

Integrated Annual Review 2013/2014

Ernst & Young Nederland LLP



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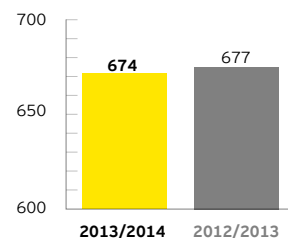
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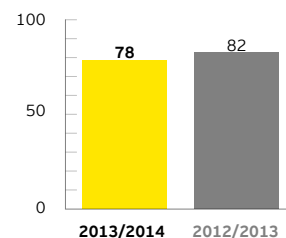
About EY*

EY NL at a glance

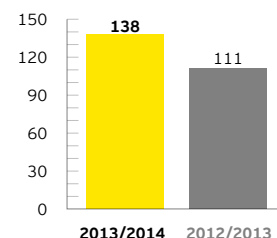
** ● ● ● ● Revenue
(€ million)



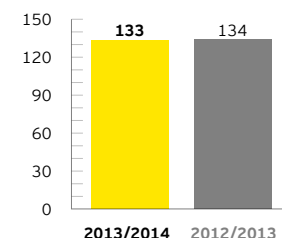
● ● ● ● Operating cost ratio
(% of revenue)



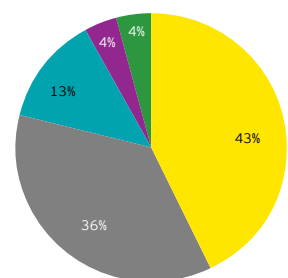
● ● ● ● Profit for the year
(€ million)



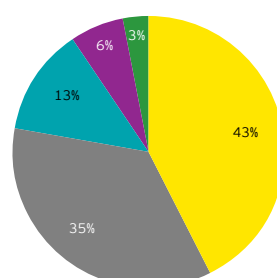
● ● ● ● Underlying profit
(€ million)



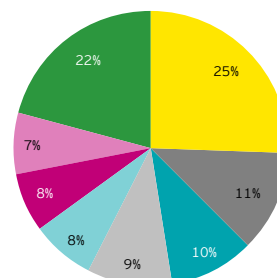
** ● ● ● ● Revenue by service line
2013/2014



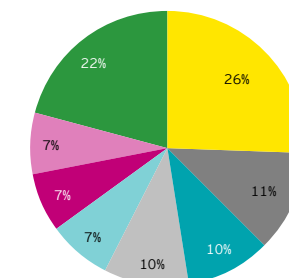
2012/2013



** ● ● ● ● Revenue by industry market segment
2013/2014



2012/2013



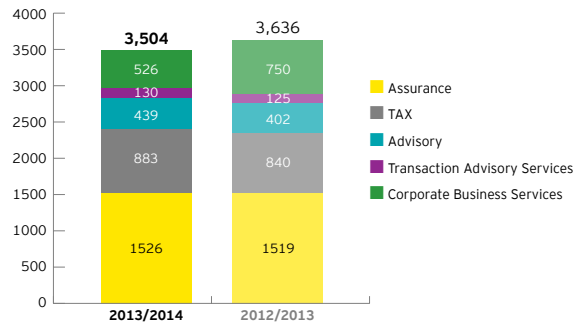
* For EY NL at a glance - reporting principles, see page 52.

** ● Financial Capital ● Human Capital ● Intellectual Capital ● Social & Relationship Capital ● Natural Capital

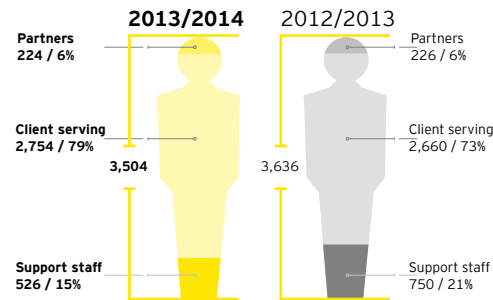
About EY

EY NL at a glance

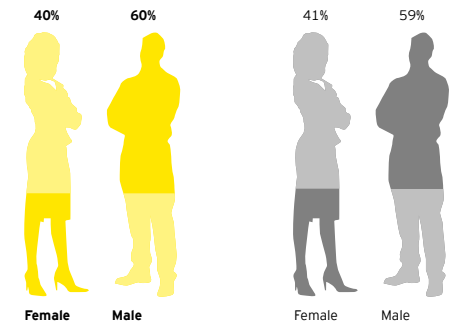
Average number of FTEs by service lines (including partners)



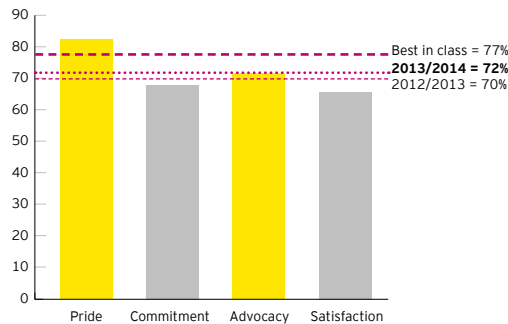
Partners, client serving and support staff (FTEs)



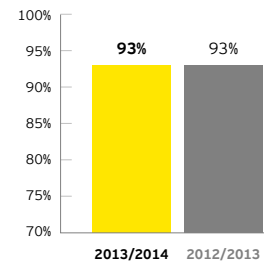
Gender ratio 2013/2014



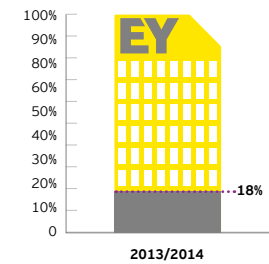
People pulse survey: engagement score



Retention rate above average rated people



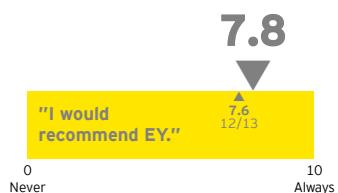
Workplace of the future implementation



About EY

EY NL at a glance

Assesment of service quality 2013/2014



Quality review*

	2013/2014		2012/2013	
Rating 1	84	85%	80	86%
Rating 2	14	14%	13	14%
Rating 3	1	1%	0	0%
Total	99	100%	93	100%

* Partners/directors

1 = There were no or minor findings

2 = The findings were more than minor but less than material

3 = There were material findings

Proceedings

	2013/2014	
Civil proceedings	8	(1 new in 2013/2014)
Disciplinary proceedings	9	(4 new in 2013/2014)
Total	17	

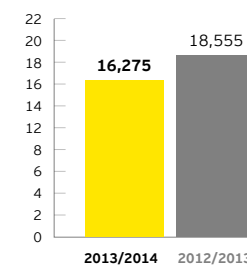
Brand favorability 2012/2014



Thought leadership 2013/2014



Emissions (tCO₂)



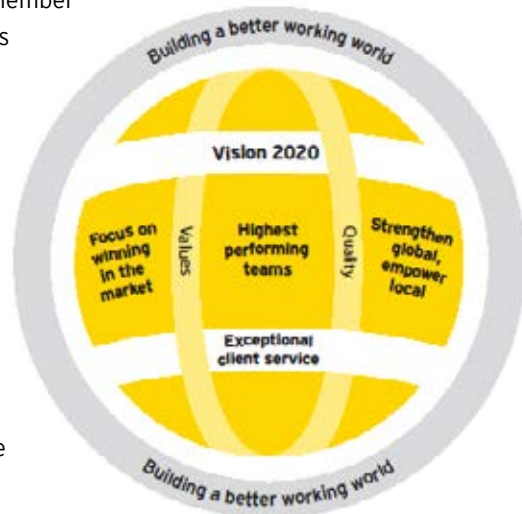
About EY

Profile

EY is a global leader in assurance, tax, transaction and advisory services. Legal and notarial services are offered in the Netherlands through a strategic alliance between Ernst & Young Belastingadviseurs LLP and Holland Van Gijzen Advocaten en Notarissen LLP.

EY's history in the Netherlands dates back to 1883, making it the oldest firm in its profession in the country.

Worldwide, 190,000 people in member firms in more than 150 countries share a commitment to building a better working world and are united by shared values and an unwavering commitment to quality, independence and integrity. Serving the public interest is at the heart of building a better working world, which in the Netherlands is monitored by the Public Interest Committee that consists of three independent members.



Vision 2020

In July 2013 EY launched Vision 2020, which sets out our purpose, ambition, strategy and positioning for building a better working world.

Purpose: Building a better working world

EY is committed to doing its part in building a better working world.

The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to stakeholders. In so doing, we play a critical role in building a better working world for our people, our clients and our communities.

Ambition

- ▶ The best brand
- ▶ The most favored employer
- ▶ No. 1 or 2 in terms of market share in our chosen services
- ▶ Leading growth and competitive earnings sufficient to attract and retain world-class talent
- ▶ Positive and strong relationships with our stakeholders

Positioning

Our positioning, the difference to which we aspire, is to be known for having the highest performing teams, delivering exceptional client service, worldwide.

Strategy

Focus on winning in the market

- ▶ Deliver exceptional client service
- ▶ Maximize opportunities in markets and services

Create the highest performing teams

- ▶ Attract, develop and inspire the best people
- ▶ Commit to a culture of world-class teaming

Strengthen global, empower local

- ▶ Press our global advantage
- ▶ Empower local teams by enabling their success

About EY

Profile

Values & quality

Running through everything we do are our shared values, which inspire our people worldwide and guide them to do the right thing, and our commitment to quality, which is embedded in who we are and in everything we do.

