

INTERIM REPORT ORDINA N.V.

H1 2016

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About Ordina

Ordina is the largest independent IT services provider in de Benelux, with around 2,800 employees. We devise, build and manage IT applications in the public sector, financial services, industry and the healthcare sector. Our goal is IT that helps people. IT that matters and that has been developed without wasting any resources. We do this by working with our clients in partnerships for sustainable innovation.

Ordina was founded in 1973. The company's shares have been listed on NYSE Euronext Amsterdam since 1987 and are included in the Small Cap Index (AScX). In 2015, Ordina recorded turnover of EUR 348 million. You will find addition information on our corporate website: www.ordina.com.

Statement from the Management Board

This document comprises the 2016 interim report and the consolidated interim financial statements of Ordina N.V. This interim report has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. This interim report does not contain all the information required for financial statements. It should therefore be read in conjunction with the consolidated financial statements for the full year 2015. These interim financial statements are unaudited.

The Management Board hereby declares, in accordance with Section 5:25d (2) (c) of the Dutch Financial Supervision Act, that to the best of their knowledge:

- the interim financial statements give a true and fair view of the assets and liabilities, and the financial position as at 30 June 2016, and the results for the first six months of 2016 of Ordina N.V. and its consolidated companies; and that
- the Interim report of the Management Board incorporated in this interim report for 2016 gives a true and fair view of the information required pursuant to Sections 5:25d(8) and, insofar as applicable, (9) of the Dutch Financial Supervision Act, subject to the disclaimer regarding forward looking statements included at the bottom of page 14.

Nieuwegein, 17 August 2016

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

KEY FIGURES ORDINA N.V.

	H1 2015	H1 2016	Change H1 2016 on H1 2015
<i>(in thousands of euros, unless indicated otherwise)</i>			
Revenue the Netherlands	136,007	133,555	-1.8%
Revenue Belgium / Luxembourg	36,663	44,197	20.6%
Total Revenue	172,670	177,752	2.9%
Recurring EBITDA the Netherlands	310	6,483	
Recurring EBITDA Margin the Netherlands	0.2%	4.9%	
Recurring EBITDA Belgium / Luxembourg	3,029	5,281	
Recurring EBITDA Margin Belgium / Luxembourg	8.3%	11.9%	
Recurring EBITDA	3,339	11,764	8,425
Recurring EBITDA Margin	1.9%	6.6%	4.7%
Redundancy costs	2,930	3,441	
Costs internal investigation	1,394	-	
Net profit	-3,880	2,954	6,834
Shareholders' equity ¹	141,262	144,987	
Capital asset ratio	57	60	
Intangible fixed assets ¹	133,860	135,593	1.3%
Tangible fixed assets	6,753	5,863	-13.2%
Total assets	246,900	243,273	-1.5%
Days Sales Outstanding (DSO)	51	57	
Days Payables Outstanding (DPO)	58	61	
Total net debt at year-end	6,057	-72	
Total net debt to adjusted EBITDA	1	0	
Average number of staff (FTE)	2,893	2,756	
Average number of direct staff (FTE)	2,552	2,431	
Average number of indirect staff (FTE)	341	326	
Number of staff at end of reporting period (FTE)	2,917	2,751	
Number of direct staff at end of reporting period (FTE)	2,568	2,426	
Number of indirect staff at end of reporting period (FTE)	349	325	
Number of shares outstanding at end of reporting period (in thousands)	92,959	93,082	0.1%
Per-share information (based on average number of issued shares) in euros			
Shareholders' equity	1.52	1.56	
Cash generated from operating activities	-0.13	0.01	
Earnings	-0.04	0.03	
Earnings - diluted	-0.04	0.03	

Ordina closes first half in profit

Nieuwegein, 18 August 2016

Highlights H1 2016

- Net result rises to EUR 3.0 million (H1 2015: loss of EUR 3.9 million);
- Recurring EBITDA rises to EUR 11.8 million (H1 2015: EUR 3.3 million);
- Recurring EBITDA margin rises to 6.6% (H1 2015: 1.9%);
- Revenue 2.9% higher at EUR 177.8 million (H1 2015: EUR 172.7 million);
 - Revenue in the Netherlands down 1.8%;
 - Revenue in Belgium/Luxembourg up 20.6%;
- Cost-saving programme the Netherlands virtually complete.

Highlights Q2 2016

- Recurring EBITDA rises to EUR 5.2 million (Q2 2015: EUR 0.8 million negative);
- Recurring EBITDA margin rises to 5.9% (Q2 2015: 1.0% negative);
- Revenue 4.4% higher at EUR 87.9 million (Q2 2015: EUR 84.2 million);
 - Revenue in the Netherlands down 1.3%;
 - Revenue in Belgium/Luxembourg up 25.8%;
- Financing extended to May 2019 on unchanged terms;
- Net cash position of EUR 0.1 million (net debt position at end Q2 2015: EUR 6.1 million);
- 'Gouden DIA' for Clockwork and Studystore;
- Annemieke den Otter appointed as CFO and member of the Board of Management.

Stépan Breedveld, CEO Ordina, about the results

"We closed the first half of the year in profit. The improvement compared with last year was driven by a continuation of the strong performance of the Belgium/Luxembourg division and the cost-saving programme in the Netherlands. Revenues in Belgium/Luxembourg once again developed positively while we noted a slight decline in the Netherlands. In the Netherlands, growth in the financial services and industry segments was not enough to fully offset the decline in the public sector.

Ordina was free of debt at the end of the first half of 2016 on the back of improved returns and solid working capital management.

The tightened strategy is paying dividends. In the coming period, we will increase our focus on the continued development of key accounts and the innovation cluster, as well as on the recruitment and retention of employees. In order to increase employee engagement, in the summer months we organised more than forty strategy and inspiration sessions for all our employees, which we used to explain and discuss Ordina's strategy in detail.

