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DIRECTORS' REPORT

An Annual Report is the perfect opportunity to reflect on a year past, while at the same time set new goals for the future and share exciting new ideas. This Annual Report does both, as 2013 has been a year of massive change: for the IT-outsourcing sector in general, but for Schuberg Philis in particular. For us at Schuberg Philis, it was a year of building the foundations for a surge forward. Before we elaborate further on this future-oriented journey, we want to share our results over the last year.

Results in 2013

As business continuity is one of the main benefits of the Schuberg Philis proposition, sound financial management is a key factor in supporting the growth of our company. Our financial strategy of maintaining a strong balance sheet continues, while using cash resources to invest in our strategic innovative priorities. Last year revenues came in at € 56.4 million demonstrating our ability to maintain our size while innovating on our services. Schuberg Philis is well positioned for long-term growth through our qualitative leadership position in attractive markets. Our business model allows us to invest

in innovation, quality and growth, and generate free cash flow at the same time. In 2013, strategic innovation prevailed over increasing revenues so that we can fuel our long-term customer satisfaction and growth. Our profitability increased and the net profit margin for 2013 increased from 10% to 12%.

The solvency is still solid and amounted to 45% by the end of 2013, showing a decrease of 4%. The cash position remained at € 19.1 million, approximately the same level as in 2012. We continued to generate strong free cash flow from operating activities. With regard to the use of financial instruments we refer to

the Notes to the Consolidated Financial Statements 2013 (page 66).

Our revenue in 2013 came about via both existing customers with additional requests as well as via onboarding new customers like Loodswezen (Dutch Pilots), a clear demonstration of trust from existing and society critical customers.

In challenging market conditions Schuberg Philis once again turned in a strong financial performance in net result, and an extraordinarily high level of customer satisfaction. For the ninth consecutive year, we proved our quality leadership in the field of mission critical outsourcing. We secured the highest customer satisfaction ratings in the 2015 Giarte Outsourcing Performance survey for the Dutch outsourcing market. Schuberg Philis also achieved the top position in the same survey's Outsourcing Recommendation Index, with a perfect score of 100% for the fifth year in a row. All our customers recommended Schuberg Philis.

Our customers recognize that our innovative strength can help them make significant progress in tackling their challenges with services that are often the determining factor in application environments that are critical to society.

Numbers, however, tell only part of the story. More than anything, these financial results reflect the power of the relationships with our colleagues, customers and partners. Schuberg Philis has a strong commitment to innovation and simultaneously invests in people

by attracting, retaining, and offering a challenging environment to the very best and brightest in our field with an open eye for diversity.

We operate in a way that reflects our values and connects our business decisions to ethical, social and environmental concerns. As part of our strategy we continue to work with the FIRA Sustainability Framework, which provides guidance on how we can operate in a socially responsible manner. This means acting ethically and transparently so as to contribute to the health and welfare of society. In other words, we take all decisions with our kids in mind.

As part of our efforts to reduce our footprint whilst increasing efficiency, the cooling system of the data center at Schiphol-Rijk has been completely overhauled. The new system is powered mainly by thermal wells and produces, transports and uses cooling energy only when and where needed. The result of the combined measures is an 86% decrease in energy usage.

The surge forward

In 2012, the people at Schuberg Philis decided the organization needed to change to be ready for the challenges of new times: at the three-day summit about the future of Schuberg Philis, our employees, customers and stakeholders established new focus points: dedication to cloud-based services, a focus on Software as a Service and opening up the company towards open source and communities.

In 2013 we were ready to turn the exciting new ideas into reality, using the potential and experience at Schuberg Philis, while maintaining our core philosophy: 100% dedication to customer satisfaction.

The need for change at Schuberg Philis was inspired by the broader developments in a world that is moving faster at breakneck speed: systems that used to take months to build, can now be created in minutes. Enterprises are finally realizing that customers no longer want

to buy packaged software and instead are expecting everything to be delivered as a service. In other words, customers are expecting their vendors to be xAAS providers.

Organizations all over the globe need to be able to anticipate and act at all times. At the same time, the world is getting more and more connected and transparent; working together is key to tackle complex challenges. Meeting demands in an environment of fast

Profit and Loss Statement (In € 1,000s)	Calculated as	2013
Total Revenues		56,382
Net Profit		6,637

Balance Sheet (In € 1,000s)	Calculated as	31-12-13
Tangible Fixed Assets		10,757
Working Capital		7,210
Cash		19,117
Debt		0
Equity		16,221

Ratios (In € 1,000s)	Calculated as	31-12-13
Net Profit Margin	Net Profit / Net Revenue	12%
Current Ratio	Current Assets / Current Liabilities	1.4
Solvency	Total Equity / Total Liabilities	45%

Contracted Revenue (In € 1,000s)	Calculated as	31-12-13
Contracted Future Revenue	n/a	99,649
Book-to-Bill Ratio for the year ended	Δ Contracted Rev / Revenue	77%

changing technology is a challenging risk for the company. Other risks are described in the Notes to the Financial Statements 2013 (page 69).

The move towards faster is never-ending. This is not a trend, it is a new reality. The cost of deploying new applications is going down, end-user usage is going up and knowledge is improving all the time. This makes it easier to complete projects in record time. Faster truly is the new fast.

Coding our Future

To be able to meet the demands of these interesting times and to actually benefit from them we at Schuberg Philis, believe in 'Coding our Future.'

By using code and software-based services to build and manage complex IT infrastructures and application landscapes, we are able to drastically shorten the time-to-market, as well as offer our customers the tools to act instantly. Our focus has become Infrastructure as a Service (IAAS), Platforms as a Service (PAAS) and Software as a Service (SAAS). By creating smart software that can be replicated time and again, so-called 'building blocks', we are able to give our customers highly-advanced IT ecosystems, almost at the click of a button.

The move towards cloud-based computing has been essential to our new way of working. The cloud is ideal to host complex and fragmented application landscapes, as it can be used with great flexibility. By hosting infrastructures in a highly secure cloud, both speed and security can be maintained.

Because code and software have become the driving force behind the changes in IT, Schuberg Philis has dedicated itself to the open source communities that work tirelessly and generously to improve and innovate. We take part in communities such as the CloudStack community, DevOps and the Security Café. This has created a new dynamic at Schuberg Philis, one that fits seamlessly with the philosophy we have always believed in: get experts to work together and the results will be spectacular.

The focus on co-creation also impacts our relationships with customers. Now more than ever we work together based on transparency and taking responsibility: with the Connect portal we built in 2013, our customers constantly have real-time information about their IT landscapes, as well as a direct line of contact with the Schuberg Philis' customer team.

The benefits of this way of working are evident in the case of Loodswezen, the Dutch pilots for Dutch Harbors.

To give them a complete overview of their IT ecosystem, Schuberg Philis incorporated the information of all Loodswezens partners into the Connect portal. Now, the Dutch Pilots truly have a complete overview of all activities.

Working together extends far beyond a good customer relationship. It's about managing and optimizing all running processes across a chain of partners. Now, Schuberg Philis is ready for what's yet to come. The dedication to 100% customer satisfaction, which has been at the core of the company for over a



“We have pledged to make the world a better place for our children, and we fully intent to keep that promise.”

decade, continues to this day. At the same time, the organization is ready for a connected world that is continuously moving faster. Being ready means that we can focus on making a difference. Technology and automation are the key to facing society critical challenges. This

is what Schuberg Philis wants to do in the coming years. We want to branch out into the sectors that provide the world with security, health care, energy and general well-being. We have pledged to make the world a better place for our children, and we fully intent to keep that promise.

Schiphol-Rijk, July 25, 2014

On behalf of the Managing Directors Pim Berger, Gerwin Schuring and Philip Dries.

Pim Berger



27-02-2013

01

01 Schuberg Philis joined the global initiative against cybercrime, by signing the Partnership for Cyber Resilience Guidelines

02 Start of first sprint for innovation project 'Coding our Future'

03 Cloud Director Arjan Eriks featured in MT Magazine about the benefits of cloud computing for new ways of working

04 10 years anniversary Schuberg Philis

05 Cycling die hard's

06 New acquired productivity tool



Complete infrastructure refresh delivered in parallel with active Rabobank project portfolio. The RaboDirect branches across the world received a renewed IT infrastructure with minimal impact on business driven projects.



14-01-2013

04



29-01-2013

02



23-01-2013

03



15-01-2013

05



07-02-2013

06



Rocketing with Software Defined Networking, agile and DevOps

From day one, more than ten years ago, Edwin Beekman has been working for Schuberg Philis. His goal in (working) life is to become an absolute crack in Network Architecture and Design. To stay ahead, he takes great pleasure in organizing technology events and in constantly adapting himself to new circumstances and possibilities. The last couple of years network innovation and automation is skyrocketing with Software Defined Networking, agile and DevOps. His key concern has been how to stay ahead and use these and other new techniques in existing and new infrastructures. On www.cupfighter.net, Edwin explains how for example network automation and virtualization can be used to create an automated network rollout and orchestration or how physical legacy networks can be connected and extended into the virtual software layer.

CODING OUR FUTURE

The focus at Schuberg Philis from day one has always been 100% functional uptime of mission critical applications. But times are-a-changing; with trends like Cloud Technology, virtualization of hardware (a router nowadays is just a piece of software that runs on a computer) and xAAS development our customers expect more than 'just' the guarantee of 100% availability of their critical application landscapes.

They want us to guarantee that their critical business processes are not only being managed with continuous monitoring and early interventions when things are not running optimally. In addition, they demand innovations like cloud services, continuous delivery and DevOps in a customer self-service kind of way to remain ahead in their business.