Who we are and what we stand for:

- ▶ People who demonstrate integrity, respect, and teaming
- ▶ People with energy, enthusiasm, and the courage to lead
- ▶ People who build relationships based on doing the right thing

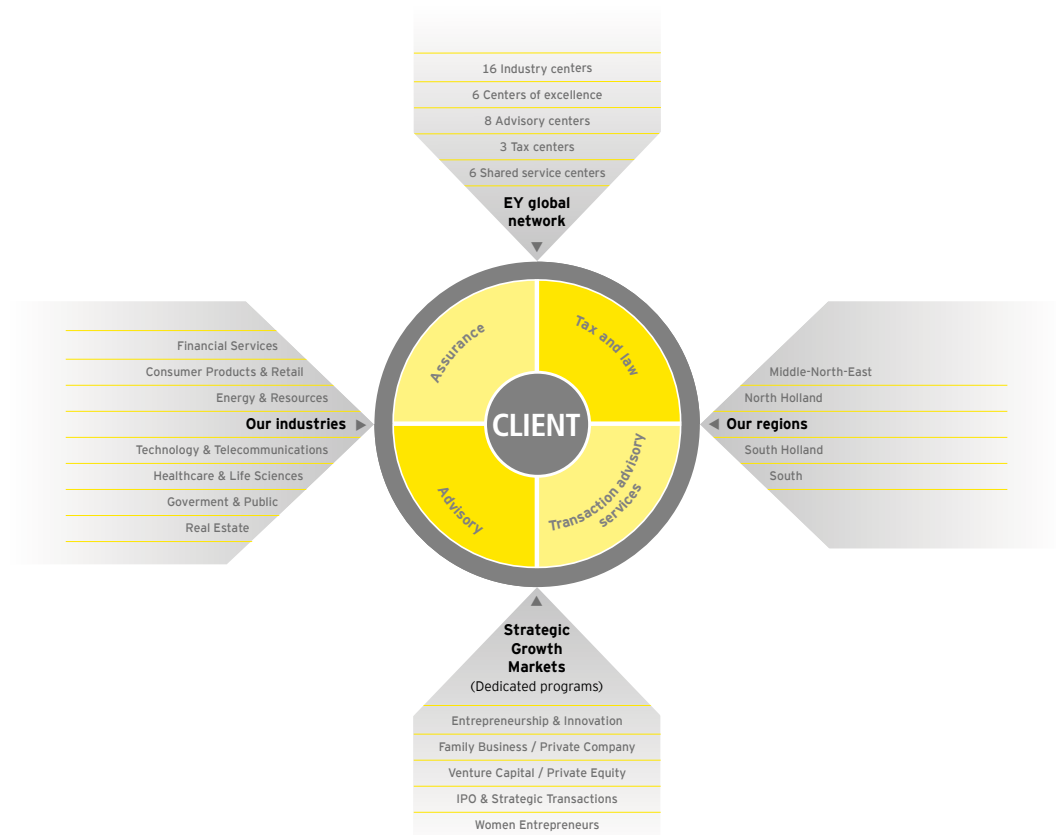
Deliver exceptional client service

We strive to deliver exceptional client service through the highest performing teams, worldwide. Exceptional client service means our people are the most connected, responsive and insightful professionals in the marketplace. This creates a distinctive client experience, making EY the professional services organization of choice for our clients, stakeholders and communities. This requires us to understand clients' diverse needs, and tailor our services to them based on their size and sector. We have therefore focused our go-to-market approach on seven industrial and four regional market segments. Each market segment includes our four service lines.

We support entrepreneurship with dedicated strategic growth platforms that allow for the specific characteristics of a specific business in a specific phase. We invest not only in the professional know-how and quality of our people but also in market leading intelligence.

Our highly integrated global organization offers a strong competitive edge, enabling us to draw on a rich international vein of expertise, any time, any place. We are constantly expanding our extensive network and opening it up to clients in all conceivable sectors. We can put them in touch with potential partners all over the world.

We are approachable and maintain close contacts with all stakeholders, including public authorities and knowledge institutions. Sharing our knowledge and promoting corporate sustainability underline our social engagement.



About EY

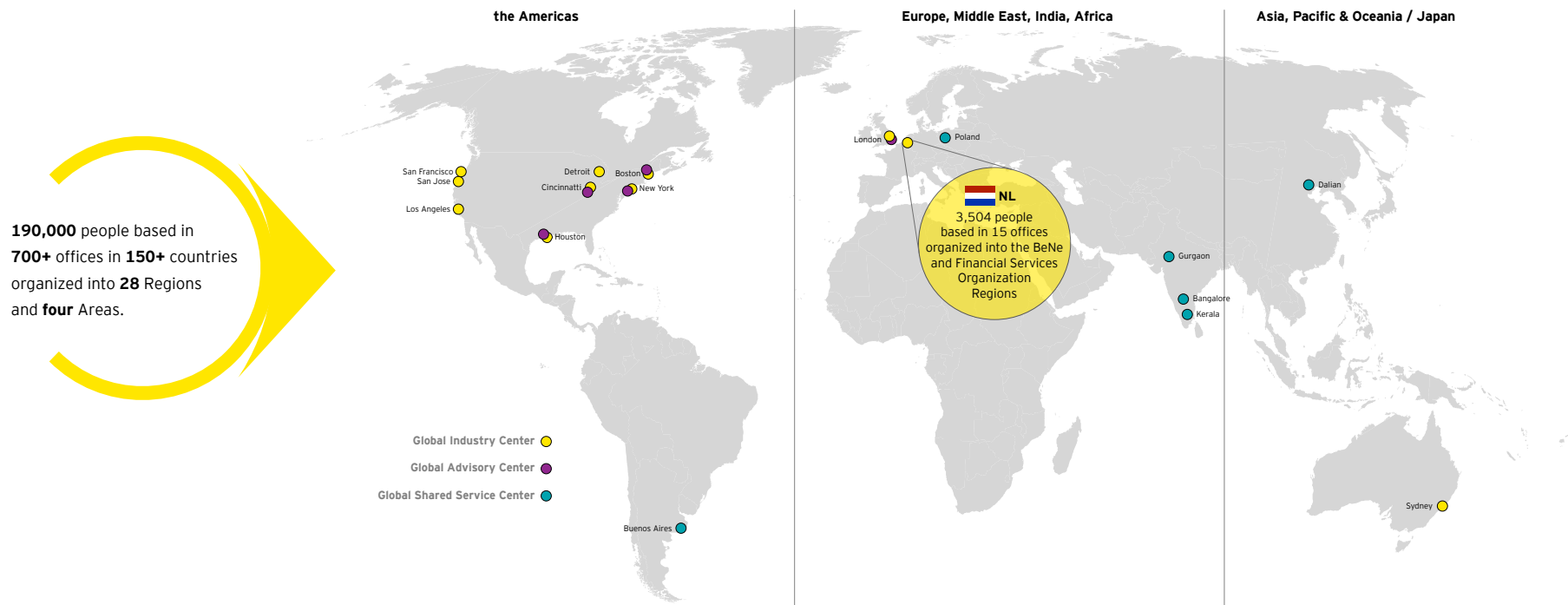
Profile

Highly integrated global organization

We are part of a strong global organization. To efficiently and effectively meet our clients' demands for multidisciplinary services of the same recognizable quality everywhere in the world, EY has a highly integrated global organization. We are able to bundle exceptional knowledge and experience efficiently and select international teams that meet client needs promptly. EY operates in more than 150 countries around the world.

Global governance

In consequence EY's organisation's governance structure has been designed at international level. We distinguish ourselves by our global scope, our global structure and the fact that we have clear decision making levels, in addition to communal investment in technological innovation. For example, our international and national governing bodies decide on the appointment and dismissal of the members of the Dutch Board of Directors and leadership team. This international organization gives us an important competitive edge, as our governance structure increases our agility in our relationships with large multinational clients and benefits the quality of our services.