Our efforts in the field of innovative digital services are also paying off. Clockwork, our digital engagement bureau, has once again won the Dutch Interactive Award (DIA) with Studystore. Clockwork won the award because visitor numbers at the online student book store increased sharply on the back of the campaign."

Strategy update

Streamlining and savings

The cost-savings programme is now all but complete. The impact of the cost-savings programme on the results in the first half was EUR 5.9 million and will be around EUR 11-12 million for the full year 2016. This comes on top of the EUR 1.5 million already realised in 2015. The remaining EUR 1.5 – 2.5 million will become visible in the 2017 results. This will mean we have realised the entire targeted annual savings of EUR 15 million. The savings included cuts in both direct and indirect employees, as well as process improvements and out-of-pocket expenses. This has led to lower overhead costs and reduced availability, which has bolstered returns.

Ordina has made a number of organisational changes, which included putting a single Operational Director in charge of professional services, consulting and application management in the Netherlands.

Growth and investment

In order to accelerate our innovation agenda, Ordina has set up a separate cluster for activities with an innovative or start-up character. The aim of this innovation cluster is to provide a platform for innovative technologies, concepts and propositions and develop these innovations towards a healthy scale and returns. The innovation cluster is currently in the start-up phase.

Due to the persistent decline in the public sector and increased staff turnover in the Netherlands, we are planning to devote extra efforts to turn around the revenue trend. These efforts include focusing on key accounts, innovation and the continued development of the region North.

On top of this, our new HR director will head a drive to engage in programmes for the recruitment and retention of staff. We will also continue Young Professionals programme. This programme has already resulted in the recruitment of 63 YPs in the first half of 2016.

In order to increase employee engagement, during the summer months we organised more than forty strategy and inspiration sessions for all our employees, which we used explain and discuss Ordina's strategy in detail.

Developments Q2 2016

Revenue Q2 2016

Revenue in the second quarter of 2016 was up 4.4% at EUR 87.9 million (Q2 2015: EUR 84.2 million). The number of workable days in the Netherlands was 62 (Q2 2015: 60). The number of workable days in Belgium/Luxembourg was 62 in Q2 2016 (Q2 2015: 61). The impact of one working day on revenue in the Netherlands is around EUR 1.0 million and in Belgium/Luxembourg around EUR 0.3 million.

Revenue per division

	Q2 2015 ¹	Q2 2016	Change Q2 2016 on Q2 2015 ¹
<i>(in thousands of euros)</i>			
the Netherlands	66,301	65,416	-1.3%
Professional Services	35,399	36,079	1.9%
Consulting	6,995	6,328	-9.5%
Application Management	17,242	17,334	0.5%
Innovation Cluster	6,665	5,675	-14.9%
Belgium/Luxembourg	17,879	22,485	25.8%
TOTAL	84,180	87,901	4.4%

¹ Q2 2015 figures have been adjusted to reflect the current organisational structure for comparison purposes.

**Recurring
EBITDA
Q2 2016**

Recurring EBITDA came in EUR 6.0 million higher at EUR 5.2 million in the second quarter of 2016 (Q2 2015: EUR 0.8 million negative), after correction for redundancy payments (EUR 1.5 million). This increase was largely due to the cost-saving programme and the results in Belgium/Luxembourg. The recurring EBITDA margin increased to 5.9% (Q2 2015: 1.0% negative).

Developments H1 2016

**Revenue
H1 2016**

Revenue in the first half of 2016 increased by 2.9% to EUR 177.8 million (H1 2015: EUR 172.7 million). The number of workable days was 125 in the Netherlands (H1 2015: 123). The number of workable days in Belgium/Luxembourg was 125 (H1 2015: 124). After correction for the working days effect, revenue increased by 1.6%.

Revenue per division

	H1 2015 ¹	H1 2016	Change H1 2016 on H1 2015 ¹
<i>(in thousands of euros)</i>			
the Netherlands	136,007	133,555	-1.8%
Professional Services	73,982	73,876	-0.1%
Consulting	14,638	13,184	-9.9%
Application Management	34,311	34,847	1.6%
Innovation Cluster	13,076	11,648	-10.9%
Belgium/Luxembourg	36,663	44,197	20.6%
TOTAL	172,670	177,752	2.9%

¹ H1 2015 figures have been adjusted to reflect the current organisational structure for comparison purposes.

Overview working days				
	2015		2016	
	NL	B	NL	B
Q1	63	63	63	63
Q2	60	61	62	62
Q3	66	64	66	64
Q4	65	63	64	62
Total	254	251	255	251

**(Recurring)
EBITDA
H1 2016**

The recurring EBITDA increased to EUR 11.8 million in the first half of the year (H1 2015: EUR 3.3 million), after correction for redundancies (EUR 3.4 million). The recurring EBITDA margin was also higher at 6.6% (H1 2015: 1.9%).

EBITDA increased to EUR 8.3 million in 2016 from EUR 1.0 million negative in 2015¹.

¹ See table on page 12

Recurring EBITDA per division

	H1 2015 ¹		H1 2016	
<i>(in thousands of euros)</i>				
the Netherlands	310	0.2%	6,483	4.9%
Professional Services	800	1.1%	5,443	7.4%
Consulting	-597	-4.1%	383	2.9%
Application Management	373	1.1%	1,400	4.0%
Innovation Cluster	-266	-2.0%	-743	-6.4%
Belgium/Luxembourg	3,029	8.3%	5,281	11.9%
TOTAL	3,339	1.9%	11,764	6.6%

¹ H1 2015 figures have been adjusted to reflect the current organisational structure for comparison purposes.

Netherlands

In the Netherlands, we recognise professional services, consulting, application management and the innovation cluster.

In our professional services activities, we design, build and test applications for our clients, for both existing package solutions and customised solutions. In H1, revenue was virtually unchanged at EUR 73.9 million (H1 2015: EUR 74.0 million). Increased productivity and the impact of the cost-saving programme boosted the recurring EBITDA margin to 7.4% (H1 2015: 1.1%).