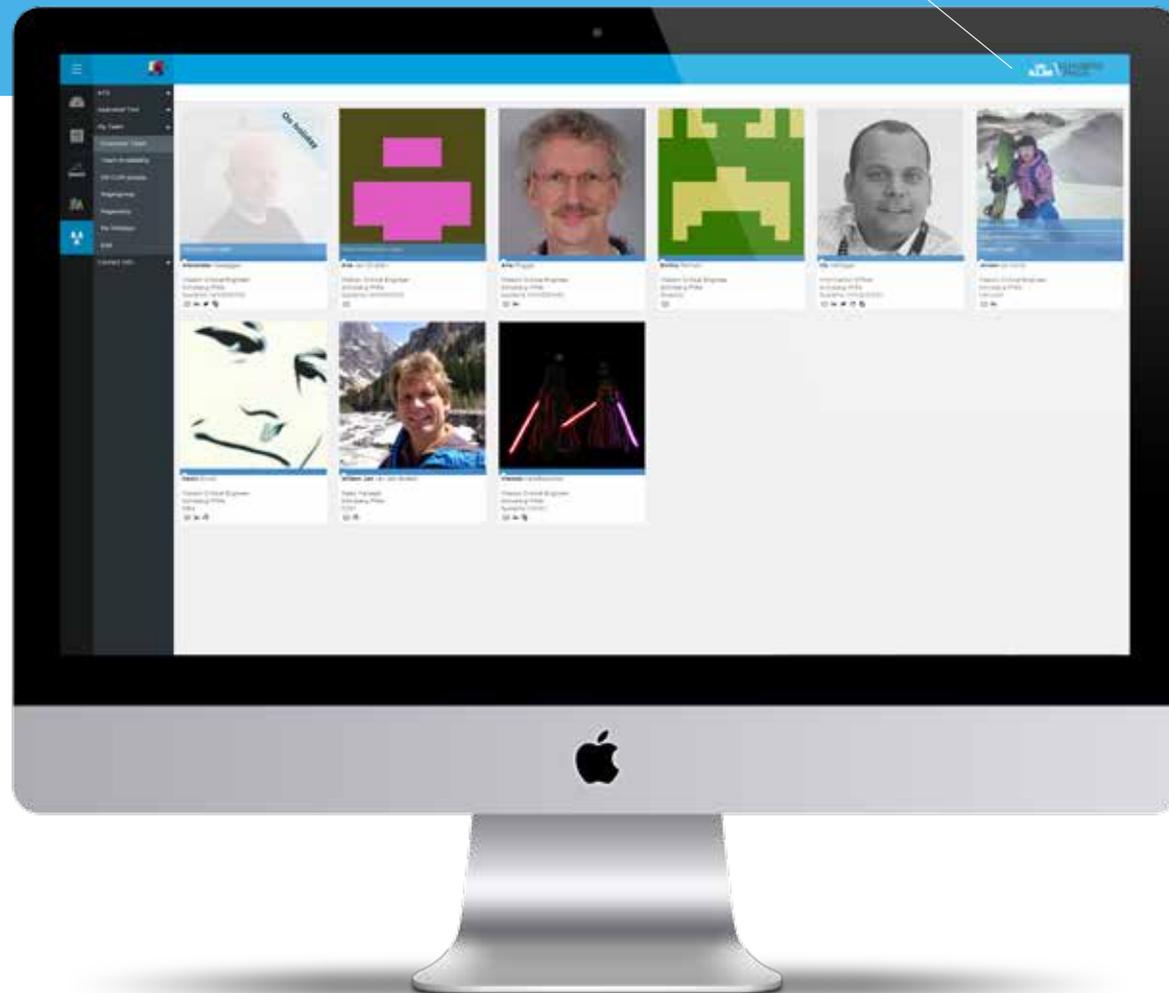
To make fully automated and integrated a reality, with all the monitoring and solutions we already have, we focus on what we call 'Coding our Future'. We are creating our own Mission Critical Cloud (MCC). To be able to provide optimal

choices for customers. This MCC defines how we as a company want to adapt to the changing reality, and how we drive this vision through the organization. In some ways, it's like reinventing ourselves. In some ways it's not, we remain doing what we are best at: integrating and taking full responsibility.

We build on our current strengths such as 100% availability, while simultaneously positioning the public clouds, critical business process monitoring and 'Everything is Software' in our new way of working. Working in a changing world is fun!

"Working in a changing world is fun!"

CONNECT PORTAL



For Schuberg Philis, the Connect Portal has grown to be an increasingly important tool to work together with our customers to manage their complex IT systems. The Connect Portal works as a two-way information street: it gives customers a real-time overview of all running processes, while at the same time functioning as a communication channel between Schuberg Philis engineers and the customers' IT team.

Jeroen Borst, Customer Operations Manager at Schuberg Philis, has seen the results of Connect first hand. "When we decided to build the Connect Portal, the demand from our customers for real-time information had not yet been made explicit. We figured it would be something they would benefit from immensely, because the Connect Portal provides them with total transparency. Now that Connect is fully running, our customers have come to appreciate the complete overview."

According to Jeroen, the Connect Portal is part of a greater movement in the IT industry, and Schuberg Philis in particular: the move towards transparency, co-creation and openness. "Sharing every bit of information with your customers can be a sensitive step. There is no place to hide anymore. But we feel that total openness and auditability is actually the way to providing the best service. If something goes wrong, we take total responsibility and the customer can see that first hand. This is a huge boost for the trust that is in the center of our customer relationships."

In the near future, Schuberg Philis aims to expand the Connect Portal into a system that allows customers to make educated decisions about their IT ecosystems. Borst: "Based on real-time information, they can make decisions about their systems and implement them instantly. For example, if the customer foresees an increased need for computing power or storage, e.g. due to commercial campaigns running in the near future, he can acquire extra servers with the click of a button."



In the last decade IT has been the origin of some of the world's biggest changes. It is driving the way the world is becoming more and more connected, while big data and smarter software is becoming more and more important. Trends and developments impact IT even before they reach the rest of the world.

NOW, AS THE WORLD IS CHANGING FASTER THAN EVER IT IS ONCE AGAIN AT THE FOREFRONT OF CHANGE. THE CHALLENGES AND POSSIBILITIES OF THIS NEW AGE ARE ENORMOUS.

These are exciting times for Schuberg Philis: by focusing on IAAS (Infrastructure as a Service), PAAS (Platform as a Service) and SAAS (Software as a Service) Schuberg Philis is discovering entirely new solutions, opening up new opportunities. This journey of discovery holds great promise for the future.

“By building and using IAAS, PAAS and SAAS we can focus on what’s truly important: not just for our customers, but we are taking on challenges that were previously unattainable,” says Arjen Wolfs, who is one of the first of Schuberg Philis’ engineers to work with cloud based services. “A couple of years ago, a typical IT project started with weeks or months of building hardware environment. This was by no means wasted time, but to now be able to build software-based environments at the push of a button is exhilarating.”

In the cloud, the flexibility and agility of complex IT systems has dramatically increased. “We can now build and manage systems that are constantly

updating. We can integrate applications whenever we want, and do so almost fully automated. The risks are minimized and live monitoring gives constant insight in what needs to be done,” says Willem Jan van den Brekel, Technology Officer at Schuberg Philis. “This continuous feedback makes it possible to make better decisions on how to build and run applications. It gives customers more flexibility to roll out new features and applications, which are ultimately what customers really care about.

According to Arjan Eriks, IAAS, PAAS and SAAS give Schuberg Philis the opportunity to add to the coveted 100%-motto the organization has had at its core for the past decade. “100% is our standard. We now want to do more: we maintain 100%, while adding extra flexibility and speed. With IAAS, PAAS and SAAS, we can focus our expertise where it has the most impact. It makes our work so much more interesting. I sometimes compare it to watching a rollercoaster on TV: you don’t get the full experience until you hop in.”

Frido Frencken
Sales Manager



15-03-2013

01

syntrus | achmea

Go Live of Online Dashboard, allowing customers of Syntrus Achmea Vermogensbeheer to have daily fresh online reporting, opposed to the monthly PDF reporting. Besides better service for her customers, this Online Dashboard further streamlines the internal processes with SAVB as this is a prerequisite for accurate reporting.



Dealing with expectations

Frido Frencken had to take a deep mental dive into the way Schuberg Philis deals with contracts and customer relationships. This was needed to prepare himself for two different presentations he gave in this period: one about the value of trust in outsourcing at a symposium of Platform Outsourcing Nederland. The other presentation was about Performance Based Contracting

at NEVI, the Dutch Institute for Purchasing Management.

In both cases, his story centered around the value of deep customer relationships. They are indispensable to understand what expectations customers have and what satisfies them. When the relationship with a customer is still fragile, usually in the beginning, a contract helps to build trust by making each other's expectations tangible.



13-03-2013

02



16-03-2013

05

- 01 Anton Opgenoort presents at Citrix Dutch user group meeting
- 02 Essential food for Devops Meetup Amsterdam
- 03 Employee of the month
- 04 Hackalong @ Schuberg Philis
- 05 Lotta van Uchelen featured in N201+ magazine. During 15 months she posted photos on Facebook from the ferry, taken on her daily bicycle trip to Schuberg Philis
- 06 Sweet expression of customer satisfaction after a period of 0 emergencies, 0 pages

03



01-03-2013

04



22-03-2013

"The value of deep customer relationships"



02-03-2013

06



IN 2013, THE PARTNERSHIP BETWEEN SCHUBERG PHILIS AND LOODSWEZEN (DUTCH PILOTS) SET IN MOTION A NEW WAY OF WORKING THAT COULD WELL BE THE NEW STANDARD FOR IT DELIVERY. SCHUBERG PHILIS' PETER SIEPEL AND MARK REIJN, INVOLVED WITH THE LOODSWEZEN DELIVERY SINCE THE START, EXPLAIN HOW COMBINING THE STRENGTHS OF ALL PARTIES INVOLVED GREATLY IMPROVES BUSINESS CONTINUITY, THE OVERALL EFFICIENCY AND EFFECTIVENESS OF COOPERATION.

After delivering a highly functional critical IT-infrastructure that is continuously learning and evolving, Schuberg Philis and Loodswezen now focus on building a new way of delivering software that focuses on speed and minimizing risk.

Peter: "We have implemented the DevOps way of working at Loodswezen. Development and operations work closely together in end-to-end teams, which are made up of people from different organizations. Working in teams like this increases efficiency: information is shared and discussed, allowing software delivery to be on time, according to specification, and first time right."