Key figures

Combined statement of Ernst & Young Nederland LLP and Holland Van Gijzen Advocaten en Notarissen LLP

FINANCIAL (€ million)

Revenue

	2013/2014	Δ	2012/2013*	Δ	2011/2012	Δ	2010/2011	Δ	2009/2010	Δ
Assurance	289	1%	287	0%	288	-2%	293	-5%	309	-4%
Tax	241	1%	238	3%	229	-2%	234	1%	231	-3%
Advisory	89	3%	86	3%	84	11%	75	-9%	82	-18%
Transaction Advisory Services	30	-29%	43	26%	34	1%	33	13%	29	-5%
Rendering of services	649	-1%	654	3%	635	0%	636	-2%	652	-6%
Corporate Business Services (Other income)	25	7%	23	-20%	28	47%	19	25%	15	459%
Total	674	-1%	677	2%	663	1%	655	-2%	667	-4%

Financial results

Operating profit	146	21%	121	-3%	125	-16%	148	-8%	161	-2%
Income available for distribution	114	0%	114	25%	92	-19%	113	-8%	122	-2%
Average partner income (in €000)	511	1%	505	28%	394	-18%	481	-6%	513	-2%

PEOPLE

Average number of FTE staff and partners

Client serving staff	2,754	4%	2,660	-3%	2,748	4%	2,630	0%	2,641	0%
Support staff	526	-30%	750	-10%	831	-5%	875	-11%	981	-19%
Total staff	3,280	-4%	3,410	-5%	3,579	2%	3,505	-3%	3,622	-6%
Partners	224	-1%	226	-3%	232	-1%	234	-2%	238	0%
Total	3,504	-4%	3,636	-5%	3,811	2%	3,739	-3%	3,860	-6%

ENVIRONMENT

Emissions (tCO₂)

Car travel	11,250	-7%	12,120	-5%	12,698	-1%	12,820	-4%	13,418	-6%
Air travel	2,003	15%	1,747	5%	1,659	-9%	1,824	31%	1,394	9%
Train travel	104	17%	89	-9%	98	11%	88	6%	83	-25%
Total travel	13,357	-4%	13,956	-3%	14,455	-2%	14,732	-1%	14,895	-5%
Paper usage	115	-5%	121	-15%	143	-1%	144	-11%	161	-13%
Waste	300	-40%	503	31%	384	-	n/a	-	n/a	-
Energy consumption, offices	2,503	-37%	3,975	10%	3,627	-22%	4,660	-32%	6,823	-20%
Total	16,275	-12%	18,555	0%	18,609	-5%	19,536	-11%	21,879	-10%

* 2012/2013 are restated

About EY

Dialogue with stakeholders on value creation

EY gives high priority to a constructive and pro-active dialogue with its stakeholders. Why? Because we are part of society and an active player in it. And, more importantly, because we acknowledge our corporate responsibility. Trust and confidence in our company also depends on communication and the way we interact with our stakeholders. This is why we listen to our stakeholders and inform them about the progress and challenges in our efforts to further improve the quality of our work. That is why we emphatically seek to connect with our clients, supervisors, public authorities, knowledge institutions, regulators, politicians and civil society organizations. It helps us to get better insights in their expectations. We make an active contribution to the public debate and are eager to know what is going on in the market, which issues are important and what challenges present themselves. And we go further. We initiate discussion, actively engage in dialogue to gain insight into particular problems and seek solutions. We think it is important to share with our stakeholders the insights into trends and underlying factors and knowledge we gain, thus creating added value.

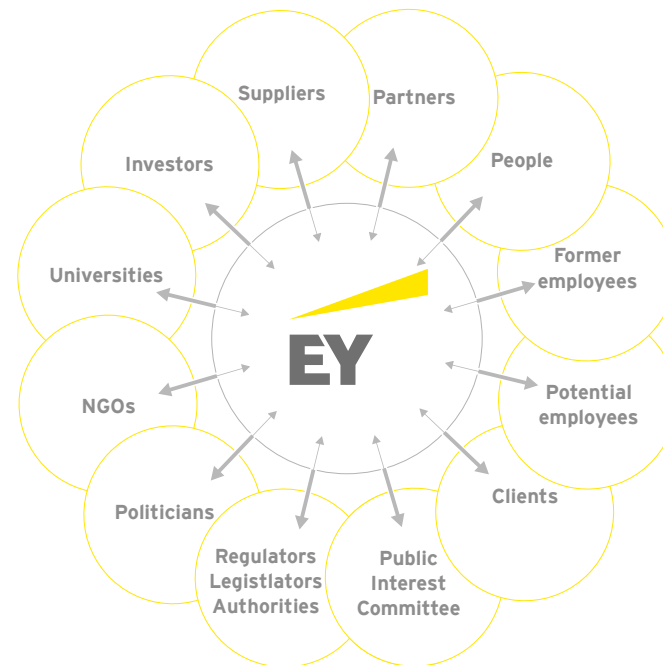
We have used input from internal and external stakeholders to draw up this Integrated Annual Review in line with the guidelines of the International Integrated Reporting Council (IIRC). Last year we assessed the impact of key issues on stakeholders and EY by means of a 'materiality assessment'. We asked our stakeholders to name our key added values for the external environment and related factors that influence our value creation.

We established a Stakeholder Dialogue Steering Committee in the past fiscal year. It is tasked to ensure that we have strong and positive relationships with our stakeholders and manage the dialogue with them. Between September 2013 and January 2014 it organized a series of 'dialogue events' that served as a forum where experts from various fields could share their ideas with us.

Various meetings and roundtables focused on stakeholder views on the public interest and the way the auditor should prioritize and serve it.

A dialogue event with employees was organized in November 2013. For a more detailed overview of our dialogue with stakeholders we refer to the stakeholder dialogue in the GRI G4 Content Index 2013/2014.

Dialogues confirm the material topics and the results were important input for the leadership team to select and prioritize the focus areas dealt with in the report.



About EY

Dialogue with stakeholders on value creation

The year saw a shift in materiality, partly on account of the impact of legislative and regulatory changes and the public debate about the audit profession. As a consequence leadership spent additional time and resources to address quality, independence, integrity, audit firm rotation including services switch (audit vs. non-audit), ViO (Verordening inzake Onafhankelijkheid van Accountants bij assurance-opdrachten) and our governance model. These topics are highlighted in the report.

As a member of the Netherlands Institute of Chartered Accountants (NBA), we actively contributed to the NBA Working Group Future of the Audit Profession (Werkgroep Toekomst Accountantsberoep) and its Steering Group. The NBA report "In het publieke belang" was published on 25 September 2014. On that day also the report "Uitkomsten onderzoek kwaliteit wettelijke controles Big 4-accountantsorganisaties" of the Netherlands Authority for the Financial Markets (AFM), and "Bouwen aan vertrouwen" of the Erasmus University Rotterdam were published.

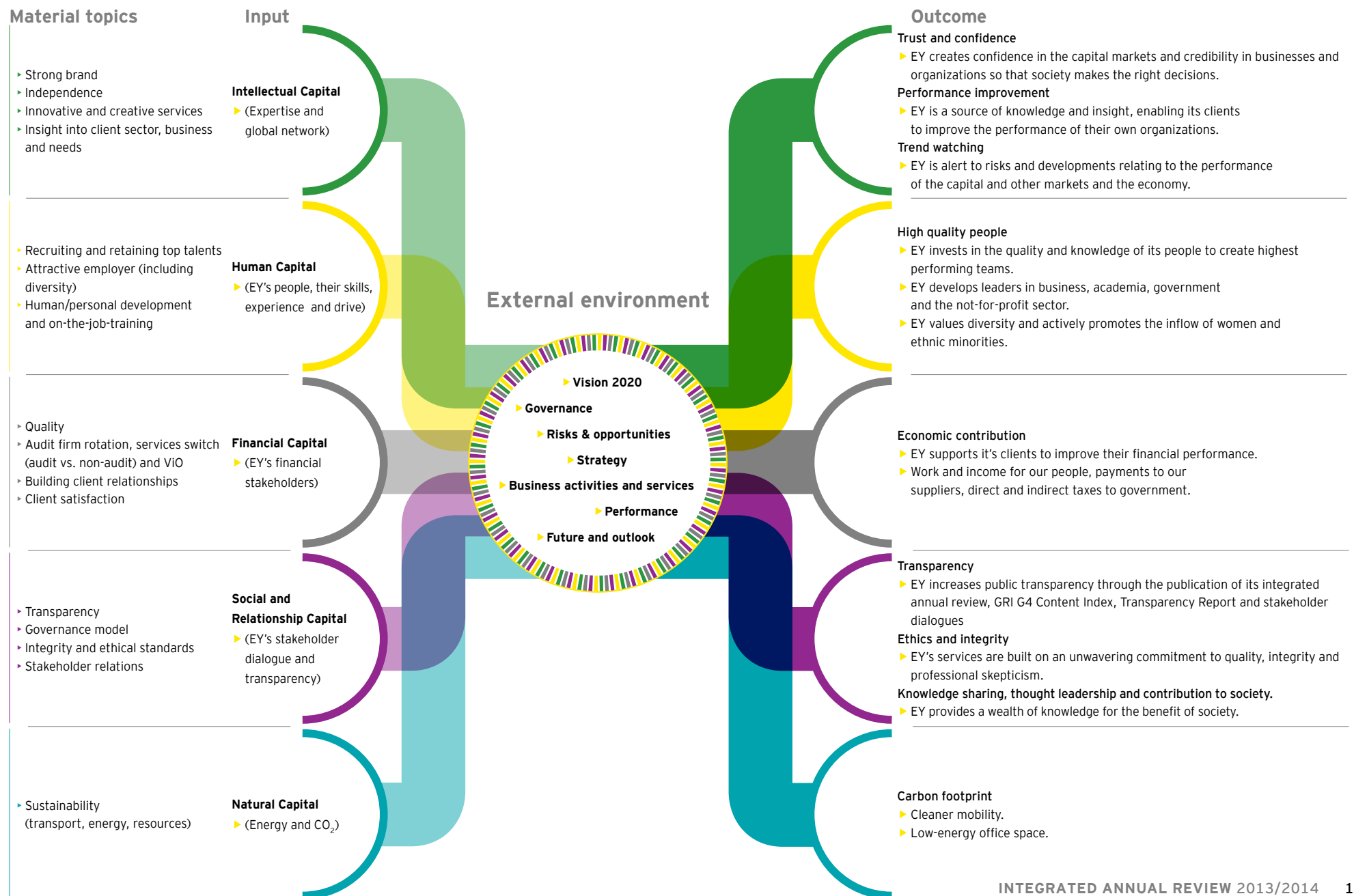
The material topics are also linked to EY's main strategic priorities and actions and KPIs. Further details can be found in the section entitled [About this report](#). Information about the Stakeholder Dialogue Steering Committee is included in the [Transparency Report 2014](#).