In our consulting activities, we advise our clients on improvements to their processes and IT systems and combine business know-how with technical expertise to create sustainable solutions in fields such as business intelligence. Revenue was down 9.9% at EUR 13.2 million (H1 2015: EUR 14.6 million). This decline was driven by an above-average staff turnover and fewer projects in the public sector. The recurring EBITDA margin increased despite the decline in revenue and came in at 2.9% (H1 2015: 4.1% negative). There is still some room for continued improvement in productivity.

Application management provides management, maintenance and renewal of applications on the basis of long-term contracts. Revenue was up 1.6% at EUR 34.8 million (H1 2015: EUR 34.3 million). The recurring EBITDA margin increased to 4.0% partly on the back of the higher revenue (H1 2015: 1.1%). There is further room for improvement in the capacity utilisation rate and Ordina is now focusing on winning new application management contracts.

The innovation cluster was set up to provide a platform for innovative technologies, concepts and propositions and develop these innovations towards a healthy scale and returns. The rapid development in technology and innovation means that the composition of this cluster will change on a regular basis. At the moment the cluster is working on propositions relating to security, Scala and smart technologies, while our digital engagement bureau Clockwork is also a key component of the cluster. Revenue was down 10.9% at EUR 11.6 million (H1 2015: EUR 13.1 million). The recurring EBITDA margin declined to 6.4% negative (H1 2015: 2.0% negative). The cluster is currently in the start-up phase but will make a positive contribution to Ordina's returns in due course.

Belgium/ Luxembourg

The Belgium/Luxembourg division delivers IT services and designs, builds and manages applications in Belgium and Luxembourg. In addition, this division devises solutions aimed at specific sectors and business issues. Revenue in this division increased by 20.6% to EUR 44.2 million (H1 2015: EUR 36.7 million). The recurring EBITDA margin increased to 11.9% (H1 2015: 8.3%). The improvement in returns was driven by higher revenues in all market segments, the performance in Luxembourg and growth in innovative application management.

Market developments

Revenue Q2 2016

In the second quarter of 2016, revenue came in 4.4% higher at EUR 87.9 million (Q2 2015: EUR 84.2 million).

Revenue per market segment

	Q2 2015 ¹	Q2 2016	Change Q2 2016 on Q2 2015 ¹
<i>(in thousands of euros)</i>			
Public	30,606	29,182	-4.7%
Financial services	25,592	26,188	2.3%
Industry	23,468	26,219	11.7%
Healthcare	4,514	6,312	39.8%
TOTAL	84,180	87,901	4.4%

¹ H1 2015 figures have been adjusted for comparison purposes in connection with the reclassification of a number of clients.

Revenue H1 2016

In the first half of the year, revenue came in 2.9% higher at EUR 177.8 million (H1 2015: EUR 172.7 million).

Revenue per market segment

	H1 2015 ¹	H1 2016	Change H1 2016 on H1 2015 ¹
<i>(in thousands of euros)</i>			
Public	63,083	59,676	-5.4%
Financial services	52,385	54,117	3.3%
Industry	48,465	51,578	6.4%
Healthcare	8,737	12,381	41.7%
TOTAL	172,670	177,752	2.9%

¹ H1 2015 figures have been adjusted for comparison purposes in connection with the reclassification of a number of clients.

Public

Revenue in the public sector segment declined in the first half of 2016, falling 5.4% to EUR 59.7 million (H1 2015: EUR 63.1 million). The decline was driven primarily by a drop in the number of projects. In the longer term, IT will be a driving force in reducing costs in the sector and the continued improvement to public sector services.

Financial services

Revenue in the financial services segment was 3.3% higher at EUR 54.1 million (H1 2015: EUR 52.4 million). This increase was largely driven by the stable performance of the sourcing contracts. Financial institutions are being forced to anticipate the possibilities of mobile banking ever more rapidly and are exploring new business models. In this context, Ordina is working on 'Building the new Bank', in which we are looking at how new technologies will be used to shape the bank of the future.

Industry

Revenue in the industry market segment increased by 6.4% to EUR 51.6 million (H1 2015: EUR 48.5 million). This increase was largely due to growth among logistics clients in this segment. We are seeing a continuing decline in demand among a number of specific clients in the telecom and energy sectors in the Netherlands.

Healthcare

Revenue in the healthcare market segment was up 41.7% at EUR 12.4 million (H1 2015: EUR 8.7 million). The increase came on the back of growing demand in the pharmaceutical sector in Belgium for specialists in the area of IT security and compliance consultancy. There was a decline in demand in the Netherlands.

Employees

In the first half of 2016, the number of direct employees declined by 116 FTEs, partly as a result of the cost-saving programme. The number of indirect employees dropped by 19 FTEs. At the end of H1 2016, the total number of employees stood at 2,751 FTEs (year-end 2015: 2,886 FTEs).

	FTE year-end 2015	In	Out	FTE half year 2016
Direct FTE	2,542	216	332	2,426
Indirect FTE	344	21	40	325
TOTAL	2,886	237	372	2,751

The annual turnover percentage of direct employees is around 26%, with around a third of this figure at the request of the employer. This percentage is higher than we would like and slightly higher in the Netherlands than in Belgium/Luxembourg. We have taken additional action in the field of recruitment and retention and related to increasing employee engagement.

Ordina will continue the Young Professionals programme. In the first half of 2016, a total of 63 YPs joined Ordina.

Financial developments

Revenue development Revenue increased by 2.9% to EUR 177.8 million in the first half of 2016 (H1 2015: EUR 172.7 million). The number of working days amounted to 125 (H1 2015: 123).