This way of working is in its early days, but already the results are spectacular, according to Peter and Mark. "We have drastically shortened the release cycle of new applications. We have done this not only by automating as many steps as possible, but by working closely together with all partners," explains Mark. "At the start, this method may require changing your mindset. Working in complete transparency and openness, as well as opening up to feedback, can be challenging. But quickly this way of working comes natural. It can actually be quite liberating, in a way life changing. Especially once people see the business results that can be achieved by working together towards the same goals."

RABOBANK INTERNATIONAL DIRECT RETAIL BANKING (RABOBANK IDR) OFFERS SECURE ONLINE BANKING TO OVER 850,000 CUSTOMERS IN SIX DIFFERENT COUNTRIES ACROSS THE GLOBE. IN JUST A FEW YEARS, RABOBANK IDR HAS DEVELOPED INTO AN ORGANIZATION CONSTANTLY ADAPTING TO A WIDE RANGE OF SPECIFIC CLIENT NEEDS, WHILE FACILITATING MILLIONS OF TRANSACTIONS DAILY AND PROVIDING CUSTOMERS 24/7 WITH REAL-TIME FINANCIAL INFORMATION.



For over ten years Rabobank IDR and Schuberg Philis have worked together to create an environment focused on transparency and openness. Schuberg Philis has designed, built and managed the mission critical IT-structure of Rabobank IDR.

According to Tom den Hartog (Schuberg Philis) and Wim Noorlag (Rabobank IDR) the key to accomplishing this is the close relationship between Schuberg Philis and Rabobank. "Rabobank IDR and Schuberg Philis share the same core values," says Wim Noorlag. "A shared attitude is at the heart of our successful partnership. It means you can rely on each other when an issue arises. It means respecting each other's expertise and trusting each other to come up with solutions. Because the experts of both parties work together, we have the ability to act quickly on changes."

According to Tom: "In 2013 we have established the basis for the plan for

optimizing the chain of application integration, so that during the course of 2014 and 2015 we can continually update and review the running processes. To accomplish this without compromising on stability and accountability, is something we are proud of."

Wim Noorlag: "We have been able to control the costs while maintaining stability, by using new technologies. This enables us to make rapid adjustments in the future. We automate as much as possible, thus minimizing risks. Our release cycle has drastically shortened. We can now do as many releases as we want, with as little risk as possible.' The success of Rabobank IDR is testimony to the value of true customer relationships. By sharing information, collaborating, and co-creating Schuberg Philis and Rabobank IDR have achieved ambitious strategic goals, constantly moving forward towards new business opportunities.



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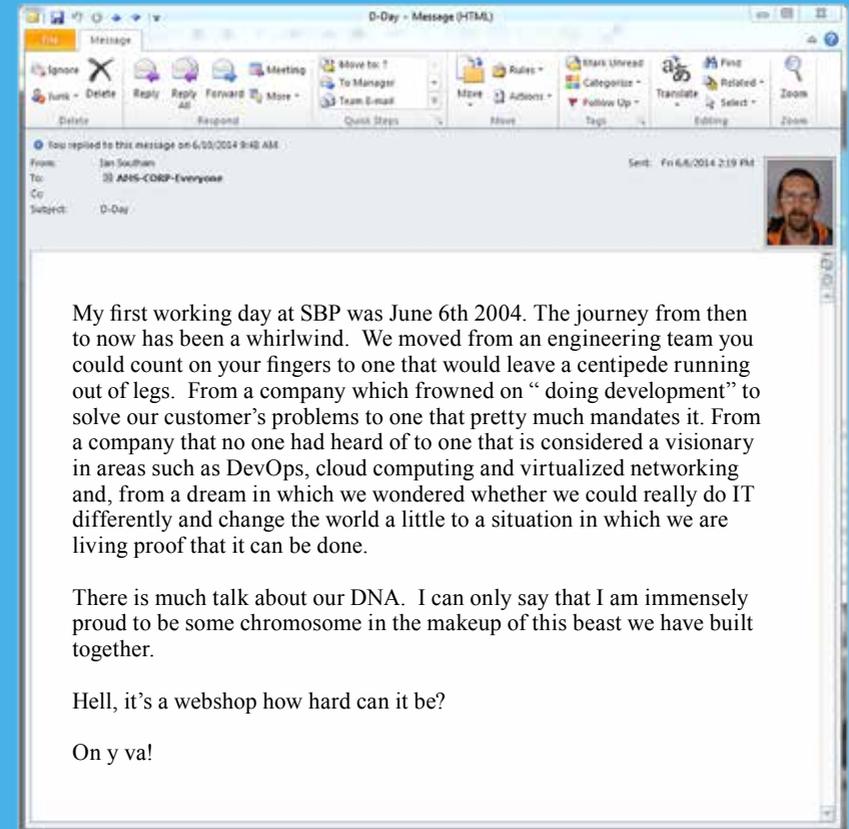


\03

"We are living proof that it can be done."

- 01 Operation Cyberpaint-Blackhat Down, an informal gathering of hackers, security experts, cyber police and anonymous members. Supported by Deloitte, Schuberg Philis and many others
- 02 Lego Saturday: toys for adults and kids
- 03 Devopsdays at Pakhuis de Zwijger in Amsterdam
- 04 Vital new infrastructure for Devopsdays Amsterdam
- 05 'Kill your darlings', a blog post on Cupfighter by Hugo Trippaers

Ian Southam
Mission Critical Engineer



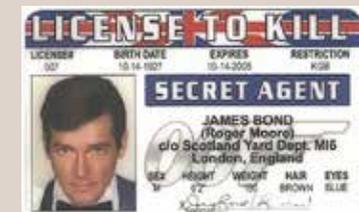
06-06-2013

\04



13-06-2013

\05



16-05-2013



OUR DNA

Twelve guiding principles are at the heart of the Schuberg Philis philosophy. They are timeless, and together they encompass everything Schuberg Philis stands for.

It brings out the best in talented people: it empowers engineers to collaborate, innovate and come up with magnificent solutions. It produces an amazing amount of energy among clients and colleagues. It embodies the essence of true craftsmanship; a continuous cycle of learning, applying and sharing.

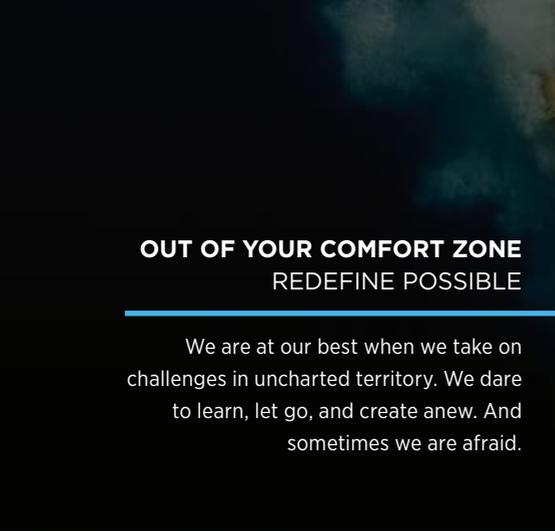
Even though these values have been the driving force behind Schuberg Philis since the beginning, they were made explicit at the 2012 summit, where the Schuberg Philis team, customers and stakeholders came together to discuss the future of Schuberg Philis. These values do not only define the company, the company has defined the principles it holds dear.

These core values are not about creating an image towards the outside world. They give meaning to Schuberg Philis and are important to everyone who works there. In similar fashion, we look for these principles in anyone who comes to work at Schuberg Philis.

Adhere to these principles, and anyone at Schuberg Philis can make any decision they need to make. When challenges present themselves, these values can offer guidance.

As the people of Schuberg Philis and their mindset are Schuberg Philis' most important assets, the key to growth is replicating the DNA that are the building blocks of Schuberg Philis' culture.

The DNA of Schuberg Philis is not about trends, or developments. Our set of values can be compared to a constitution: established with great care and designed to stand the test of time.



OUT OF YOUR COMFORT ZONE
REDEFINE POSSIBLE

We are at our best when we take on challenges in uncharted territory. We dare to learn, let go, and create anew. And sometimes we are afraid.



VULNERABILITY
TRUE POWER

We want to be a trusted place where personal development, asking for help, and emotional growth are an integral part of the journey - to become yourself. To be part of a fully human organization requires courage and it takes work.



LOVE
THE FULLY HUMAN
ORGANIZATION

We have the desire for each person to flourish. We are all equal and unique. We see the whole human being - as a colleague, as a parent, and as a friend. When we connect at a deep level, wonderful things become possible.



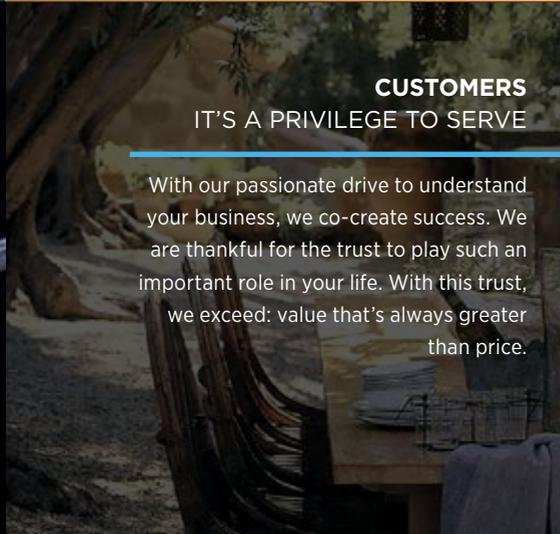
LEADERSHIP
WE ARE ALL IN

Leadership has nothing to do with hierarchy. It's not only top-down or bottom-up, centralizing or decentralizing. In truth it's in the whole - people taking the lead because they care about our shared promise and beliefs. Decisions are made by the active consent of the expert team and all relevant and affected parties. With freedom comes great responsibility.