MATERIAL TOPICS

- | |
|--|
| ▶ Strong brand |
| ▶ Independence |
| ▶ Innovative and creative services |
| ▶ Insight into client sector, business and needs |
| ▶ Recruiting and retaining top talents |
| ▶ Attractive employer (including diversity) |
| ▶ Human / personal development and on-the-job training |
| ▶ Quality |
| ▶ Audit firm rotation, services switch (audit vs. non-audit) and ViO |
| ▶ Building client relationships |
| ▶ Client satisfaction |
| ▶ Transparency |
| ▶ Governance model |
| ▶ Integrity and ethical standards |
| ▶ Stakeholder relations |
| ▶ Sustainability (transport, energy, resources) |

Business model of value creation

We are committed to a multidisciplinary business model in a highly integrated global professional services organization because we believe an effective governance environment improves audit and advisory quality. It helps us create sustainable growth for our clients, attract and retain the best talent and it enables us to provide exceptional client service. In response to the outcomes of the stakeholder dialogue below we have detailed the capitals (resources) relevant to EY that determine our market value, how we create value, and the added value we generate for our external environment.



Strategic perspective: vision 2020 in the Dutch market



Building a better working world

Vision 2020 sets out our long-term strategy. Each year we evaluate the progress and assess the strategic priorities, performance indicators, performance in the fiscal year and the targets for next year. The table below shows our long-term strategy, strategic priorities, performance indicators and short-term performance and targets.

Premises

- ▶ Client-centric market approach built on four service lines
- ▶ Quality is fundamental to everything we do
- ▶ Business integrity
- ▶ Constructive and active dialogue with stakeholders

Vision 2020 ambition	Vision 2020 strategy	Relevant Capitals	Strategic priorities in 2014 / 2015	Performance Indicators	2013/2014 Performance	2014/2015 Targets
	MARKETS Focus on winning in the market <ul style="list-style-type: none"> ▶ No. 1 or 2 in terms of market share in our chosen services ▶ Best brand ▶ Positive and strong relationships with our stakeholders 	<ul style="list-style-type: none"> Financial Capital Human Capital Intellectual Capital Social & Relationship Capital 	<ul style="list-style-type: none"> ▶ Execute exceptional client service initiatives ▶ Grow revenue ▶ Invest in brand ▶ Foster stakeholder relationships 	<ul style="list-style-type: none"> ▶ Assessment of service quality ▶ Revenue growth ▶ Brand score ▶ Stakeholder relationship score 	<ul style="list-style-type: none"> ▶ 7.8 ▶ -1% ▶ Second place ▶ Starts in 2014/2015 	<ul style="list-style-type: none"> ▶ 8 ▶ 5% ▶ First place ▶ Positive and strong
	TALENT Create highest performing teams <ul style="list-style-type: none"> ▶ The most favored employer ▶ Attract, develop and inspire the best people ▶ Commit to a culture of world-class teaming 	<ul style="list-style-type: none"> Human Capital Financial Capital Intellectual Capital Social & Relationship Capital 	<ul style="list-style-type: none"> ▶ Intensify talent recruitment, retention and development program ▶ Implement teaming program ▶ Execute diversity & inclusiveness program 	<ul style="list-style-type: none"> ▶ Retention rate of above average rated individuals ▶ Engagement score ▶ Female ratio 	<ul style="list-style-type: none"> ▶ 93% ▶ 72% ▶ 40% 	<ul style="list-style-type: none"> ▶ 93% ▶ 73% ▶ 42%
	RISK MANAGEMENT & OPERATIONS Strengthen global, empower local <ul style="list-style-type: none"> ▶ Leading growth and competitive earnings to attract and retain world-class talent ▶ Press global advantage ▶ Empower local teams by enabling their success 	<ul style="list-style-type: none"> Financial Capital Human Capital Intellectual Capital Social & Relationship Capital Natural Capital 	<ul style="list-style-type: none"> ▶ Increase quality investments ▶ Promote culture of quality and integrity ▶ Execute independence control program ▶ Maintain operational excellence ▶ Execute corporate responsibility program ▶ Execute workplace of the future program 	<ul style="list-style-type: none"> ▶ Quality review rating 1 or 2 ▶ Number of proceedings ▶ Independence violation ▶ Operating cost ratio ▶ Emissions (corporate responsibility targets in GRI G4 Content Index) ▶ Workplace implementation 	<ul style="list-style-type: none"> ▶ 99% ▶ 17 ▶ 4% ▶ 78% ▶ 16,275 tCO₂ ▶ 18% 	<ul style="list-style-type: none"> 100% Reduce number of proceedings ▶ 0% ▶ 80% ▶ 16,100 tCO₂ ▶ 35%

COMMITMENT TO QUALITY

LIVE OUR VALUES

Letter from the Managing Partner



Our success is built on our relationships with our clients and stakeholders - relationships that are based on trust, integrity and the quality of our work. In our Assurance, Tax, Advisory and Transaction Advisory practices, our role is to build trust and confidence between economic actors and support organizations. This role includes not only the financial aspects of business, but also the social and environmental aspects. By doing so, we fulfil our role by building a better working world.

I feel privileged to be leading this firm during times of great change in our profession. My first year turned out to be a very challenging one. Our work in the past fiscal year was dominated to a great extent by mandatory audit firm rotation. In addition, we were given a clear order by the Dutch government and Parliament to present concrete proposals to restore society's trust in the audit profession. At the same time, we worked hard on implementing our Vision 2020: Building a better working world.

Last year we celebrated the 130th anniversary of our firm in the Netherlands. I am proud of our heritage, people and culture; the right ingredients for a successful future.

Restoring trust

Although EY is more than just an audit firm, the debate on the future of the audit profession is a priority for our entire organization. EY is fully committed to doing its part to regain society's trust in the audit profession and reaffirm the relevance of our work. This requires us not only to do our job properly and serve our clients to the best of our ability, but also to continue the dialogue with all our stakeholders and actively address ensuing areas of improvement. We have invested a great deal in systems, training and education, both in areas of technical competence and in non-technical and cultural fields.

We actively participated in the efforts made by the Netherlands Institute of Chartered Accountants (NBA) in defining measures to restore society's trust in the audit profession.

Our Transparency Report looks in detail at significant investments and improvements we made in audit quality and quality initiatives we launched during the year.

Our global structure: fit for purpose

I believe the firm that is best able to adjust to changing circumstances is the firm most likely to best serve the public interest and the interests of its clients. Through our unique integrated international organization we are not only able to serve our clients across service lines and geographies, but also to share knowledge efficiently and co-develop our services of the future. For our audit business this means that we can benefit from significant global investment programs for new audit tools. These tools are aimed to improve the quality of our work.

Our Point on the Horizon: Vision 2020

Last year we started implementing our Vision 2020: Building a better working world. It is based on the belief that our services help make the world a better place through a better functioning business society - one with increased trust and confidence in business, sustainable growth, development of talent in all its forms, and improved collaboration. We work not just for our clients, but, above all, with them for the benefit of all society.

Letter from the Managing Partner

We must deliver exceptional quality. Our people determine the quality of the services we provide. We therefore offer them many opportunities for both professional and personal development. We keep our people fit by investing in their knowledge, which not only helps them in their current jobs, but will also be of great value to them in their future development; EY aims to offer its people an experience that lasts a lifetime.

Balanced business portfolio

We have been actively anticipating the changes we are facing in the market, whether they relate to mandatory audit firm rotation or new regulation such as the ViO (Verordening inzake Onafhankelijkheid van accountants bij assurance-opdrachten). We launched the 'Our New World' program with a view to coordinating our responses to the audit firm rotation regulations and ensuring compliance, quality, thorough preparation and the availability of the best team for the client. Although mandatory audit firm rotation is not yet over, I am pleased to note that our firm successfully won many audit and non-audit engagements during the year. We are confident that we will have a balanced business portfolio with both audit and non-audit clients once rotation is fully implemented in 2016.

I strongly believe that our firm is well positioned to help build a better working world. Our financial position is strong and robust. It gives us the scope to continue investing in quality and vigorously continue on our chosen route.

Solid performance

The fact that we were able to realize a solid financial performance is due largely to the fitness and flexibility of our organization. Notwithstanding the continued pressure on fees, improved demand resulted in an increase in revenue of our Assurance, Tax and Advisory businesses. Our Transaction Advisory practice, on the other hand, reported a drop in revenue as a consequence of the weak M&A market.

Overall, we achieved €674 million in revenue, which is only marginally lower compared to 2012/2013. Costs remain firmly under control, which means we have created sufficient room to allow for continued investing in our people and the quality of our services. Profit increased to €138 million. After adjustment for a €23 million one-off charge in 2012/2013 relating to our office space reduction program and €5 million lower cost from the one-off impact in 2013/2014, underlying profitability at €133 million was slightly below 2012/2013 level.

The current economic climate naturally force us to remain alert. In the challenging market circumstances we expect our revenue to increase slightly in 2014/2015.

To conclude

This was the year in which our people once again demonstrated their relentless dedication, agility, discipline, vitality and drive. This makes me proud. On behalf of the partners, I would also like to thank all our people for their incredible hard work and professionalism in 2013/2014. I would also like to thank our clients and stakeholders for their continued support and trust.