Recurring EBITDA Recurring EBITDA came in at EUR 11.8 million in the first half (H1 2015: EUR 3.3 million). Including redundancy payments (EUR 3.4 million), EBITDA came in at EUR 8.3 million (H1 2015: EUR 1.0 million negative).

From recurring EBITDA to net profit

	H1 2015	H1 2016
<i>(in thousands of euros)</i>		
Recurring EBITDA	3,339	11,764
Redundancy costs	2,930	3,441
External costs internal investigation	1,394	-
EBITDA	-985	8,323
Depreciation & amortisation	2,718	2,663
EBIT	-3,703	5,660
Finance costs - net	-307	-317
Earnings before taxes	-4,010	5,343
Taxes	130	-2,389
Net profit	-3,880	2,954

Redundancy costs Redundancy costs amounted to EUR 3.4 million in the first half of 2016 (H1 2015: EUR 2.9 million). We expect total redundancy costs for the full year 2016 to come in at around EUR 6-7 million.

Acquisitions and disposals In the first half of 2016, Ordina made no acquisitions or disposals.

Depreciation Total depreciations amounted to EUR 2.7 million (H1 2015: EUR 2.7 million).

Net profit & EPS Net profit came in at EUR 3.0 million (H1 2015: loss of EUR 3.9 million). The net earnings per share (EPS) amounted to EUR 0.03 (H1 2015: EUR 0.04 negative).

Productivity / availability Productivity stood at an average of 70.2% in the first half of 2016 (H1 2015: 67.0%). Availability came in at an average of 9.1% in the first half of the year (H1 2015: 12.4%).

Net debt and cash flow At the end of Q2 2016, Ordina had a positive cash position of EUR 0.1 million (end-Q2 2015: net debt of EUR 6.1 million). This improvement was driven by the improved result and tight working capital management.

The net cash position declined by EUR 4.4 million compared to year-end 2015 (year-end 2015: EUR 4.5 positive). Movements in the net cash position in the first half of the year were as follows:

<i>(rounded up, in EUR millions)</i>	
Year-end 2015	4.5-
Net result	3.0-
Depreciation	2.7-
Working capital, provisions & other	7.5
Interest & income taxes	0.8-
Net investments	3.3
End-H1 2016	0.1-

The investments include approximately EUR 2.6 million invested in the implementation of a new ERP system at Ordina the Netherlands.

Net debt as a ratio of adjusted EBITDA, as formulated in the financing agreement, stood at 0.0 as per 30 June 2016, and was therefore well within the maximum of 2.5 agreed with Ordina's banks. The Interest Cover Ratio stood at 46.7 on 30 June 2016. This was therefore still above the minimum of 4.0 agreed with the banks.

The financing facility agreed in May 2015 has a term of five (5) years, with an initial term of three (3) years and an option for two extensions of one (1) year each. The first one (1) year extension through May 2019 was agreed on the same terms in July of 2016.

An overview of the ratios compared with the covenants agreed with the banks:

Maximum Leverage Ratio

	Norm	Actual
Ratio up to last two quarters before end of agreement ¹	2.5	0.0
Ratio during last two quarters of agreement ¹	2.0	

Minimum Interest Cover Ratio

	Norm	Actual
Ratio	4.0	46.7

¹ The financing facility has a term of five years, with an initial term of three years and an option for two extensions of one year each, the first of which has since been agreed.

Risk Management

In the 2015 annual report (page 65 and onwards), Ordina describes the most important objectives and procedures of its risk management and control systems, together with the main risks and mitigating measures taken. Ordina has evaluated the risks identified and determined that the main risks identified remain the same in the second half of 2016. The main risks are:

- Declining demand across all markets due to a long-term downturn. This affects both short-term hiring and the postponement of larger IT programmes. The uncertainty due to the financial and economic situation in Europe, but also the media reports and discussions related to public sector IT projects, have led to delays in the decision-making related to IT investments in the Netherlands and a shift in the demand for IT services. The current uncertainty on the market has led to a (temporary) dip in the demand for IT services.
- For the long term, there is a risk that the deployment of professionals will come under sustained pressure (both in terms of demand and rates), with a shift to outsourcing and freelance IT specialists.
- The risk profile of result commitments is increasing. Clients are demanding clear result commitments and Ordina has no choice but to comply with these demands. As a result of this, the profit or loss from contracts could have a material impact on Ordina's performance.
- Market conditions may necessitate the revaluation of the goodwill of acquisitions. In view of the positive results development at both Dutch and the Belgian activities in the first half of 2016, there was no triggering event for Ordina and therefore no reason to conduct an interim impairment test.
- In the current digital age, data security is vital. Confidential information can fall in to the hands of the wrong people through cyber-crime or the failure of IT systems.
- The current economic conditions increase the risk that partners are unable to meet their obligations (on time). This could have a negative impact on the value of receivables.
- Ordina has tax loss carry-forwards. In connection with these tax loss carry-forwards, Ordina has recognised a deferred tax asset in its balance sheet. If in the future the potential to claim tax losses proves insufficient, there is a risk that a portion of the deferred tax asset will have to be amortised. Ordina will in the second half of the year complete measures that will result in a part renewal of tax losses.
- Organisations are increasingly dependent on IT systems in their business operations. There is a risk that the failure of systems will affect business operations.

For more details on this subject, we refer to Ordina's 2015 annual report on our corporate website: www.ordina.com.

We monitor the risks we have identified on a continuous basis. Nevertheless, it is possible that new or previously unidentified risks emerge that are not yet known and that could potentially have a material impact on our business operations, targets and results. We will continuously monitor any known and new risks and take control measures and initiate mitigating actions whenever this is deemed necessary.

Additional information

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Financial calendar

12 October 2016	Shareholder day
1 November 2016	Trading update Q3 2016
16 February 2017	Publication 2016 annual results
2 May 2017	Trading update Q1
2 May 2017	Annual General Meeting of Shareholders
t.b.d. ²	Extraordinary Meeting of Shareholders

Media call and analyst presentation

09:00 hrs CET – Media call

Ordina will explain its results on Thursday, 18 August 2016, at 09:00 hrs CET during a media call (call number +31 20 531 5870).