ALIGNMENT OF STRENGTHS
MAKING WEAKNESSES
IRRELEVANT

Having great talent is both a gift and a responsibility. Only when people play to their true strengths they can realize their full potential - true for individuals and even more for teams.



CUSTOMERS
IT'S A PRIVILEGE TO SERVE

With our passionate drive to understand your business, we co-create success. We are thankful for the trust to play such an important role in your life. With this trust, we exceed: value that's always greater than price.



CHEMISTRY OF RELATIONSHIPS LIFELONG AND LIFE-CHANGING

We believe in relationships. It all starts with real dialogue. That's when the chemistry of interaction happens: when we expect, care and appreciate. This is just as true with our customers, colleagues, and friends, as it is with our families.



GAME-CHANGING COLLABORATION

...IN A NO MANAGER CULTURE.

We believe that by building truly empowered multi-talented teams, together we go beyond our best 'to make more awesome'.



EXPONENTIAL TECHNOLOGIES THE POWER OF IT

Suddenly it is no longer utopian to speak of world-changing possibilities. With our passion for technology, we make dreams become real.

FEARLESS LEARNING IT STARTS WITH CURIOSITY

True understanding takes us beyond the known and opens up new worlds. We search for breakthrough questions and innovate by challenging the status quo. We learn by doing and teaching. We learn from failure and success. We learn from world class. We learn by sharing – with you.



WHOLE WORLD OPPORTUNITIES WE WANT TO BE PART OF IT

We believe in business as one of the most positive forces to solve our world's biggest problems. When we combine exponential technologies and game-changing collaboration, whole system progress becomes a reality in a world that is too often stuck in silos, separations, and bureaucracy.



OUR PROMISE 100% - WHOLE WORLD OPPORTUNITIES

We apply exponential technologies and the power of 100% relationships to create a future where business acts as the most positive force and people live to their full potential. Leaving the world a better place for our kids - that's our promise.



09-07-2013

01



06-07-2013

02

LeasePlan Bank

Renewal of contract with Leaseplan Bank until December 2016 with the option of a another year. Main focus of the contract is the application landscape and the business metrics.

“What’s the name of your janitor?”



It’s all about culture, stupid

When Patrick de Zoete (@BigBaldGeek) came on stage during his session at Devopsdays Amsterdam, he asked the audience: “What’s the name of your janitor or cleaning lady?” Because if you don’t care about who cleans the floors, there’s something wrong with your culture. Patrick loves to explain why the DNA of Schuberg Philis is what it is. He is a true connector, adding glue to the teams he is active in.

- 01 Mission Critical Engineer Eelco Bode at the reception desk of our customer a.s.r., interviewed for their magazine
- 02 Family Beach Day
- 03 Signing the sponsorship agreement with Team Forze, the hydrogen racing team of TU Delft
- 04 We love the smell of new servers in the datacenter
- 05 Schuberg Philis-spotlights lighten the sky at OHM 2013, the international hackers festival



Schuberg Philis provided a Proof of Concept that enabled UWV to improve their website, aimed at job seekers. In addition, it enabled UWV to enable optimized working relationships with software vendors, outsourcing provider and governance. Schuberg Philis protected the same environment after vicious (D)DoS attacks in May, implementing the solutions within 14 hours.



05-07-2013

03



01-07-2013

04

05



01-08-2013

GETTING A PILOT ON BOARD



CLIENT CONFIGURATION

REGIONS

ROSKOP
LIMKO
BENKHOVEN
RITDORHAVEN
SCHEDEMONDE
WORLD PORT CENTER

PILOTS

400

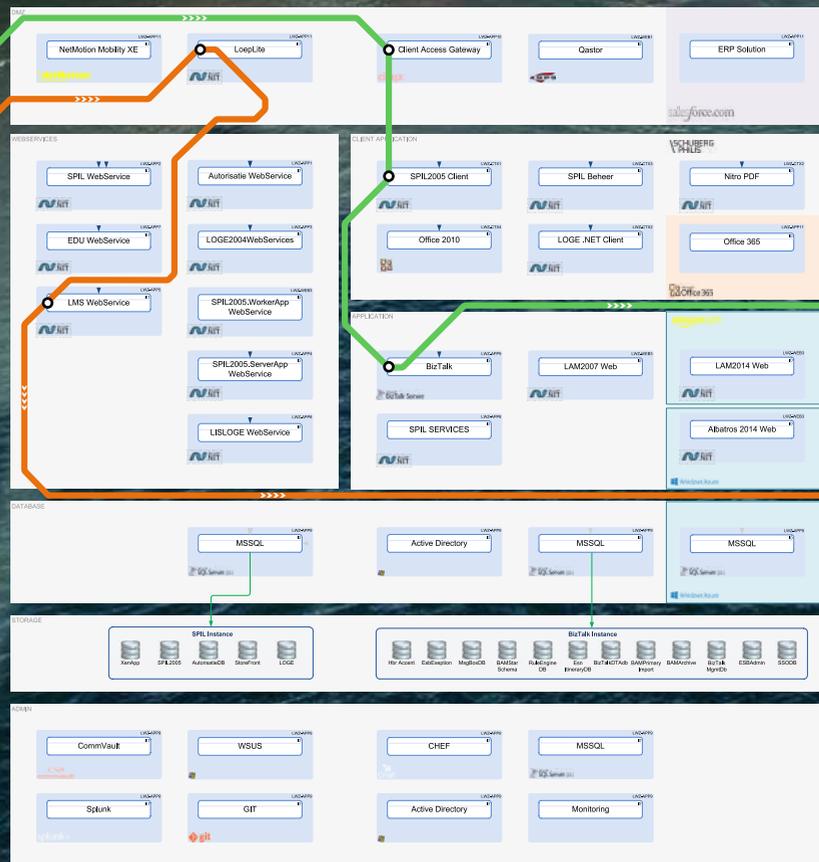
OFFSHORE

POLARIS
POLUS
PROVISION

PARTNERS

KVBA
KRVE

APPLICATION LANDSCAPE LOODSWEZEN



3RD PARTY APPLICATIONS



PORTBASE



3rd PARTY INTERFACES



Confirm Pilot on board

Order boatmen

IAAS PAAS SAAS



SOCIETY CRITICAL

NOTHING IS MORE REWARDING THAN SEEING THE
IMPACT OF YOUR WORK IN YOUR OWN SURROUNDINGS.
SCHUBERG PHILIS WANTS TO CONTRIBUTE TO SOCIETY'S
PROGRESS, TOWARDS A BETTER, SAFER WORLD.

This commitment to 'making a difference' is something that is deeply embedded in Schuberg Philis. At the summit of 2012, where all colleagues, customers and partners discussed the future of Schuberg Philis, a decision was made: Schuberg Philis wants to focus its talents where it really matters.

Schuberg Philis wants to expand its activities in building, managing and improving systems critical to society. These are the systems that the world relies on for security, health care, utility and financial services;

where failure is not an option. At the same time, in these areas automation, efficiency and innovative solutions can trigger huge progress.

Unfortunately, governments and public organizations often have to face unsuccessful IT projects, or are unpleasantly surprised by projects being delayed and exceeding budget. This fuels the idea that IT hampers progress.

At Schuberg Philis there is a firm belief that this is not an inalienable fact of life. It is not what the people at Schuberg Philis experience during their work for the range of customers that operate in society critical

environments, such as financial institutions and utility companies. Of the last 23 major projects of Schuberg Philis 96% was delivered on time and within budget.

In 2013 a dedicated government team has been established at Schuberg Philis. This team of fifteen people from all divisions works together to expand Schuberg Philis' efforts in society critical systems. They

look for solutions to the challenges governments face when it comes to society critical IT.

The trends of faster and together have emerged from a society that is getting more and more connected and

transparent. The impact of technology and IT has gone from facilitating progress to fulfilling essential conditions for prosperity and wellbeing. Organizations demand enterprise IT at Facebook speed. However intimidating this may sound, this is not a castle in the sky. It can be done.

The key to successful society critical IT lies in bringing together all partners and successfully managing the different key partners that are needed to create effective solutions. It is about taking responsibility, about being transparent and open. It is about experts working together with a common goal. To make the world a better place.

"It is about experts
working together with
a common goal.
To make the world a
better place."



BEST VALUE PROCUREMENT

Perhaps one of the biggest challenges in IT outsourcing is not a technological one. It lies at the core of outsourcing: how to optimally use the available brainpower and expertise to provide solutions to customers' needs.

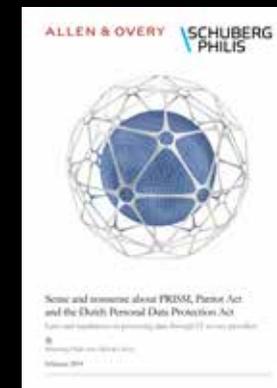
According to Janot van Wegen, Customer Operations Manager at Schuberg Philis, the traditional model of outsourcing is ready for change. "When organizations outsource their IT, it is because they feel the need to bring in experts. However, over the years, the relationship between customer and contractor has become askew: instead of asking the contractors' experts to solve their complex challenges, customers often choose their own way of working and merely ask the contractor to execute the pre-designed plans. This method often results in missed opportunities. It is a model based on direction and control, instead of focusing on creative and innovative solutions, while

this is exactly what experts excel at. Why not use the intelligence and expertise of experts from the starting point?" This is exactly what Dr Dean Kashiwagi, professor at Arizona State University, has argued for years with his Best Value Procurement: turn the traditional tendering model on its head. According to Kashiwagi, customers should utilize the expertise of the contractor and make experts responsible for creating the best solutions. Kashiwagi's study into two thousand public construction tenders in the USA and Canada showed that when customers utilize expert contractors, the success rate of complex projects skyrockets.

Janot and Dr Dean now work together to apply Best Value Procurement in the context of IT outsourcing. Janot: "Schuberg Philis has worked with dedicated experts teams for a decade. We strongly believe in this method. Together with Kashiwagi, who has a firm scientific basis to what has been our own first-hand experience, we want to bring about a change in IT outsourcing: relationships based on trust and respect, where experts from customers and contractors team up to create success."