Marcel van Loo
Country Managing Partner, EY The Netherlands

Winning in the market

Deliver exceptional client service

Exceptional client service

In a world that's more complex and dynamic than ever before, clients expect to be served by the right team of professionals, regardless of service line or geography. It is not enough to be technically excellent – our clients want professional service providers who are connected to their business, responsive to their needs and insightful about their sector and the challenges they face. To deliver on this, we have united all of our people around the concept of exceptional client service. Exceptional client service is about EY professionals being the most connected, responsive and insightful in the marketplace. Connected means bringing all of EY to our clients with the right people in the right locations, building trust and enriching relationships.

Responsive means the desire and commitment of every person in EY to be proactive, visible and timely.

And insightful means sharing EY experiences and a point of view tailored to the clients' situation, thereby advancing their thinking.

Exceptional client service

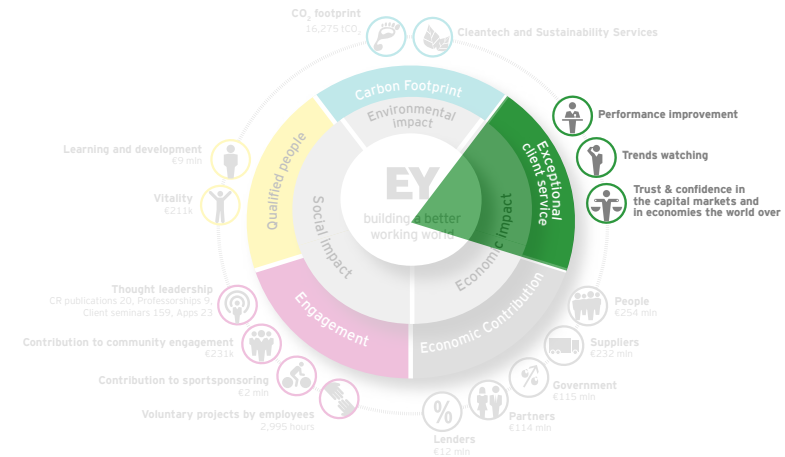
To deliver on our promise of exceptional client service we are embedding it in everything we do. Specifically, we are:

Embedding exceptional client service attributes into how we measure quality.

Revising our training programs and performance evaluations to incorporate exceptional client service as a minimum baseline expectation for our people.

Defining exceptional client services as one of the six critical metrics for managing our business.

To be successful, exceptional client service has to be more than something we say we do – we have to demonstrate it every day. Exceptional client service is a fundamental part of how we operate, both strategically and tactically.



Our new world

Actively anticipate the changes in the market

A strict segregation between audit and non-audit services provided to Dutch-based public interest entities ("PIEs") took effect on 1 January 2013. In addition, effective 1 January 2016, mandatory audit firm rotation will apply to Dutch PIEs if an audit firm has audited the financial statements of such a PIE for more than eight years prior to 2016. Furthermore, the NBA introduced the ViO effective 1 January 2014. The ViO includes, among other provisions, a further segregation between audit and non-audit services to Dutch non-PIEs and executive rotation. Finally, the EU introduced mandatory audit firm rotation for EU PIEs (including transitional rules) effective 16 June 2014, segregation between audit and non-audit services effective 16 June 2016 and a fee cap on permissible non-audit services effective 16 June 2017.

Over the past years, we have made sound preparations. Long before the above legislation became effective, we set up strategic "Our New World" steering and working groups, which were tasked to guide our firm through these times of change. Our objective is to have a balanced portfolio in channel 1 (audit services) and channel 2 (non-audit services) by 2016.

Winning in the market

Our new world

To date we are half way and we feel confident about our results. We will lose our dominant audit position in the financial services market in respect of channel 1 engagements, but we have heavily invested in our channel 2 propositions for this market. Moreover, we achieved great wins in the non-financial market, including amongst others, Boskalis, Heijmans, KPN, NS, Ordina, Philips, PostNL, TomTom and VION (in alphabetical order), thus securing our overall market share in channel 1.

We also made substantial progress in the channel 2 part of our business. Quite a few companies issued a tender for their non-audit work, often following the audit tender. EY has been quite successful at accounts where we are rotating off the audit engagement, or where we are continuing our existing non-audit relationship. Additionally, we have created new yet solid relationships at accounts in which EY did not have a large footprint prior to the rotation.

We are proud to say that by achieving the right balance between audit and non-audit revenues, the net effect is positive for us as a firm.

Trusted business partner for entrepreneurs

We support our clients, both in the private sector and in the not-for-profit and public sectors. We are aware of the economic, social and environmental opportunities and challenges they face. Our traditional roles of creating trust in the capital markets and economies and advising clients how to improve operations have expanded in recent years to include the environment and society as well as finance and the economy. For our clients, it is important that their stakeholders understand how their entrepreneurship creates value and what impact it has on the environment and society.

We help them in the fields of sustainability reporting and integrated reporting. EY strongly believes in entrepreneurship; it is one of the greatest sources of sustainable economic growth.

By developing new products and services, implementing more efficient production methods, and creating new business models, it is a vital agent of change. It generates jobs, underpins local communities and builds prosperous societies. We invest in our relationships and are actively engaged in what matters to entrepreneurs. We have therefore taken a series of initiatives to support entrepreneurship throughout the business lifecycle, from start-ups to established companies.

EY Growth Navigator (EYGN), a journey to market leadership

Developing a growth strategy can be a complicated and challenging task for entrepreneurs. With its EY Growth Navigator (EYGN), EY has developed a dedicated, unique tool that encourages our clients to think beyond the typical approaches to growth.

It enables entrepreneurs to benchmark their current business practices against leading practices and gain valuable insights. These are brought to life with insights from leading businesses that provide new perspectives on how to approach key issues and identify opportunities for growth and plot the next steps on their journey to market leadership. The EYGN is scalable by size and opportunity, has been tailored to reflect specific industry challenges and includes insights into how top companies operate.

Every year we organize a variety of strategic growth forums to put businesses from all over the world in touch with each other at different phases in their lifecycles, from innovators to major multinationals.

Winning in the market

Trusted business partner for entrepreneurs

Support for innovation

Through [EYnovation](#) we offer entrepreneurs high quality services and access to our worldwide network and share relevant know-how. By doing so, we aim to support smart innovations that create sustainable profit. We are one of the initiators of the Startup boot camp High Tech XL (SBC HT), which gives the best hightech start-ups from all over the world an opportunity to accelerate their operations in three months' time. www.startupbootcamp.org/programs/hightechxl.html.

Together with the Amsterdam Center for Entrepreneurship (ACE) and FastForward Futures we organize the Growing Beyond master classes for entrepreneurs with growth ambitions. We also sponsor Yes Delft the high-tech business center of Delft University of Technology. The center encourages students, professionals and academics to take their first steps on the path to entrepreneurship. Furthermore, we sponsor the incubator of ACE@Science Park, which prioritizes innovative, high-tech start-ups.

A stage for entrepreneurs

In May 2014 we launched [EYentrepreneurship.nl](http://www.eyentrepreneurship.nl), a platform for inspiration and relevant information for and by Dutch entrepreneurs. Since successful entrepreneurship does not just happen by itself, we offer entrepreneurs a stage to share their experiences and gain new insights and inspiration <http://www.eyentrepreneurship.nl/nl/home>.

Growth of family businesses through dedicated focus

EY has traditionally been the global market leader among family businesses. We offer a wide range of professional services tailored to the unique needs of these businesses and their successors. In the Netherlands, family business advice is provided from a center of excellence that creates value for our clients, many of whom are owner-directors who need an adviser to act as a confidant and sparring partner. We have anchored our knowledge and insight into success factors, such as capital management, talent management and retention, and preparation for the next generation, in the 'DNA business model'.

Our dedicated family business team saw a further increase in the number of engagements during the year. We take an integrated approach that combines both the business angle and the family nature of the business.

Although business succession remains an important theme, more and more attention is being paid to family governance and wealth management. To serve family businesses effectively, we have set up a separate taskforce to help them with their wealth management and set up family offices if required. We support existing family offices in handling tax and legal issues and with transactions.



Winning in the market

Trusted business partner for entrepreneurs

Junior Academy

The next generation is sometimes unsure that following in their parents' footsteps is right for them. Especially for them, we have established the Junior Academy program to show them how exciting, interesting and varied business can be. The Junior Academy is an exclusive, one-week training course for 16-32-year-olds from family businesses. The course has been especially designed for the next generation of entrepreneurs and leaders of family businesses. It combines the knowledge of internationally renowned business schools with the practical experience of EY. In small international groups throughout the world, the young entrepreneurs take part in a program tailored to their age category: Push your limits! (16-20-year-olds), Junior Academy Advanced Program - seize the opportunity! (20-25-year-olds) and Junior Academy Excellence Program - make a difference! (25-30-year-olds). We ensure the participants remain in contact with each other after the course through [The NextGen Club](#). Interest in the [Junior Academy](#) last year was greater than ever before, including 15 participants from the Netherlands.

Rewarding successful entrepreneurship

The Entrepreneur Of The Year award is the most prestigious election for successful entrepreneurs in the world. It is presented every year in more than 50 countries. In the Netherlands, the EY [Entrepreneur Of The Year award](#) was presented for the 18th time last year. The award recognizes and rewards successful entrepreneurs so that they can inspire and encourage others with their vision, passion, conviction and excellent leadership.