11:00 hrs CET – Analyst presentation

Ordina will present its results on Thursday, 18 August at 11:00 hrs CET at an analyst meeting at the Wyndham Apollo Hotel in Amsterdam. You can follow this presentation via a webcast. You can follow the webcast via the link you will find on our corporate website: www.ordina.com.

The presentation will be available on our website following the webcast.

This document contains forward looking statements regarding the financial performance of Ordina N.V. and outlines certain plans, targets and ambitions based on current insights. Such forecasts are obviously not without risk and entail a certain degree of uncertainty since there are no guarantees regarding future circumstances. There are multiple factors that could potentially result in the actual results and outcomes differing from those outlined in this document. Such factors include: general economic trends, the pace of globalisation of the markets for solutions, IT and consulting, increased performance commitments, scarcity on the labour market, and future acquisitions and disposals.

² The announcement of Ordina's appointment of Annemieke de Otter as statutory director will be put on the agenda of an Extraordinary General Meeting (EGM) of shareholders to be held later this year. Ordina will publish the date of the EGM on its website.

H1 2016

CONSOLIDATED BALANCE SHEET ORDINA N.V.

	30 June 2015	31 Dec 2015	30 June 2016
<i>(in thousands of euros)</i>			
Assets			
Intangible fixed assets	133,860	134,308	135,593
Tangible fixed assets	6,753	6,530	5,863
Investments in associates	482	442	442
Deferred income tax assets	18,318	18,321	18,080
Total fixed assets	159,413	159,601	159,978
Transition costs	1,481	1,170	847
Trade and other debtors	78,063	67,923	72,376
Cash & cash equivalents	7,943	9,538	10,072
Total current assets	87,487	78,631	83,295
Total assets	246,900	238,232	243,273
Equity and liabilities			
Issued capital	9,296	9,296	9,308
Share premium reserve	135,856	135,855	135,986
Retained earnings	-10	-224	-3,261
Profit for the reporting period	-3,880	-3,168	2,954
Shareholders' equity	141,262	141,759	144,987
Employee related provisions	4,508	809	971
Other provisions	5,219	4,664	4,399
Non-current liabilities	9,727	5,473	5,370
Borrowings	14,000	5,000	10,000
Other provisions	4,240	4,914	3,659
Trade and other payables	74,742	77,180	74,939
Current tax payable	2,929	3,906	4,318
Total current liabilities	95,911	91,000	92,916
Total liabilities	105,638	96,473	98,286
Total equity and liabilities	246,900	238,232	243,273

CONSOLIDATED PROFIT AND LOSS ACCOUNT ORDINA N.V.

	H1 2015	FY 2015	H1 2016
<i>(in thousands of euros)</i>			
Revenue (net)	172,670	348,272	177,752
Cost of hardware, software and other direct costs	4,998	9,437	4,341
Work contracted out (hired staff)	37,838	77,909	39,171
Personnel expenses	120,944	237,027	117,314
Amortisation	1,209	2,531	1,349
Depreciation	1,509	2,883	1,314
Other operating expenses	9,875	19,555	8,603
Total operating expenses	176,373	349,342	172,092
Operating profit (EBIT)	-3,703	-1,070	5,660
Finance costs - net	-307	-712	-317
Share of profit of associates	-	-463	-
Profit before income tax	-4,010	-2,245	5,343
Income tax	130	-923	-2,389
Net profit	-3,880	-3,168	2,954
<i>Net profit is attributable to:</i>			
Shareholders of the company	-3,880	-3,168	2,954
Non-controlling interests	-	-	-
Net profit	-3,880	-3,168	2,954
<i>(in euros, unless indicated otherwise)</i>			
Earnings per share - basic	-0.04	-0.03	0.03
Earnings per share - diluted	-0.04	-0.03	0.03
Number of shares outstanding at end of reporting period	92,958,672	92,958,672	93,082,152

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	H1 2015	FY 2015	H1 2016
<i>(in thousands of euros)</i>			
Net profit	-3,880	-3,168	2,954
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses on defined benefit plans	-	45	-
Tax on items taken directly to or transferred from equity	-	-11	-
Other comprehensive income, net of tax	-	34	-
Total comprehensive income	-3,880	-3,134	2,954

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium reserve	Retained earnings	Net profit for the reporting period	Total equity
<i>(in thousands of euros)</i>					
At 1 January 2015	9,272	135,657	-1,296	1,012	144,645
<i>Changes in H1 2015</i>					
Net profit for the reporting period	-	-	-	-3,880	-3,880
Other comprehensive income:					
Actuarial gains and losses	-	-	-	-	-
Total comprehensive income for the reporting period	-	-	-	-3,880	-3,880
Transactions with owners:					
Appropriation of profit previous year	-	-	1,012	-1,012	-
Issue related to share-based payments	24	199	-223	-	-
Other movements regarding to share-based payments	-	-	497	-	497
Total transactions with owners	24	199	1,286	-1,012	497
At 30 June 2015	9,296	135,856	-10	-3,880	141,262
<i>Changes in H2 2015</i>					
Net profit for the reporting period	-	-	-	712	712
Other comprehensive income:					
Actuarial gains and losses	-	-	34	-	34
Total comprehensive income for the reporting period	-	-	34	712	746
Transactions with owners:					
Appropriation of profit previous year	-	-	-	-	-
Issue related to share-based payments	-	-1	1	-	-
Other movements regarding to share-based payments	-	-	-249	-	-249
Total transactions with owners	-	-1	-248	-	-249
At 31 December 2015	9,296	135,855	-224	-3,168	141,759
At 1 January 2016	9,296	135,855	-224	-3,168	141,759
<i>Changes in H1 2016</i>					
Net profit for the reporting period	-	-	-	2,954	2,954
Other comprehensive income:					
Actuarial gains and losses	-	-	-	-	-
Total comprehensive income for the reporting period	-	-	-	2,954	2,954
Transactions with owners:					
Appropriation of profit previous year	-	-	-3,168	3,168	-
Issue related to share-based payments	12	131	-143	-	-
Other movements regarding to share-based payments	-	-	274	-	274
Total transactions with owners	12	131	-3,037	3,168	274
At 30 June 2016	9,308	135,986	-3,261	2,954	144,987

CONSOLIDATED CASH FLOW STATEMENT ORDINA N.V.