PRISM WHITE PAPER



INTERNET SECURITY AND DATA PROTECTION ROCKETED TO PUBLIC ATTENTION LIKE NEVER BEFORE, WHEN CIA-WHISTLEBLOWER EDWARD SNOWDEN REVEALED THAT US INTELLIGENCE AGENCIES WERE MINING HUGE VOLUMES OF DATA WITH THE PRISM PROGRAM. ALMOST AS SOON AS THE STORY BROKE, MYTHS, HALF-TRUTHS AND MISINFORMATION ABOUT PRISM SPREAD ACROSS THE IT COMMUNITY.

Janot van Wegen, Risk Officer at Schuberg Philis, quickly realized that anyone working in IT security would benefit from an objective and comprehensible guidebook that outlined the effects of PRISM on data security.

legal experts of law firm Allen & Overy." Together, they created a white paper that discussed both technological and legal consequences of PRISM and its subsidiaries.

Janot: "It quickly became clear that a mere overview of the technological aspects of PRISM would not suffice. We wanted to create a manual providing senior management with all the information they needed to make educated decisions. The debate about PRISM quickly centered on the legal aspects of massive government surveillance, so we teamed up with the

Janot: "The combined knowledge and expertise of security experts and legal experts proved to be the perfect mix." Since its completion, the white paper has been used widely across the IT community and served as a manual for members of the Dutch parliament. "This project shows that the IT industry and society can benefit enormously from cooperation and sharing knowledge."





01-09-2013

01

RABOBANK IDRB

The rollout of the Akamai security framework to Rabobank International is completed.



08-10-2013

Launch of our 100% movie. Customers, colleagues, partners and friends explain the impact of promising and delivering 100% instead of 99.99%.



02



07-10-2013

03



30-09-2013



01-09-2013

04



22-09-2013

05

- 01 Turning our responsible disclosure program into an awareness tool. Every paper t-shirt represents a t-shirt gifted to a person who disclosed a vulnerability
- 02 Visit to Akamai University in Cambridge Massachusetts together with Rabobank IDRB Security Team
- 03 Rainmakers, that is what we need. Don't we? Presentation by Arjan Eriks at Devopsdays in Tel Aviv
- 04 New hires welcome presents on the first working day of Otavio, Thijs and Jayton. Enjoy the ride!
- 05 Schuberg Philis at Dam-tot-Dam run

Frank Breedijk
Security Officer



2013 turned out to be an exciting year

First of all, Frank Breedijk had to protect customers from numerous acute security risks, such as the DDoS attacks. In parallel, much of his energy is directed towards facilitating the secure development of new solutions at Schuberg Philis, both on the ground and in the cloud. He constantly unlocks his ideas and experiences through his blogs, at Security Café's and conferences.



ENECO ENERGY TRADE

Major upgrade of Risk Management system with a positive ROI, this means the outcome delivered a saving - the cost in 2006 of similar project was 500.000 EUR. The result was achieved by utilizing cloud orchestration technology in a traditional enterprise application landscape.

CREATING SHARING

Schuberg Philis is actively engaged in numerous open source communities, driving code improvement, software innovation and ultimately customer satisfaction. Communities such as CloudStack, DevOps and Security Café match seamlessly with our culture of experts working together on achieving bold goals. The same holds true for our non-profit projects, where we aim to contribute intellectual and inspirational resources instead of only money. As we stated in Our DNA: “When we combine exponential technologies and game-changing collaboration, whole system progress becomes a reality in a world that is too often stuck in silos, separations, and bureaucracy.”

APACHE CLOUDSTACK



As newly appointed Vice President of Apache CloudStack, Hugo is chairman of the project management committee, overseeing a range of aspects of working with an open source software community: from legal issues to procedures and security challenges. Hugo is the liaison between the Apache CloudStack community and the board of the Apache Software Foundation. Since Hugo joined, the Apache CloudStack community has grown from roughly forty active members, to a dynamic community with hundreds of contributors.

“It is truly inspiring to work with an international group of highly intelligent people, that has but one goal: to share knowledge and contribute to progress.” Hugo Trippaers, Mission Critical Engineer at Schuberg Philis dedicates a large part of his time to the Apache CloudStack open source community, the dedicated group of engineers that cooperate to improve Apache CloudStack’s cloud infrastructure managing software.

Hugo joined the Apache CloudStack community shortly after Schuberg Philis selected Apache CloudStack as their preferred cloud operating system in 2012. “The active community behind Apache CloudStack makes it a perfect tool for Schuberg Philis: the collective power of the community ensures an endless cycle of upgrades and improvements to the product.”

Hugo has been dedicated to open source ever since he started his career in IT eighteen years ago. He sees communities as an essential factor of progress in IT. “The level of openness and willingness to share knowledge in communities is impressive, as is the collective power: we manage to tackle huge challenges by cooperating.”

This does not only benefit Apache CloudStack as a product, but Schuberg Philis as a service provider as well, explains Hugo: “At Schuberg Philis, we have a culture of creating and sharing. Our engineers are actively encouraged to be open and contribute, something quite unique in our field of work. With our involvement in the Apache CloudStack community, we are in the position to constantly tailor Apache CloudStack to the needs of our customers. That is the beauty of working in a community: the ideas of individual members prove to be invaluable for the larger user group. It is an endless cycle of sharing ideas to create innovation.”

SECURITY CAFE



Even to outsiders, it will come as no surprise that the field of computer security and data security is quite a closed world: experts who specialize in protecting data, tend to be very careful when it comes to sharing information.

“It has proven to be very valuable to have a large network of security specialists.”

But computer security threats are increasingly global issues. Think of DDoS-attacks, sophisticated cybercrime or massive government surveillance. To face these challenges, cooperation is necessary; say Alexander Kaasjager, Mission Critical Engineer and Frank Breedijk, Security Officer at Schuberg Philis. Together, they participate in Security Café, a community of security experts that regularly meets up to share knowledge and experiences. Schuberg Philis hosts these meet-ups once a year.

Alexander: “It has proven to be very valuable to have a large network of security specialists. If an issue arises, it helps if you know the people you are working with to find the solutions.”

According to Frank, opening up and sharing is beneficial even to the almost secretive world of data security. “For example, I wrote a piece of software to solve an issue I had when scanning our

own systems for vulnerabilities. The tool is called Seccubus and can be used to reduce the analysis time for subsequent scans of the same infrastructure by only reporting delta findings. I realized that a lot of people could benefit from this solution, so I decided to make my work open source. Not only did other specialists in the security community start using my software, they provided feedback and improvements to the software. At first, opening up can make people feel vulnerable, but almost always it shows that giving to the community results in receiving much more in return.”





EDUSCRUM

The Scrum method of working has been used extensively at Schuberg Philis since 2010, when Schuberg Philis invited Jeff Sutherland to train the team in Scrum. It offers a way to structure and organize the team workload. Scrum turned out to be a perfect fit at Schuberg Philis.

After Mark Reijn, one of the Schuberg Philis mission critical engineers, told his father-in-law about Scrum, an idea started to take shape. Mark's father-in-law teaches chemistry at a high school and instantly saw the potential of Scrum-based collaboration for educational purposes. The non-profit foundation EduScrum was established. Several Schuberg Philis engineers are involved in the EduScrum foundation and Schuberg Philis is an ardent supporter. Ilja Heitlager, Information Officer at Schuberg Philis, is on the board of EduScrum.

Ilja: "In short, it works like this: teachers assign projects to the class, which is divided into teams. The teams are made up of people with different qualities and backgrounds, offering all team members the opportunity to contribute to success. In so-called sprints, the children work closely together to achieve their goals. The results have been huge: students' grades are going up, the children feel responsible for their own education, they are highly motivated and learn to value the power of co-operation and respecting each other's qualities."

EduScrum is ambitious. In the coming years, the foundation aims to promote the Scrum way of working in as many schools as possible. Ilja is confident EduScrum will only grow: "Already in the first year of EduScrum, over twenty schools have used the Scrum-method in classrooms. More than hundred teachers have been trained in Scrum. Our ultimate goal: to give all high-school students the opportunity to discover their potential by using the EduScrum method."



The first batch of EduScrum teachers from Ashram college receiving there EduScrum certificate at Schuberg Philis.

LEEFKRINGHUIS AMSTERDAM-NOORD

Leefkringhuis Amsterdam-Noord has been a partner of Schuberg Philis since 2010. Every week on Friday the foodbank collects all the remaining food from our kitchen in Schiphol-Rijk. In 2013, we made it possible for the Leefkringhuis to buy a transport van. Furthermore, we cleaned our redundant laptops and re-installed the software. They started a second life at a secondary school, which is populated by the children of several foodbank-customers.



LeasePlan Bank

Go Live of new public website LeasePlan Bank based on Sitecore. As part of the refresh project a new, fresher website design was brought live running on a Sitecore platform. This allows LPB to make adjustments to the website themselves, giving them more flexibility and speed.



Harm Boertien
Mission Critical Engineer

I'd rather be a Pirate than join the Navy!

Schuberg Philis was asked as main organizer for the very first European Cloudstack Collaboration Conference, #CCCEU13. Our Headless Community Manager Harm Boertien and his team of colleagues worked 24/7 to prepare this event in less than three months. Looking at the endless To Do-list and unsolved issues, the weekend before D-day felt more like 'moed-in-de-schoenen.nl'. But the three days of the CloudStack conference in Amsterdam proved to be the place to learn and discuss with users, developers and followers of Apache CloudStack. Over 300 guests were presented with the best ideas from the previous conferences and featured a varied set of presentations. The next CCC in Europe is in Budapest 19-21 November 2014.



After executing a perfectly planned data-migration, together with all involved MoneYou-partners, the entire team drinks a fine glass of champagne to celebrate this milestone. Cheers!

02



03



04



01



17-11-2013

"Communities can tackle huge challenges by cooperating."

- 01 Security Café is held once a year at the premises of Schuberg Philis since 2010
- 02 End of Year Party
- 03 FIFA tournament
- 04 Cine Sunday: From Nijntje till Iron Man 3
- 05 How does a go bank live?