Entrepreneur of the year 2013/2014

The Entrepreneur Of The Year award features three categories for businesses in different phases of their economic lifecycles:

- ▶ Emerging Entrepreneur of the Year (entrepreneurs who have been active for less than ten years)
- ▶ Accelerating Entrepreneur of the Year (growth accelerators)
- ▶ Master Entrepreneur of the Year (established companies). The winner of the Master category goes on to compete for the World Entrepreneur of the Year title.

In 2013/2014 the winners in the Netherlands were:

Emerging category:	Pieter van der Does - Adyen
Accelerating category:	Machiel en Harm Roelofsen - Rotra
Master category:	Chris Ouwinga - Unit4

Winning in the market

Market performance and trends

Revenue Industries (€ million)	2013/2014	2012/2013 ²	Δ	Δ% ¹	Notes	Observations of trends in the sector
Financial Services	168	176	-8	-4.7%	► EY is the audit market leader in this sector. Performance reflects the impact of both mandatory firm rotation (pressure on audit revenues) and the ban on non-audit services for audit clients (pressure on non-audit revenues). Significant investments in Advisory services mitigated the overall decline in total revenues.	► Impact of regulations and compliance rules ► Risk management and cost control to support profitability levels ► Regain stakeholder trust ► Data integrity and (integrated) reporting ► Cybercrime and security
Consumer Products & Retail	74	72	2	2.3%	► Growth through sharper focus and consistent go-to-market client engagement approach. Increase in consultancy work on transformation projects due to consumer products companies facing an unprecedented environment of constant change and spiraling complexity in which the traditional consumer products operating model is no longer fit for purpose.	► Transformation, cooperation and innovation are increasingly important, in all sorts and shapes ► Increased focus on realizing profits in emerging markets ► Sustainability is coming to the fore (food safety, sustainability as business driver)
Energy & Resources	70	71	-1	-0.9%	► EY is the market leader in audit services in Oil and Gas. Ample growth opportunities exist with regard to Advisory services, in particular in Chemicals and Power and Utilities. Our growth rate, however, has been hampered by tight resources.	► Dramatic cuts at EU chemical plants in favor of USA and China ► Energy transition, how to switch to green decentralized energy generation ► Shale gas in the USA changing the dynamics of the EU market: supply and demand
Technology & Telecommunications	64	69	-5	-7.5%	► EY realized further growth in the technology sector and benefited from its leadership and initiatives such as the Startup bootcamp High Tech XL. However, there was a sharp drop in revenue from the Telecom sector owing to setbacks of projects.	► Big data: security issues ► Data: speed of innovation & privacy: companies must innovate faster or someone else will go to market first ► Integrated sustainable supply chains
Government & Public	51	48	3	6.7%	► EY again realized growth in this sector, especially in the advisory services segment and in FAAS due to more stringent regulations and decentralization. EY also won several audit clients.	► Transfer of tasks from central to local authorities ► Corporate income tax ► Municipal cooperation, economies of scale ► More stringent regulations leading to higher costs
Healthcare & Life Sciences	51	47	4	9.6%	► EY achieved clear growth in this market sector by winning new audit clients and further strengthened its strong market position in Assurance and Tax. TAS and Advisory are growing fast.	► Pressure on costs and quality resulting in change in Healthcare ► Strong regulations from regulatory bodies ► Uncertainty financial statements in cure and mental care ► Emergence of new forms of cooperation in the provider care ► Increasing power of health insurers and municipalities ► Pharmaceuticals adapting to changing models in Healthcare
Real Estate, Hospitality & Construction	46	45	1	0.3%	► Whilst the aftermath of the economic crisis is still severely impacting our clients in this sector, especially in construction, EY's results for the year remained in line with the previous year's results. Price pressure was compensated for by new wins and new service offerings, in particular in construction and corporate real estate.	► Interest in real estate from private equity funds is picking up ► Real estate valuations are being followed with extreme scrutiny ► Infrastructure projects create 'in-control' and contract management issues for construction companies ► Quality, risk management, good governance and integrity are key to the sector as a whole
Other, including Transport & Logistics and Industrial Products	150	149	1	0.9%	► Revenues for in the Transport & Logistics industry stayed behind compared to last year. The revenues for the Industrial Products Industry remained at the same level as last year.	► The 'other market segment' reflects the general state of our economy, which is still fragile
Total	674	677	-3	-0.5%		

1) Percentages based on precise revenue amounts.

2) Reclassification of revenues due to reallocation of customer accounts of industries.

Winning in the market

Thought leadership

Research and education

We continue to play an active role in research and education with a view to developing and disseminating knowledge. We encourage our staff to affiliate themselves with a university or higher education college and are closely involved in a number of graduate and postgraduate programs such as those offered by Erasmus University Rotterdam, Tilburg University and the University of Groningen. We believe it is crucial for students to combine academic knowledge with practical experience and welcome various students as interns and trainees on an ongoing basis. More specifically in relation to corporate responsibility, Jan Peter Balkenende is a professor of Governance, Institutions and Internationalization at Erasmus University Rotterdam. A total of nine EY partners/managers hold chairs at universities in the Netherlands and abroad ([see GRI G4 Content Index](#)).

We actively share our knowledge with our clients and other stakeholders, in part by organizing seminars, courses, lunch meetings and workshops. An example is the EY Tax Academy we set up this year. It holds regular webinars and seminars for clients and other business contacts who want to learn more about taxation and keep up to date with current legislation and regulations.

Dutch Sustainable Growth Coalition (DSGC)

To promote sustainable growth business models we facilitate the Dutch Sustainable Growth Coalition (DSGC) launched by a group of eight Dutch multinationals (Unilever, DSM, AkzoNobel, FrieslandCampina, Philips, Shell, KLM and Heineken). In their view, financial and economic growth are directly related to social and societal gains. DSGC develops and shares knowledge in collaboration with other platforms, such as the World Economic Forum. In October 2013 it launched a publication to explain how corporate sustainability and responsibility can be integrated into corporate governance at large enterprises. [Leadership and Corporate Governance for Sustainable Growth Business Models](#)

We think it is important to present ourselves as an open organization that disseminates knowledge and discusses relevant themes with our stakeholders for the benefit of our stakeholders. Good examples are our Tomorrow's Economy seminar and the Hofstad lecture, an intellectual platform for decision-makers from the public and private sectors to discuss pressing issues in society.



Creating highest performing teams

Our people

The quality of our services depends on the professionalism, personality, competences, values and integrity of our people. Creating the highest performing teams is one of the pillars of our Vision 2020 strategy. We gave high priority to three aspects of the program during the year:

- ▶ EY Experiences
- ▶ World Class Learning
- ▶ Teaming

Our Diversity & Inclusiveness and Vitality programs complement our vision, as does our Workplace of the Future program.

The average number of FTEs in the year under review was 3,504, including 224 partners, against 3,636 FTEs including 226 partners in 2012/2013.

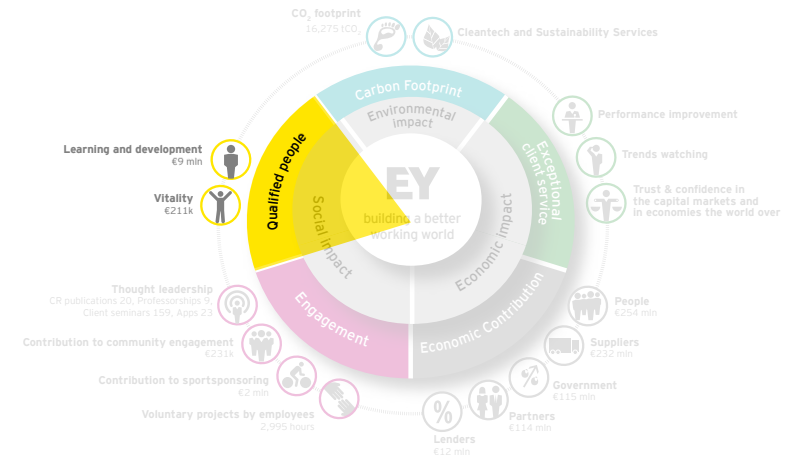
We took on 725 new people and bade farewell to 644.

Our client service staff grew by 4% due to a higher activity level. The number of support staff decreased by 30% due to, amongst others, the outsourcing of facility services and leveraging of our global shared service centers.

EY Experiences: people who make the difference

We want to become the most favored employer in our industry, offering a working environment where people can work to the best of their ability. We want to retain our top talent for as long as possible and help our people grow in a way that is valuable for their career. By nurturing a culture that attracts and retains the very best people and helps them grow, we can offer our clients an even better service. Our people have the opportunity to work on complex issues, enjoy wideranging training and gain a great deal of experience, both inside and outside the Netherlands.

The insights and expertise they accumulate will benefit them throughout their careers; even if they decide to work outside EY at some point, our connection with them remains.



Working for EY is a life-long relationship. We enjoy keeping in touch with our former colleagues. The alumni network <http://www.ey.nl/alumni>, for example, has benefits for both them and us. Our alumni platform is part of the EY Experience and we have already organized several successful events.

We strengthened the EY Experience further during the past year by enhancing our appointment policy and introducing more differentiation in our remuneration policy. Exceptional talents can now progress and advance their careers more rapidly than others and can even delay or interrupt their careers.