	H1 2015	H1 2016
<i>(in thousands of euros)</i>		
Cash flow from operating activities		
Net profit for the reporting period	-3,880	2,954
Adjustments for:		
Finance costs - net	307	317
Income tax expense	-130	2,389
	177	2,706
Operating profit	-3,703	5,660
Adjustments for:		
Amortisation	1,209	1,349
Depreciation	1,509	1,314
Share-based payments	497	274
	3,215	2,937
Operating profit before changes in working capital and provisions	-488	8,597
Movements in transition costs	311	323
Movements in trade and other receivables	-9,813	-4,453
Movements in current liabilities	-1,536	-3,551
Movements in provisions (long-term)	-264	-103
	-11,302	-7,784
Cash generated from operations	-11,790	813
Interest paid	-128	-196
Income taxes paid	-967	-1,736
Net cash from operating activities	-12,885	-1,119
Cash flow from investing activities		
Additions to intangible fixed assets	-1,609	-2,634
Additions to tangible fixed assets	-1,160	-713
Net cash used in investing activities	-2,769	-3,347
Cash flow from financing activities		
Issue of shares	-	-
Drawings of borrowings (Revolver)	14,000	5,000
Net cash used in financing activities	14,000	5,000
Net movements in cash and cash equivalents	-1,654	534
Movements in cash	-1,654	534
Cash and cash equivalents at beginning of the reporting period	9,597	9,538
Cash and cash equivalents at the end of the reporting period / net	7,943	10,072

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

General information

Ordina N.V. has its registered office in Nieuwegein, the Netherlands. These consolidated interim financial statements for the six months ended 30 June 2016 comprise the financial information of Ordina N.V. and all its subsidiaries ('the group').

Ordina is the largest independent IT services provider in the Benelux, with around 2,800 employees. We devise, build and manage IT solutions for organisations in the public sector, in the financial services sector, the industrial sector and in the healthcare sector. We aim for IT that helps people. IT that matters and that has been developed without wasting any resources. And we do so by working with our clients in partnerships for sustainable innovation.

Ordina was founded in 1973. Its shares have been listed on the NYSE Euronext Amsterdam stock exchange since 1987 and are included in the Small Cap Index (AScX).

Statement of compliance

The consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted for use within the European Union. They do not contain all the information that is required for a full set of financial statements, and should therefore be read in conjunction with the Ordina N.V. consolidated financial statements for the full year 2015. The 2015 Annual Report (including the consolidated financial statements for the financial year 2015) is available online at: www.ordina.com.

The consolidated interim financial statements were prepared by the Management Board and approved for publication by the Supervisory Board on 17 August 2016. The consolidated interim financial statements are unaudited.

Ordina's interim financial statements have been drawn up in Dutch and in English, with the Dutch text prevailing.

Key standards for financial reporting

For an explanation of the accounting policies for the valuation, determination of results and statement of cash flows, we refer you to the consolidated financial statements for 2015. The consolidated financial statements for 2015 were drawn up in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The accounting standards have been applied consistently for all subsidiaries and across all periods as presented in these consolidated interim results. The same standards have been applied to the interim report, with the exception of the new standards, amendments to standards and interpretations outlined below, which have been included and found relevant for Ordina. The group's reporting currency is the euro.

Standards, amendments and interpretations

Insofar as applicable, the group has applied all published IFRS standards, amendments and interpretations that came into effect on 1 January 2016. These standards and interpretations had no material impact on the group. Any published IFRS standards and interpretations that were not yet applicable for reporting periods that commence on 1 January 2016 have not been applied early.

Critical accounting estimates and assumptions

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the calculated income and expenses, as well as the reported contingent assets and liabilities. Actual results may differ from these estimates and assumptions.

The assumptions and estimates are based on historical experience and various other factors that can be deemed reasonable under the circumstances. Said assumptions and estimates are continually (re)evaluated. For a list of the most critical assumptions and estimates, we refer you to section 5 of the notes to the consolidated 2015 financial statements, as included in the 2015 annual report. There were no significant changes in said assumptions and estimates in the first half of 2016.

Financial risk management

In its 2015 annual report (page 69 and onwards), Ordina described in detail the critical risks identified and its risk management and control systems. Ordina has evaluated the risks identified and determined that the main risks identified remain applicable in the second half of 2016.

Segment information

Segment information is presented in line with how the management, reporting lines and decision-making is organised within Ordina. As from 1 April 2016, the Operational Director the Netherlands is responsible for the operational management within the Netherlands, with the exception of the Innovation cluster. The Innovation cluster is managed separately. The activities of the Innovation cluster are closely woven into the activities of Ordina the Netherlands, as a result of which the segment information is provided at the level of the Netherlands and Belgium/Luxembourg. Management information and analysis of same is recognised at the aggregated level of Ordina the Netherlands and Ordina Belgium / Luxembourg respectively. Segment information is therefore disclosed at the level of Ordina the Netherlands and Ordina Belgium / Luxembourg. Segment results, assets and liabilities consist of the items that can be attributed directly to the segment in question.