05



FAST IS THE NEW FAST: IN SIX MONTHS IN 2013, SCHUBERG PHILIS AND VAN LANSCHOT BANKERS ADDED AN EXTRA BUSINESS BRANCH TO A COMPANY THAT HAS BEEN IN THE BANKING BUSINESS FOR CENTURIES.

During his time working with Van Lanschot, Schuberg Philis' Sales Manager Rogier de Rooij was reaffirmed in his conviction that it is essential for organizations to be able to act fast. "In this day and age, the ability to anticipate changes and act on them is key. Shortening time-to-market and continuous application implementation is crucial. It may seem intimidating at first, but it opens the door to new opportunities."

At Van Lanschot, Rogier experienced first-hand that cutting-edge technology alone is not enough to make organizations ready for a faster future. "A different mindset and dynamic company culture is just as important. That's why all parties involved in building and managing Van Lanschot Evi's IT-ecosystem have committed themselves to a way of working that focuses on speed, quality and transparency. This approach is much more than just a method: it shows that all parties strive

towards the same goal. Orchestrating the complex dynamic between multiple partners across several platforms is complex, but with a shared set of values, it can be done."

It was this dedication that ensured that in six months time, Van Lanschot Evi had a fully functional IT-ecosystem by December 2013, facilitating online banking for the Belgian customers. This service, named Evi.be, gives customers 24-hour access to their savings. From anywhere in the world and at any time, clients can manage their assets, based on real-time financial information. In six months, a new branch of Van Lanschot was born.

According to Rogier, the same can now be done even faster: "By automating as many aspects of application integration as possible, we constantly strive to be even more efficient. A banking branch at the push of a button is not just a fantasy anymore."

RECOGNITION

★ Recertification ISO 27001:2005

DEKRA, the Dutch independent council for accreditation recertified Schuberg Philis with the ISO 27001:2005 Certificate for another three years till June 2015. Schuberg Philis is the first Dutch outsourcing provider whose scope of certification covers not only systems, but all customer mission critical application infrastructures outsourced to Schuberg Philis.

★ Finalist in 2013 Green Enterprise IT Awards



Schuberg Philis and De Vlieg Techniek were awarded finalist at the international GEIT Awards, for the retrofit of the datacenter in Schiphol-Rijk. The operation involved replacement of a 12-year old cooling installation within an existing live datacenter

without any downtime for the IT-systems. The new cooling system is fueled mainly by thermal wells and produces, transports and uses cooling energy only when and where needed. The result of the combined measures is a 86% decrease in energy usage. Arjan Westerhoff, Datacenter Manager at Schuberg Philis, collected the award in Santa Clara, California, on behalf of all colleagues.

★ 100% customer recommendation score

For the fifth year in a row, Schuberg Philis received a 100% customer recommendation score in the annual benchmark of the Dutch IT outsourcing industry, the Giarte Outsourcing Performance Survey. Furthermore, we received the highest customer satisfaction score for Infrastructure Management, for the ninth time in a row.



NINE TIMES IN A ROW

★ Most Innovative ICT Vendor 2013



Schuberg Philis was voted Most Innovative ICT Vendor at the annual announcements of The Innovation Manager (TIM) Awards. The jury noted that Schuberg Philis is a strong example of an organization that is able to maintain its top level position in the market by constantly working on innovation. The TIM Awards are an initiative of CIO Magazine and ICT Media, targeted at boosting innovative projects in the ICT industry. The award price, free advertising space for Schuberg Philis, was donated to EduScrum.

★ Harvard Business School case

The Harvard Business School published a Case Study about the culture and governance style of Schuberg Philis. It challenges their students to apply our key principles to a real life case. It is used in it's Management Practice in the area of Organizational Behavior.



FINANCIAL \ SCHUBERG
FIGURES \ PHILIS

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FINANCIAL STATEMENTS

Consolidated balance sheet as at December 31, 2013

Before profit appropriation (In € 1,000s)

Assets	Notes	December 31, 2013	December 31, 2012 ¹
Fixed Assets			
Tangible Fixed Assets	①	10,757	11,420
Financial Fixed Assets	②	0	142
Total Fixed Assets		10,757	11,562
Current Assets			
Receivables and Prepayments	③	6,555	5,155
Cash	④	19,117	19,372
Total Current Assets		25,672	24,527
Total assets		36,429	36,089
Liabilities			
Group Equity			
	⑤	16,221	17,577
Provisions			
	⑥	1,746	3,116
Current Liabilities			
Trade Creditors		3,464	2,410
Taxes and Social Security		4,115	3,119
Accrued Expenses	⑦	6,509	7,063
Other Payables	⑧	4,177	2,804
Payables to affiliated companies		197	-
Total Current Liabilities		18,462	15,396
Total liabilities		36,429	36,089

¹ Figures 2012 are adjusted for comparison reasons without any impact on equity and income.

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR 2013

Consolidated balance sheet as at December 31, 2013

(In € 1,000s)	Notes	2013	2012
Total Operating Revenues		56,382	56,335
Operating Costs			
Services and Components		10,076	11,305
Personnel Costs	9	29,122	27,852
Housing Costs		3,291	3,147
Other Operating Costs		3,184	4,009
Depreciation of Fixed Assets		2,468	2,717
Total Operating Costs		48,141	49,030
Earnings before Interest and Tax		8,241	7,305
Balance of Interest and Similar Revenue and Costs		413	386
Corporation Tax	10	-2,017	-1,923
Net profit		6,637	5,768
Direct equity movements		-	-
Total result		6,637	5,768

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013

(In € 1,000s)	2013	2012 ¹
Earnings before Interest and Tax	8,241	7,305
Depreciation	2,468	2,717
Change in Provisions	-1,371	3,116
Change in Working Capital ²	1,092	-5,625
Cash flow from operations	10,430	7,513
Interest received	286	134
Corporation Taxes paid	-1,316	-1,146
Cash flow from operating activities	9,400	6,501
Additions to:		
Tangible Fixed Assets	1,858	1,101
Disposals of:		
Financial Fixed Assets	142	-
Tangible Fixed Assets	53	-
Cash flow from investing activities	-1,663	-1,101
Cash flow from financing activities	-7,992	-5,000
Change in cash	-255	400
Cash at January 1	19,372	18,972
Cash at December 31	19,117	19,372

¹ Figures 2012 are adjusted for comparison reasons without any impact on equity and income.
² Working Capital is defined as Current Assets minus Current Liabilities excluding Cash.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

General

The accounts are prepared in accordance with accounting principles generally accepted in The Netherlands. The accounts are prepared in Euro.

Applied standards

The financial statements have been prepared in accordance with Book 2 of The Netherlands Civil Code (BW). The principles adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Application of Section 402, Book 2 of The Netherlands Civil Code

The financial information of Schuberg Philis Group B.V. is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of The Netherlands Civil Code (BW), the income statement of Schuberg Philis Group B.V. exclusively states the share in the result after taxation of companies in which participating interests are held and the general result after taxation.

Financial instruments

Financial instruments include trade and other receivables, cash items, loans and other financing commitments, and trade and other payables. Initial recognition is at fair value. After initial recognition, financial instruments are valued in the manner described below.

- **Financial instruments held for trading**

Financial instruments (assets and liabilities) held for trading are carried at fair value and changes in the fair value are recognised in the profit and loss account. In the first period of recognition, attributable transaction costs are charged to the profit and loss account.

- **Loans granted and other receivables**

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses.

- **Other financial commitments**

Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

Consolidation

The consolidated financial statements comprise the financial data of Schuberg Philis Group B.V. and Schuberg Philis B.V. In preparing the consolidated financial statements, intra-group debts, receivables and transactions are eliminated.

Schuberg Philis Group B.V., domiciled in Schiphol-Rijk, is a private limited company. The company is a holding company; the group is primarily involved in outsourcing activities.

Foreign currencies

Balance sheet items relating to assets and liabilities denominated in currencies other than the Euro are translated at the rate of exchange prevailing on balance sheet date. Transactions in foreign currency are incorporated in the annual accounts at the rate of settlement.

Accounting policies

Certain comparative amounts have been reclassified to conform to current year's presentation.

If not stated otherwise, assets and liabilities are shown at nominal value.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is disclosed in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and when all risks relating to an asset or liability are transferred to a third party, the asset or liability is no longer included in the balance sheet. In addition, assets and liabilities are not disclosed in the balance sheet as, from the moment the conditions with respect to the probability of economic benefits, expectation of outflow of resource embodying economic benefits and the ability to measure cost with sufficient reliability are not met anymore.

The income and expenses are accounted for in the period to which they relate. Revenue is recognized when Schuberg Philis Group B.V. has transferred the significant risks and rewards of ownership of the goods and services to the buyer.

Tangible fixed assets

Tangible fixed assets are valued at acquisition cost less straight-line depreciation over the estimated useful economic life. The estimated useful life (EUL) of different categories of fixed assets is summarized in the table below.

Category	Estimated useful life (In years)
Buildings and constructions	
Leasehold improvements	5-20
Machinery and equipment	
Emergency power supplies	20
Security and communication equipment	10
Computer equipment	3
Other fixed assets	
Furniture and fixtures	3-10

Financial fixed assets

The financial fixed assets comprise long-term receivables. Initial recognition is at fair value. Financial fixed assets are valued at amortised cost on the basis of the effective interest rate method. Investments in subsidiaries are valued at net equity value. The long-term receivable expires after a period between one and five years.

Impairment or disposal of fixed assets

The company states intangible, tangible and financial fixed assets in accordance with accounting principles generally accepted for financial reporting in The Netherlands. Pursuant to these principles, assets with a long life should be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets' recoverable amount is estimated. The recoverable amount is the highest of the fair value and the value in use. The value in use is calculated as the present value of estimated future cash flows, discounted at the effective interest rate. If the book value of an asset exceeds the recoverable amount, impairment is charged to the result equal to the difference between the carrying amount and recoverable amount. Assets for sale are stated at the carrying amount or lower market value, less selling costs.

