survey into customer satisfaction in IT Outsourcing (Sourcing and Application Management). Combining our Sourcing and Application Management activities into separate divisions gives us focus and results in increased customer satisfaction.

Sourcing The Sourcing division acts as strategic partner and helps large clients to improve the added value of hired-in IT personnel. Our client-specific innovation programs in the field of productivity improvement, talent development, know-how exchange and innovation are an integrated part of this approach. The Sourcing division saw turnover drop by 6.6% to EUR 19.9 million (Q3 2013: EUR 21.3 million). This drop was partially driven by a decline in demand from a number of energy and telecom clients within the portfolio.

Belgium / Luxembourg The Belgium/Luxembourg division designs, builds and manages applications in Belgium and Luxembourg and is also active with solutions for specific business sectors. Turnover was up 3.4% at EUR 17.4 million (Q3 2013: EUR 16.8 million). The increase in turnover was driven by focus on a number of specific market segments for which the division has developed solutions, such as pharmaceutical companies.

Innovation

This year 200 clients visited the annual Ordina Open Innovation day. In addition to the various speakers who talked about the Humanisation of ICT, the day featured the final of 'The Public Challenge' innovation contest. The final was won by Foodfix and 42 Education; two socially relevant concepts respectively addressing food waste and education for children with learning disabilities.

Foodfix connects supermarkets with surplus food to students with limited funds. FoodFix collects the surplus that would otherwise be destroyed. Students are given quick and easy access to information on the available products and can order food items at low prices. The concept is currently focused on supermarkets and students, but does lend itself to wider applications. The other winner, 42 Education, offers children with learning disorders such as dyslexia, ASD and ADHD adaptive education programmes and tailor-made learning aids to make inclusive education possible. Inclusive education gives children who are currently in special education the chance to go to regular primary schools.

This year's Innovation Day also showcased innovations Ordina has developed in cooperation with our clients. One of these is the study we are conducting with a researcher from Utrecht University looking at the possibility of using the Oculus Rift in the battle against anorexia nervosa by influencing patients' perception of their own bodies.

Employees

At the end of the third quarter of 2014, the total number of employees stood at 2,892 FTEs. The total number of new hires came in at 116 FTEs, while 130 FTEs left the company, a drop of 14 FTEs compared with the end of the second quarter of 2014 (end Q2 2014: 2,906 FTEs).

Developments in personnel numbers

	Q3 2014	Influx	Outflow	Q2 2014
Direct FTEs	2,559	107	-122	2,574
Indirect FTEs	333	9	-8	332
Total	2,892	116	-130	2,906

Financing

Net debt stood at EUR 5.4 million at the end of the third quarter of 2014, a decline of EUR 13.1 million compared to the third quarter of 2013 (end-Q3 2013: EUR 18.5 million). This was driven by working capital management, which has structurally improved our net debt position. Compared to year-end 2013, the net debt was up EUR 3.2 million as a result of the regular seasonal pattern (end-Q4 2013: EUR 2.2 million). The net debt / 'adjusted' EBITDA ratio stood at 0.3 (maximum leverage ratio: ≤ 1.50) and the Interest Cover Ratio stood at 15.1 (minimum interest cover ratio: ≥ 5.0). The ratios are therefore within the limits of the bank covenants.

###

ABOUT ORDINA

Ordina is the largest independent IT services provider in the Benelux. We design, build and maintain IT solutions for organisations in the public sector, in financial services, industry and the healthcare sector. We aim to design IT solutions that help people, IT that matters and that is produced without wasting precious resources. We do this by forging Partnerships in Sustainable Innovation with our clients.

Ordina was founded in 1973. The company's shares have been listed on the NYSE Euronext Amsterdam since 1987 and are included in the Small cap Index (AScX). In 2013, Ordina recorded turnover of EUR 377 million. For more information visit the company's website at www.ordina.com

ADDITIONAL INFORMATION

For more information on this press release:

Annemieke den Otter
Investor Relations
Mail: annemieke.den.otter@ordina.nl
Telephone: +31 (0)30 663 7468

Jolanda Poots-Bijl
CFO
Mail: jolanda.poots@ordina.nl
Telephone: +31 (0)30 663 8906

Stépan Breedveld
CEO
Mail: stepan.breedveld@ordina.nl
Telephone: +31 (0)30 663 7111

Financial diary

19 February 2015 Publication 2014 annual results

Press conference and analyst presentation

09:00 hrs CET – Press conference

Ordina will present its Q3 results today at 09:00 hrs CET during the press conference (dial-in number +31 (0)20 531 5870).

10:00 hrs CET – Analyst presentation

Ordina will present its Q3 results today at 10:00 hrs CET at the analyst meeting in Amsterdam. You can follow this presentation via a webcast. You can follow the webcast via the link you will find at www.ordina.com. The presentation will be available on our website following the webcast.

This document contains forward-looking statements regarding the future financial performance of Ordina N.V. and outlines certain plans, targets and ambitions based on current insights. Obviously, such forecasts are not without risk; they entail a relative degree of uncertainty since there are no guarantees of future circumstances. There are many factors that could potentially affect the actual performance, causing this to deviate from the situation described in this document. Such factors include: general economic trends, the pace of globalisation in the solutions, IT and consulting markets, the growing number of projects with responsibility for deliverables, scarcity on the labour market and future acquisitions and disposals.