To strengthen the EY Experience we encourage our top talent to widen and deepen their experience across service lines, sectors and geographical locations at home and abroad. Our high potentials undergo extensive training so that they can work in a wide range of areas and draw on a wealth of knowledge in many disciplines. This has the added benefit of making the work even more attractive. Working in a variety of disciplines and gaining wide experience abroad turns our people into better professionals, which in turn has a positive impact on their interaction with clients. We tailored our mobility program even more closely to the development of top talents during the year.

Creating highest performing teams

Our people

Our Global Exchange program gives high performing seniors and managers the opportunity to go on 18- to 24-month international assignments before returning home to share the lessons learned with their colleagues. Additionally, many of our people undertake international assignments or transfers outside our programs in order to fill a business need. In 2013/2014, 54 people undertook international assignments.

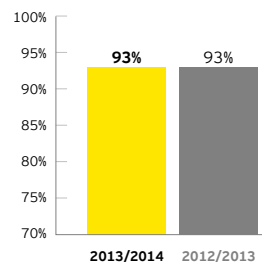
Studying outside the busy season

We are fully aware how difficult it is for our people to strike a balance between clients, study and personal life during busy season. To help them we have consulted the universities and moved the training programs. Exams and study hours now take place in the low season wherever possible so that the participants have more time to study. We expect this will increase the likelihood of them completing their study successfully.

Good score as an employee

Our retention rates for top talents are a testament to our success. We succeeded in retaining 93% of our above average rated talents during the year.

●● Retention rate above average rated people



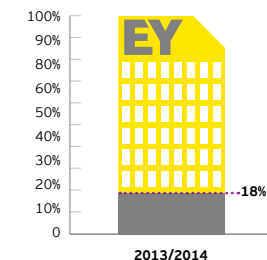
The success was confirmed by our staff satisfaction survey. Last year we scored an engagement score of 70% favorable, and in the mid-year People Pulse in May 2014 we scored 72%. Highly engaged teams achieve a higher revenue, retain more talent and create a highly rated brand. External surveys also confirmed that people like working for us and appreciate us as an employer.

A survey quoted in Careerwise magazine as well as a survey by Universum acclaimed EY as the most attractive employer among the Big 4.

Workplace of the Future

Our people are increasingly working outside the traditional office environment: at a client site, at home, across borders and on the move. This means that we need to reconsider how we use our office space and the technologies and behaviors that support how our people work. To enable flexible working we have redesigned a number of workplaces at several offices. Our offices in Amsterdam (two test floors), Utrecht, Groningen and Leeuwarden were the first to be fitted out as a 'Workplace of the future'. This represents 18% of our workplaces. This program was launched to enable a trust-based, work-anywhere environment that supports the delivery of exceptional client service and helps attract and retain the best talent. We will redesign our other offices along the same lines in the years ahead.

●● Workplace of the future implementation



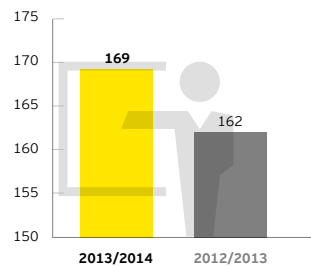
Creating highest performing teams

Our people

Learning matched to development

Training and development expenditure during the year increased by 3% to €9.1 million (€2,601 per person, an increase of 7%). Particular attention was paid to Teaming, World Class Learning and EY Experiences. In total, we offer training programs ranging from one hour to several months. We are making more efficient use of education and training, for example by means of blended learning, a combination of contact learning and e-learning.

● Hours spent on learning and development per FTE (CSPs)



During the year we developed a multiyear program with a varied delivery mix that includes classroom, mobile, electronic and social learning, and aims to increase on-the-job learning.

Another important step taken during the year was to make learning and development more complementary. Learning no longer takes place at fixed points in the career path but when it is relevant. Staff now take training and development courses when necessary for their development. We are also making greater use of development assessments, looking at individual needs and qualities and what an individual must still learn to deliver the best performance as a team member.

More information on learning and development can be found in our [GRI G4 Content Index](#).

Global career development framework

Many of our learning and development programs are international by nature. We have a dedicated career development platform named EYU - EY and You. It is a holistic approach that interweaves learning, experience and coaching to help our people take ownership of their own potential, whether social, emotional or professional, and of their own personal wellbeing.

The approach enables people to improve their performance and optimize their career opportunities. It deepens knowledge, skills and competences by providing learning opportunities combined with on-the-job experience, and stimulates a coaching mindset that enhances every employee's daily interaction with clients, colleagues and superiors.

Teaming

Teaming will be one of the cornerstones of our talent policy in the years ahead. It supports our ambition of delivering exceptional client service.

To consistently select the right people to answer a client's needs, we have to learn to do more together, work with others to ensure a team performs to the best of its ability and not as a collection of individuals.

That is why we have prioritized social skills, diversity and inclusiveness. People who act inclusively not only believe that difference matters, they know how to integrate diverse perspectives. At EY, we hone these skills in all our people to help transform the diversity of our organization into a competitive advantage.

Creating highest performing teams

Our people

In our vision, the highest performing teams are made up of people with different but complementary competences and cultures. When we coach someone's personal development we look not only at the individual but also at the composition of the teams. How do people see themselves in the organization? What are their goals and what skills and competences do they need to attain them? What people and skills are we lacking and who can make a telling contribution to a team? In brief, what must someone still learn to meet the demands set by and for the team? Answering these questions had high priority during the year.

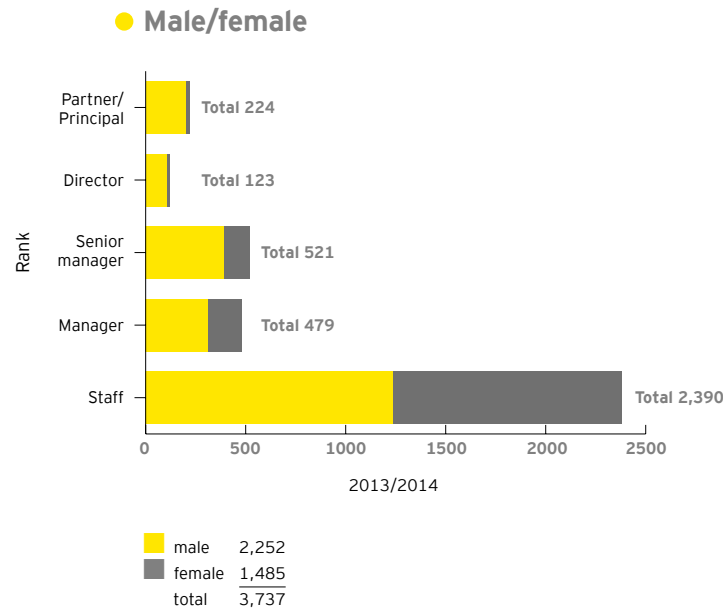
We also use fun ways to teach our people to be true team players. We invited them to register for the Fit2Team project during the year, part of our Fit4TheJob strategy. Teams were selected from among individual participants to carry out team assignments.

Participants also worked with colleagues from other service lines in order to learn more about our organization.

We believe that leveraging the individual strengths, talents and unique perspectives of each member of the team makes for better decision making. We embed inclusiveness in all our key processes, from how we define the expectations we associate with each level of seniority in EY to the metrics we use to measure our partners' performance.

We want our people to reflect the diversity of talent available in society at large. Organizations that successfully unlock the potential power of diversity will be those that make the difference in the future. We developed a series of programs to support diversity and inclusiveness in recent years such as our Career Watch program to retain female managers, senior managers and directors, our Top Parent program and Women's Leadership programs.

Headcount at the end of 2013/2014 shows a slight increase in women at senior positions but a slight decrease at lower positions.



Creating highest performing teams

Our people

A healthy mind in a healthy body

We continued our successful vitality program Fit4TheJob during the year.

Fit4TheJob is designed to make a lasting contribution to a healthy work/life balance. This is another successful program that is recognized in the figures; after completing the program, 83% of the participants said they felt fitter than when they started. This is also corroborated by the sickness absenteeism rate, which has fallen in recent years to the low level of 3.1% (FY 2012/2013: 3.2%).

Fit4TheJob now consists of six programs:

- ▶ Top Performer program for our partners;
this program explains how changes in conduct and circumstances can have an impact on health resilience and energy management.
- ▶ CXO-TPP: a top performance program for our clients' senior executives.
- ▶ At the Sports4You events we organized during the year, managers from EY competed against senior executives from our clients.
- ▶ Fit2Lead, a program to develop coaching skills.
- ▶ Fit2Team: continuous good performance requires not only a high intellectual level but also good mental and social capacities, especially when it comes down to highest performing teams. That's why we invest in team energy and team resilience.
- ▶ Top Parent program for young mothers and fathers re-finding their work/life balance after childbirth.

A number of our clients also participated in the Their Own Staff program.

Strengthen global, empower local

Service lines

Assurance

High quality audit is our priority

Audit firms play an essential role in our societies as providers of assurance. It is in the public interest that their audits and audit reports are reliable and relevant. At EY, this public interest of the performance of high quality audits is our absolute priority.

High quality audits are a necessary condition for a recovery of public trust in the work of audit firms and individual auditors. We firmly believe that further improvement of our audits depends mainly on continued positive change of the culture in our company. The road to better quality passes through the minds and hearts of our people. We are proud of our hard working, loyal, enthusiastic professionals. We have covered a long distance in our effort to improve. But, together, we have got to go the extra mile.