Provisions

Provisions are valued at the nominal value of the best estimate of the amount to settle the obligation at balance sheet date.

A provision is recognised if the following applies:

1. the company has a legal or constructive obligation, arising from a past event; and
2. the amount can be estimated reliably; and
3. it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for maintenance is recognised for expected maintenance costs of buildings and equipment based on a long-term maintenance programme.

The provision for warranties relates to the estimated costs if delivered services do not meet the agreed requirements. A provision for warranties is recognised when the underlying services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities. Other provisions relate to personnel related provisions.

Receivables and prepayments

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading 'Financial instruments'.

Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

Employee benefits

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

PRINCIPLES OF DETERMINATION OF RESULT

General

The result represents the difference between the value of the services rendered and the costs and other charges for the year. The results on transactions are recognized in the year they are realized; losses are taken as soon as they are foreseeable. Costs are recognized at the historical cost convention and are allocated to the reporting year to which they relate.

Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognized in the profit and loss account in the period that they arise.

Net turnover

The company takes the revenue from sales to the net turnover if there is convincing evidence of a sales agreement, when delivery has taken place, the price has been agreed or can be determined, and there is reasonable certainty that the selling price is collectable. Normally, these criteria are satisfied at the moment the product or the service is delivered and acceptance has been obtained, if required.

Net turnover is determined as income from the supply of goods and services, less discounts and suchlike, exclusive of turnover taxes.

Net turnover is mainly realized in the Netherlands.

Services and Components

Services and Components represent the direct expenses attributable to turnover.

Corporation tax

The taxation on result comprises both taxes payable in the short term and deferred taxes, taking account of tax facilities and non-deductible costs. No taxes are deducted from profits if and insofar as said profits can be offset against losses from previous years.

Taxes are deducted from losses if these can be offset against profits in previous years and this results in a tax rebate. In addition, taxes may be deducted to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Taxes are calculated on the results, taking into account the tax facilities.

Employee benefits/pension plans

Schuberg Philis operates a pension plan for its employees based on a defined contribution scheme. The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension insurer over the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the pension insurer or settlement with contributions payable in the future.

The use of estimates

During the preparation of the financial statements, the management must, in accordance with the general prevailing principles, make certain estimates and assumptions that co-determine the stated amounts. The actual results may deviate from these estimates.

PRINCIPLES OF DETERMINATION OF CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2013

Tangible Fixed assets ¹

The book value of fixed assets does not significantly deviate from current value.

(In € 1,000s)	Buildings and Constructions (Leasehold improvements)	Machinery and Equipment	Other Fixed Assets	Total
Cost				
Beginning of year 01-01-2013	17,671	9,811	2,544	30,026
Additions	18	1,534	306	1,858
Disposals	-	-	-303	-303
End of year 31-12-2013	17,689	11,345	2,547	31,581
Accumulated Depreciation				
Beginning of year 01-01-2013	-9,631	-7,213	-1,762	-18,606
Depreciation	-1,107	-1,152	-209	-2,468
Disposals	-	-	250	250
End of year 31-12-2013	-10,738	-8,365	-1,721	-20,824
Book Value				
Beginning of year 01-01-2013	8,040	2,598	782	11,420
End of year 31-12-2013	6,951	2,980	826	10,757

Included in the other fixed assets is a financial lease of in total € 306 k. At balance date the book value was € 263 k. Ownership of the leased fixed asset resides at the lease company.

Financial Fixed Assets ²

The financial fixed assets comprise a long-term receivable related to a sublease of the building. In 2013 this long-term receivable is netted against the accrual for restoration leaving a total balance of nil.

Receivables and prepayments ³

Receivables and Prepayments are specified in the following table. As per balance sheet date, all receivables are due within one year. The book value represents maximum credit risk and there are no major concentrations of risk.

Category (In € 1,000s)	December 31, 2013	December 31, 2012 ¹
Debtors	4,037	2,210
Other Receivables	840	875
Prepaid Expenses	1,550	1,709
Deferred Tax Assets	128	361
Total	6,555	5,155

Prepaid expenses are further specified below.

Category (In € 1,000s)	December 31, 2013	December 31, 2012
Prepaid Expenses	1,010	347
Prepaid Insurance	178	203
Other Prepays	362	1,159
Total	1,550	1,709

Cash ⁴

Included in the cash figure of € 19.1 million is a restricted amount of € 275 k. The other liquid assets are available on demand.

Group Equity ⁵

Reference is made to page 74 (Notes to the Corporate Financial Statements 2013) for notes regarding equity.

Provisions ⁶

A provision for maintenance is recognised for expected maintenance costs of buildings and equipment based on a long-term maintenance programme.

The provision for warranties relates to the estimated costs if delivered services do not meet the agreed requirements. A provision for warranties is recognised when the underlying services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities. Other provisions relate to personnel related provisions.

Provision (In € 1,000s)	December 31, 2013	December 31, 2012
Maintenance building	385	350
Maintenance equipment	257	171
Warranties	430	430
Personnel	674	2,165
Total	1,746	3,116

The schedule below explains the movements in provisions for the year.

(In € 1,000s)	Maintenance building	Maintenance equipment	Warranties	Personnel	Total
Balance 01-01-2013	350	171	430	2,165	3,116
Additions	35	86	73	-	194
Released				-1,491	-1,491
Used during the year	-	-	-73	-	-73
Balance 31-12-2013	385	257	430	674	1,746

Financial instruments

Within Schuberg Philis Group B.V. and its subsidiary financial instruments include receivables, cash and cash equivalents and long-term liabilities and short-term liabilities. Financial instruments are recognised initially at fair value, including direct attributable transaction costs. After initial recognition, financial instruments are stated against amortised cost. If there are no premiums or discounts and directly attributable transaction costs, the amortised cost is equal to the nominal value. On receivables, a provision deemed necessary is taken for the risk of bad debt.

During the normal course of business, the company uses various financial instruments that expose the company to market and/or credit risks. These relate to financial instruments that are included on the balance sheet. The company does not trade in these financial derivatives and follows procedures and code of conduct to limit the size of the credit risk with each counterparty and market. If a counterparty fails to meet its payment obligations to the company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amounts of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

• Credit risk

For details about the credit risks on accounts receivable from participating interests and the other receivables, reference is made to the principles of valuation of receivables.

• Cash flow risk

Cash flow risk for the company is limited.

• Interest rate risk

The company's policy is not to use derivative financial instruments to control interest rate fluctuations. The company has a limited volume of foreign currencies therefore the foreign exchange risk is limited.

• Fair value

The fair value of most of the financial instruments stated on the balance sheet, including accounts receivable, cash and current liabilities, is close to the carrying amount.

Accrued Expenses ⁷

Accrued expenses are specified in the table below. As per balance sheet date, all liabilities are due within one year.

Category (In € 1,000s)	December 31, 2013	December 31, 2012
Accrued Expenses	2,658	2,526
Accrued Personnel related Expenses	3,443	3,293
Deferred Income	2	761
Other Accrued Expenses	406	483
Total	6,509	7,063

The company entered into a single financial lease of two years for an amount of in total € 306 k. At balance date the remaining value and lease payments is € 255 k nearly fully due within one year.

Other Payables ⁸

This relates to shareholders' payables. The applied interest rate for shareholders' payables is 2.5% per year.

Off balance assets and liabilities

Reference is made to page 74 (Notes to the Corporate Financial Statements 2013) for notes regarding off balance assets and liabilities.

Employees and staff ⁹

As per December 31, 2013 approximately 173 people are involved in the Group's operations, 136 of whom are employed by Schuberg Philis B.V.

During the 2013 financial year, the average number of employees in the group, converted into full time equivalents, amounted to 131 (2012: 126 employees). All employees were employed in the Netherlands. Personnel costs are specified in the table below.

Based on the exemption provided in Article 383 Section 1 of Part 9, Book 2 of The Netherlands Civil Code (BW), no (BW) Directors' remuneration has been disclosed.

¹ Figures 2012 are adjusted for comparison reasons without any impact on equity and income.

Category (In € 1,000s)	2013	2012
Salaries	13,332	12,980
Social Security Costs	1,089	1,328
Pension Costs	775	680
Other Personnel Costs	13,926	12,864
Total	29,122	27,852

Corporation Tax ¹⁰

The company forms a tax unity for corporation income tax purposes together with the group companies Schuberg Philis Group BV. Each of the companies recognises the portion of corporation income tax that the relevant company would owe as an independent taxpayer, taking into account the tax facilities applicable to the company. The effective tax rate is 23% (2012: 25%). The tax expense recognised in the profit and loss account for 2013 amounts to € 2.0 million, or 23% of the result before tax (2012: 25%). The fiscal position per December 31, 2013 is as shown below.

(In € 1,000s)	2013
Earnings before Tax	8,654
Deduct: Tax correction result 2012	1,720
Add: Mixed costs forfait	52
Deduct: Valuation difference fiscal versus commercial	670
Deduct: Valuation difference profit on sale of assets fiscal versus commercial	209
Deduct: Fiscal subsidy (Milieu Investerings Aftrek)	110
Taxable amount Corporation Taxes	5,997
Corporation Taxes at a rate of 20% over € 200,000	40
Corporation Taxes at a rate of 25% over remaining amount	1,449
Corporation Taxes calculated	1,489
Add: Corporation Tax additional charge 2012 (due to change in estimate)	330
Add: Deferred Taxes	220
Deduct: Reconciliation Taxes (paid-accrued) 2010 and 2011	22
Corporation Taxes P&L charge	2,017

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax basis used in the computation of taxable income. Deferred tax assets and liabilities are generally recognized for all temporary differences.

Transactions with related parties

Transactions with related parties occur when a relationship exists between the company, its participating interests and their directors and key management personnel. There were no transactions with related parties that were not on a commercial basis.