SEGMENT INFORMATION

H1 2016	the Netherlands	Belgium / Luxembourg	Total
<i>(in thousands of euros, unless indicated otherwise)</i>			
Total revenue per segment	135,767	45,406	181,173
Inter-segment revenue	-2,212	-1,209	-3,421
Revenue	133,555	44,197	177,752
Recurring EBITDA	6,483	5,281	11,764
Redundancy costs	3,358	83	3,441
EBITDA	3,125	5,198	8,323
Amortisation	-1,335	-14	-1,349
Depreciation	-1,065	-249	-1,314
Operating profit (EBIT)	725	4,935	5,660
Finance costs - net	-314	-3	-317
Share of profit of associates	-	-	-
Profit before income tax	411	4,932	5,343
Income tax	-232	-2,157	-2,389
Net profit	179	2,775	2,954
EBITDA margin	2.3%	11.8%	4.7%
Recurring EBITDA margin	4.9%	11.9%	6.6%
H1 2015	the Netherlands	Belgium / Luxembourg	Total
<i>(in thousands of euros, unless indicated otherwise)</i>			
Total revenue per segment	136,409	37,323	173,732
Inter-segment revenue	-402	-660	-1,062
Revenue	136,007	36,663	172,670
Recurring EBITDA	310	3,029	3,339
Redundancy costs	4,095	229	4,324
EBITDA	-3,785	2,800	-985
Amortisation	-1,195	-14	-1,209
Depreciation	-1,291	-218	-1,509
Operating profit (EBIT)	-6,271	2,568	-3,703
Finance costs - net	-303	-4	-307
Share of profit of associates	-	-	-
Profit before income tax	-6,574	2,564	-4,010
Income tax	1,460	-1,330	130
Net profit	-5,114	1,234	-3,880
EBITDA margin	-2.8%	7.6%	-0.6%
Recurring EBITDA margin	0.2%	8.3%	1.9%

SEGMENT INFORMATION (CONTINUED)

30 June 2016	the Netherlands	Belgium/ Luxembourg	Total
<i>(in thousands of euros, unless indicated otherwise)</i>			
Intangible fixed assets	118,446	17,147	135,593
Tangible fixed assets	4,798	1,065	5,863
Financial fixed assets	18,366	156	18,522
Total assets	194,134	49,139	243,273
Investments in intangible fixed assets	2,634	-	2,634
Investments in tangible fixed assets	411	236	647
Amortisation	1,335	14	1,349
Depreciation	1,065	249	1,314
Number of staff at end of reporting period (FTEs)	2,118	633	2,751
Average number of staff (FTEs)	2,136	621	2,756

30 June 2015	the Netherlands	Belgium/ Luxembourg	Total
<i>(in thousands of euros, unless indicated otherwise)</i>			
Intangible fixed assets	116,686	17,174	133,860
Tangible fixed assets	5,600	1,153	6,753
Financial fixed assets	18,253	547	18,800
Total assets	205,845	41,055	246,900
Investments in intangible fixed assets	1,609	-	1,609
Investments in tangible fixed assets	875	285	1,160
Amortisation	1,195	14	1,209
Depreciation	1,291	218	1,509
Number of staff at end of reporting period (FTEs)	2,357	560	2,917
Average number of staff (FTEs)	2,335	558	2,893

Intangible fixed assets

Movements in intangible fixed assets in the first half of 2016 can be specified as follows:

	Goodwill	Software	PPA related	Total
<i>(in thousands of euro's)</i>				
Carrying amount at year-end 2015	124,495	8,004	1,809	134,308
Investments	-	2,634	-	2,634
Depreciations	-	897-	452-	-1,349
Carrying amount at 30 June 2016	124,495	9,741	1,357	135,593

The investments of EUR 2.6 million in software (first half 2015: EUR 1.6 million) are primarily related to a new ERP package at Ordina the Netherlands. The software for this investment was partly produced in-house. The new ERP application was taken into use from 1 January 2015. The ERP application will be amortised over a period of seven years.

Tangible assets

Movements in tangible fixed assets in the first half of 2016 can be specified as follows

	Total
<i>(in thousands of euro's)</i>	
Carrying amount at year-end 2015	6,530
Investments	647
Depreciations	1,314-
Carrying amount at 30 June 2016	5,863

The investments of EUR 0.6 million (first half 2015: EUR 1.2 million) are largely related to replacement investments in computer equipment.

Outstanding shares

Movements in paid-up and called-up share capital can be specified as follows:

	H1 2015	H1 2016
<i>(in thousands)</i>		
At 1 January	92,715	92,959
Issue at acquisitions	-	-
Issue related to share-based payment	244	123
At 30 June	92,959	93,082

As per 30 June 2016, Ordina has one (1) paid-up priority share and 93,082,152 ordinary shares (year-end 2015: one (1) priority share and 92,958,672 ordinary shares). The share issues in the first half of 2016 amounted to 123,480 shares (first half 2015: 243,368 shares) and pertained entirely to share-based payments related to the variable long-term bonus of the members of the Management Board.

Net debt position

The net debt as of 30 June 2016 was EUR 0.1 million negative (end-June 2015: EUR 6.1 million). The net debt can be specified as follows: Banks debts can be specified as follows:

	30 June 2015	30 June 2016
<i>(in thousands of euro's)</i>		
Cash and cash equivalents	7,943	10,072
Bank credit	14,000-	10,000-
Total	-6,057	72

Financing facility

In May 2015, Ordina agreed a new financing facility of EUR 30.0 million with ABN Amro Bank and ING. This new financing facility is fully committed and is a revolving facility of EUR 20.0 million and a current account credit facility of EUR 10.0 million. The new financing agreement has a maximum term of five (5) years, with an initial term of three (3) years and an option to extend twice by one (1) year. The first extension of one (1) year was agreed in July 2016. As a consequence, the term of the financing agreement has been extended to May 2019, while Ordina has another option to extend for an additional one (1) year period.

As of 30 June 2016, Ordina had taken up an amount of EUR 10.0 million from the revolving facility, which is recognised under the short-term bank debt (as at 30 June 2016: EUR 14.0 million).

The most important elements regarding covenants included in the financing facility are a maximum leverage ratio (ratio of net debt to adjusted EBITDA) and an Interest Cover Ratio (ratio of (adjusted EBITDA / total interest as defined in the financing agreement)). The leverage ratio has been set at a maximum of 2.5, and 2.0 for the final two quarters of the (possibly extended) term. The Interest Cover Ratio has been set at a minimum of 5.0. The covenants are based on the consolidated (interim) financial statements as drawn up in accordance with IFRS. The adjustment to the EBITDA for one-off expenses and reorganisation costs has been set at a maximum of EUR 5.0 million for the year 2015 and a maximum of EUR 3.0 million for 2016 and subsequent years.

In December 2015, Ordina and its banks agreed a temporary widening of the Interest Cover Ratio (ICR) on the basis of which the ICR must be at least 4.0 during the year 2016. Ordina is also entitled to adjust the calculation of the ICR from year-end 2015 through to year-end 2016, to take into account the external costs in 2015 related to the internal investigations.

The applicable covenants and their realisation at end-H1 2016 are outlined below.

	Realisation H1 2016	Finance agreement
Leverage ratio	0.0	<= 2,5
Interest Cover Ratio	46.7	>= 4,0
Guarantor Cover Ratio	95%	>=80%
Security Cover Ratio	95%	>= 70%

The interest on the financing facility is set on the basis of the prevailing base rate (EURIBOR) plus a surcharge of 1.0%. The base rate depends on the interest period to be determined by Ordina, which can in principle vary from one to six months.

Earnings per share

Earnings per share are calculated by dividing the profit after taxes by the average number of outstanding shares. The earnings per share after dilution takes into account the shares that are expected to be issued in connection with the share-based bonuses. The earnings per share were calculated on the basis of the following information:

	H1 2015	H1 2016
<i>(in thousands of euros, unless indicated otherwise)</i>		
Profit for the period	3,880-	2,954
Average number of outstanding shares (in thousands)	92,836	93,049
Impact of potential dilution		
Conditionally granted shares	990	1,379
Average number of outstanding shares diluted (in thousands)	93,826	94,428

Taxes on the results

Current taxes for the half-year period under review have been calculated on the basis of the estimated effective annual tax rate applied to pre-tax profit. The effective tax rate for the first six months of 2016 was 44.7% (41.1% for the full-year 2015, and 3.2% for the first half of 2015). The discrepancy between the nominal tax rate of 25.0% and the effective tax rate is largely due to the composition of the taxable amounts across the various countries, in combination with tax rate differences abroad, as well as the impact of non-deductible amounts.

Deferred taxes are valued in line with the expected method of settlement or realisation. The deferred tax asset pertains primarily to recognised tax losses, as well as temporary differences in valuation related to tangible fixed assets and provisions. As at 30 June 2016, Ordina has a deferred tax asset of EUR 18.1 million, with EUR 16.3 million of this amount related to recognised tax losses. An amount of around EUR 33.7 million of the tax loss carry-forward is expected to expire in 2018. The remaining losses will expire in the years after 2018.

With respect to the losses that will expire in 2018, an amount of EUR 31.6 million has been recognised as a deferred tax asset. Losses amounting to EUR 2.1 million are not expected to be recognised as a tax loss carry-forward and as a result no deferred tax asset has been recognised for that amount. When the potential to tax loss carry-forwards proves insufficient, there is a risk that a portion of the deferred tax asset will have to be amortised. Ordina expects to complete the plans to avoid dilution of losses in the second half of 2016.

Share-based remuneration

The long-term component of the performance-related remuneration of the members of the Management Board comprises a payment in Ordina N.V. shares, with a term of three years for each current scheme. This performance-related long-term remuneration is explained in detail in the 2015 annual report. In the first half of 2016, a total of 394,342 shares in Ordina N.V. were granted conditionally to the members of the Management Board pursuant to the performance-related long-term remuneration for the period 2016-2018. In connection with the performance-related long-term bonus for the members of the Management Board, Ordina recognised an expense of approximately EUR 170,000 in the personnel expenses for the first half of 2016 (first half of 2015: EUR 188,000).

Related parties

The remuneration of the members of the Management Board is determined annually by the Supervisory Board. For an explanation of the remuneration policy pertaining to the members of the Management Board, we refer you to the Report of the Supervisory Board as included in the 2015 annual report. The total remuneration for the Management Board amounted to EUR 704,000 in the first half of 2016, compared with EUR 636,000 in the first half of 2015.

The total remuneration for the members of the Supervisory Board amounted to EUR 111,000 in the first half of 2016, compared with EUR 82,000 in the first half of 2015.

Seasonal influences

Ordina's revenue and profit are to a limited degree subject to seasonal influences. The seasonal influences pertain primarily to the lower number of working days in the first half of the year, compared to the second half. With regard to employees taking their holidays, the main emphasis is largely in the second half of the year. The movement in working capital is partly influenced by the settlement of obligations related to items such as holiday pay, bonus payments and pension premiums in the first half of the year.

Off-balance sheet liabilities

The nature and scale of off-balance sheet liabilities as per 30 June 2016 were materially unchanged from those reported in note 29 to the consolidated financial statements for the financial year 2015.

Estimating fair value

On the basis of IFRS13 'Fair value measurement', the interim financial statements are supposed to include disclosures on how fair value is measured. The book value of the current assets, payables and other debts are close to their fair value due to the short-term nature of these instruments. Trade receivables are also close to their fair value, as any potential downward valuation has already been taken into account via a provision for bad debts.

Post-balance sheet date events

There have been no events since 30 June 2016 that might have a material impact on or that might require adjustments to the balance sheet positions as per 30 June 2016, as presented in these interim financial statements.