CORPORATE BALANCE SHEET AS AT DECEMBER 31, 2013

Before profit appropriation (In € 1,000s)

Assets	December 31, 2013	December 31, 2012
Fixed Assets		
Financial Fixed Assets	24,613	23,961
Total Fixed Assets	24,613	23,961
Current Assets		
Shareholders' Receivables	-	-
Group Companies	-	-
Deferred Tax Asset	87	307
Other Receivables	34	-
Cash	4	4
Total Current Assets	125	311
Total assets	24,738	24,272
Liabilities		
	December 31, 2013	December 31, 2012
Share Capital	19	19
Other Reserves	9,565	11,790
Result for the year	6,637	5,768
Shareholders' Equity	16,221	17,577
Current Liabilities		
Corporation Tax Payable	1,471	933
Group Companies	6,849	5,565
Payables to affiliated companies	197	197
Total Current Liabilities	8,517	6,695
Total liabilities	24,738	24,272

CORPORATE PROFIT AND LOSS STATEMENT FOR THE YEAR 2013

(In € 1,000s)	2013	2012
Result from participations	8,652	7,691
Other results	-2,015	-1,923
Total result after taxation	6,637	5,768

NOTES TO THE CORPORATE FINANCIAL STATEMENTS 2013

General

The consolidated financial statements form part of the financial statements 2013 of Schuberg Philis Group BV. Insofar as items from the balance sheet and profit and loss statement are not clarified below, reference is made to the notes to the consolidated financial statements.

If not stated otherwise, receivables and liabilities are due within one year.

Financial Fixed Assets

This comprises the 100% investment in the subsidiary Schuberg Philis B.V., Schiphol-Rijk. The movement during 2013 can be specified as follows.

(In € 1,000s)	
Balance as at January 1	23,961
Dividends paid	-8,000
Result for the year	8,652
Balance as at December 31, 2013	24,613

Cash

The liquid assets are available on demand.

Shareholders' Equity

With reference to Article 178c part 1 of The Netherlands Civil Code (BW), the authorized capital of Schuberg Philis Group BV amounts to € 90,000, divided into 72,000 ordinary shares of € 1 each and 180,000 preferred shares of € 0.10 each. The schedule below explains the movements in equity for the year. 19,400 ordinary shares are issued and paid up. There are no preferred shares issued.

(In € 1,000s)	Share Capital	Other Reserves	Result for the Year	Total
Balance 01-01-2013	19	11,790	5,768	17,577
Appropriation of Result	-	5,768	-5,768	0
Dividends paid	-	-8,000	-	-8,000
Other	-	7	-	7
Result for the year	-	-	6,637	6,637
Balance 31-12-2013	19	9,565	6,637	16,221

Off balance assets and liabilities

The building in Schiphol-Rijk is leased on a renewable 15 years lease contract. The contract can be renewed without limitation and can only be terminated by lessee. The contract involves an annual lease sum of approximately € 1.2 million. Other lease obligations have been engaged into for a total remaining value of € 4.26 million.

At Balance Sheet date, bank guarantees relating to the lease of the building were issued for a total of € 275 k.

Schuberg Philis Group BV forms a fiscal unity for VAT and corporate tax with its wholly-owned subsidiary Schuberg Philis BV. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

Schuberg Philis B.V. has been granted an Indefeasible Right of Use (IRU) to 20 selected fiber pairs owned by euNetworks B.V. (former name Global Voice Networks B.V.) for a period of 20 years, starting January 14, 2003. At a current market price, the IRUs received are valued at € 2.2 million (net value of IRUs granted to Schuberg Philis B.V. is € 2.2 million).

Employees and staff

During the 2013 financial year, the average number of employees, converted into full time equivalents, amounted to 0 (2012: 0 employees).

Summary of audit fees

(In € 1,000s)	2013	2012
Audit fees	39	26
Tax advisory fees	12	3
Total fees	51	29

Schiphol-Rijk, July 25, 2014

On behalf of the Managing Directors Pim Berger, Gerwin Schuring and Philip Dries.



Pim Berger

OTHER INFORMATION

The independent auditor's report by Mazars Paardekooper Hoffman Accountants N.V. has been included on page 78.

Statutory profit appropriation

According to article 28 of the Articles of Association, the profit shall be at the disposal of the General Meeting. The company may only make distributions of profit to the shareholders and other persons entitled to the dividends to the extent that its shareholders' equity exceeds the paid and called up portion of the capital, together with the reserves which must be maintained pursuant to law.

Dividends shall only be distributed following adoption of the annual accounts which show that the distribution is permitted. The company may make interim dividends insofar as the preceding provisions have been complied with. The General Meeting may decide to make interim dividends which consists wholly or partly of dividends in kind. The company shall not receive a dividend on shares for its own account. A demand for payment of a dividend will lapse after five years.

Proposed appropriation of the result for the financial year 2013

The board of directors proposes that the result for the financial year 2013 amounting to € 6.637 million should be transferred to the other reserves.

The financial statements do not yet reflect this proposal.

INDEPENDENT AUDITOR'S REPORT

To: The General Meeting and the Board of Directors of Schuberg Philis Group B.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of Schuberg Philis Group B.V., Schiphol-Rijk, which comprise the consolidated and company balance sheet as at 31 December 2013, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Directors' Report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Schuberg Philis Group B.V. as at 31 December 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Directors' Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Directors' Report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, 25 July 2014

MAZARS PAARDEKOOPER HOFFMAN ACCOUNTANTS N.V.

drs. J.J.W. Galas RA

NEW TIMES NEW HOUSE STYLE

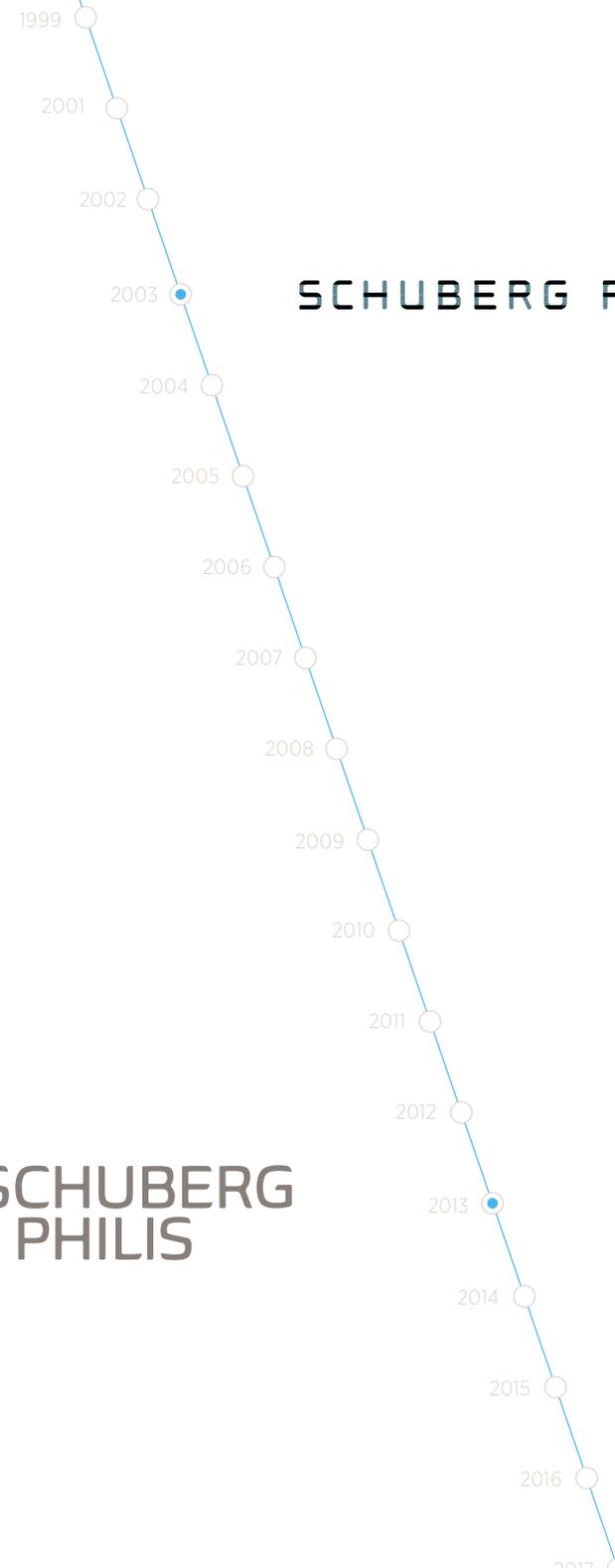
When reading our Annual Report, it will become clear that 2013 marks an important change in the direction of Schuberg Philis. We have shifted our focus towards cloud, Software as a Service, open source, communities and society critical infrastructures.

In parallel, the house style has been thoroughly updated. This has resulted in a design that is transparent, straightforward and engaging. More importantly, a style that reflects our identity and makes our core values and beliefs visible and tangible.

The new Schuberg Philis logo is designed as an evolution rather than a revolution, with finer details and more clarity than the original logo. The blue backslash is the new Schuberg Philis identifier. The “\” character was introduced into ASCII in 1961 by computer programmer Bob Berner. It used to indicate that the character following it should be treated specially. It is an escape character. In computing an escape character is a character which invokes an alternative interpretation on subsequent characters. Just like Schuberg Philis loves taking an alternative perspective on things.



SCHUBERG PHILIS



COLOFON

Freek van Arkel (Photo Port of Rotterdam)

Daniel Balda (Photo Our DNA - Deep Dive)

Jitte Milder (Photo Directors Report - Promise)

Jeroen Toirkens (Photo Board of Directors)

Art Direction QuA

Design & DTP Sixtyseven Communicatie

Text Maarten van Dun

Print robstolk® drukkerij

We have tried to get in touch with all the original owners/producers/creators of all images used in this Annual Report. Some we found... some unfortunately we have not.

If you see your picture used in this Annual Report and not your name please contact Lotta Croiset van Uchelen (lvanuchelen@schubergphilis.com) in order to arrange the matter.

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WE WOULD LIKE TO THANK ALL COLLEAGUES, CUSTOMERS,
PARTNERS AND FRIENDS WHO HAVE MADE THIS YEAR
SUCH A SUCCESS. UNTIL NEXT YEAR!



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SCHUBERG
PHILIS