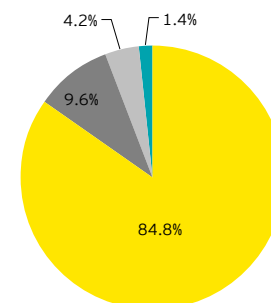
Moreover, we should realize that in a fast changing world such as ours, quality and trust are, in a sense, moving targets. From audit tools and reporting standards to expectations of our stakeholders and the laws governing our profession, nothing stays the same. The road to top quality, to better serve the public interest, to gain trust, is an infinite road.

Higher volume, more people and better quality

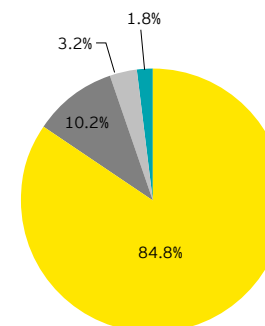
At Assurance the year was dominated by our focus on quality and mandatory audit rotation, with hundreds of Public Interest Entities (PIEs) in the process of planning to change audit firm.

The increase in the volume of hours was attributable in part to a higher number of engagements and hours spent on assuring the quality of our work.

Assurance
2013/2014



2012/2013



- Audit of financial statements
- Accounting Compliance and Reporting (ACR)
- Financial Accounting Advisory Services (FAAS)
- Fraud Investigation & Dispute Services (FIDS)

Revenue did not rise in step with the volume of hours due to a lower fee level. We took on new people to deal with the growth we are experiencing. Total assurance revenue was €289 million (2012/2013: €287 million).

Our audit practice performed well in all respects. On balance we won more engagements than we lost, both among listed companies at the top of the market and among clients in the middle market, where we have traditionally held a very strong position. Our specialized advisory services also reported growth in complex reporting and sustainability issues for non-audit clients. Cleantech and Sustainability Services (CaSS) performed well in the audit practice, with integrated teams working on sustainability reporting. We also provided more advice to non-audit clients on sustainability strategies and - especially - integrated reporting.

The results of internal inspections clearly show that there is an upward trend in quality and our investments are paying off. In addition, the outcomes of a recent external inspection show a lower number of engagement comments. Nevertheless, this is a never-ending journey and we will continue to make investments to improve further.

Strengthen global, empower local

Service lines

Stronger market position through mandatory audit firm rotation

Mandatory audit firm rotation had a particularly strong impact during the year. Completion of the work for current clients demanded a great deal of time and care; at the same time we had to invest a great deal of energy in proposal procedures for new clients. This greater pressure on the organization will continue in the current year. We prepared well for the changes and drew up a quality program to control the risks associated with audit rotation and to help our partners make proposals. We will assess the audit positions of new clients and secure the quality of transitional work and current audits in the organization. Furthermore, more non-PIEs are rotating auditors too as they consider themselves bound by the same regulations. Thanks to our thorough preparations and quality drive we managed to strengthen our position in the audit market and grew in the listed companies segment. One outcome of these changes will be a partial shift in our audit clients from financial institutions to other industries.

Remaining in dialogue with stakeholders

The Public Interest Committee, consisting of three independent members, got off to a good start in June 2013. The committee members oversee the embedding of quality and the public interest in the audit organization. They entered into a dialogue with many parties inside and outside our organization during the year; their report is included in the Transparency Report.

We intensified and structured our stakeholder dialogue with the establishment of a Stakeholder Dialogue Steering Committee. The chairman of our CPB is a member of this steering committee. We held a series of roundtable discussions with shareholders, non-executive directors, CEOs, CFOs and regulators, as well as a small number of meetings in a private, informal setting with politicians, regulators and academics to discuss their views on the public interest.

Where appropriate, we introduced the 'public interest' subject from our stakeholder dialogue in other external events EY organizes. In a number of internal and external publications, we reported on the stakeholder dialogue, made suggestions and put forward our opinions on the way the audit should put the public interest first.

We fully support the new-style auditor's opinion. It is more informative and provides a clearer way for the auditor to summarize the key audit matters and to explain what matters received special audit attention and why.

We issued the new auditor's report to the executive boards and the supervisory boards of all our PIE clients. Several listed companies also included the new auditor's report in their annual report. Furthermore, we stepped up our presentations at shareholder meetings and provided a detailed presentation of our work, generally supporting it with slides.

Investing in broad-based training for our people

We are investing in quality to create a culture defined by professionalism, diversity and teaming, thus contributing to a better audit quality and increased public trust. To reinforce the added value and quality of our audit services, we must train our people across a wide range of areas and provide them with knowledge and experience in a variety of disciplines. We will therefore introduce a program to gain a broader experience and deepen their understanding. The program will widen their horizons and improve their client interaction skills. Not only will it enhance the quality of the audit, it will also make the work experience more attractive.



Strengthen global, empower local

Service lines

Making the audit more relevant and insightful

At global level our audit methodology has been completely reviewed to improve audit quality. Our investment in the greater use of analytics enables us to capture, analyze and interpret vast quantities of audit data to support strong, fact-based audit conclusions and higher-quality audits. By analyzing entire data populations, we will bring new discovery techniques and unique evidence to our audits, enabling our auditors to better identify financial reporting, fraud and operational business risks. In combination with our advanced analytics, it will help increase value beyond the traditional audit. In addition, with greater ability to identify risks, obtain new evidence and generate unique insights from advanced analytics, we can enhance the confidence in our audits upon which all stakeholders rely. We will roll out the new audit methodology in 2015.

We strengthened the quality of our organization on all fronts during the year. More information can be found in our [Transparency Report 2014](#).

Strengthen global, empower local

Service lines

Tax

Strong performance in international tax advisory practice

Our Tax practice showed a stable development. Revenue was €241 million (2012/2013: €238 million).

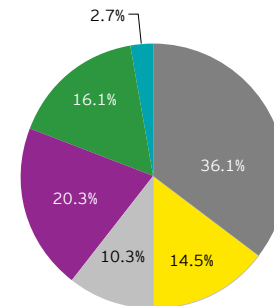
Growth was realized in our international tax advisory practice. Our Global Compliance & Reporting practice also showed a positive development in global engagements. This multidisciplinary service insources, coordinates and prepares the tax returns and financial statements of our global clients, and advises on their tax compliance. Performance in the top-of-the-market listed accounts segment was stable. Business Tax Services had a difficult year due to pressure on fees especially in the national practice. Our Human Capital Business reported a stable development. Indirect Tax Services group incurred a small decline in volume.

Holland Van Gijzen Advocaten en Notarissen (HVG), the law firm with which we have a long-term strategic alliance, again had a stable year reporting an increase in revenue of €1 million to €39 million.

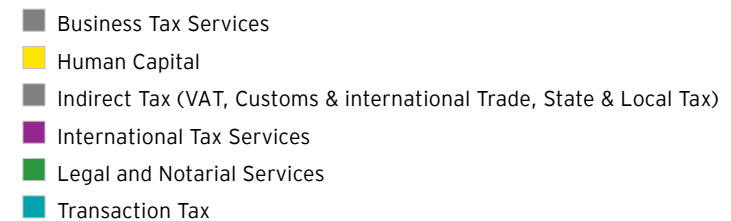
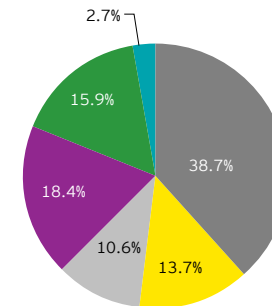
Providing trust to business society: sharper focus on compliance and quality

Our service offering is becoming even more responsive to globalization and the more complex fiscal climate in which our clients operate. Globalization, regulation, corporate governance and increased transparency under growing social pressure from NGOs, investors and the media are just some of the challenges facing our clients. We assist our clients to ensure that they are ready to meet the requirements that are currently being developed by the OECD in the Action Plan on Base Erosion and Profit Shifting.

Tax
2013/2014



2012/2013



By providing more information on their tax positions and strategies, our clients can increase their transparency and have an open dialogue with stakeholders. As an independent adviser we help our clients with their reputation management by mapping out their tax footprint, outlining their tax strategies and analyzing the total burden of direct and indirect taxation levied by authorities at national, regional and local levels. Our integrated approach puts compliance at the heart of corporate governance and risk and reputation management so that the client is more firmly in control.

This development can also be seen in our Tax Performance Advisory services to strengthen our clients' tax control framework. Our specialists help tax departments remain in control by providing them with a robust reporting framework, effective protocols and an efficient tax function.

Strengthen global, empower local

Service lines

More demand for one service provider of global compliance and human capital services in the future

Multinationals are giving ever higher priority to compliance and are increasingly opting for a global rather than a national service provider to standardize their compliance processes. This trend was particularly pronounced in the second half of the year, with a sharp increase in requests for proposals for both global compliance and international human capital engagements. The growth is being fed by mandatory audit rotation, which is prompting many enterprises to reconsider their Big 4 strategy and new advisers.

Human Capital is enlarging its service offering to extend well beyond tax advisory services. It advises on performance and reward and on global immigration services for expats, arranging their residence permits, work permits, housing permits, etc. We help human resources departments improve their performance by advising on remuneration and assessment systems. To this end, cooperation with our Advisory service line will be intensified.

As a highly integrated global organization, EY commands a strong position in the current market. We can mobilize people quickly to provide comprehensive advice and assistance to our clients wherever they are and, very importantly, deliver our services to recognizable, uniform standards throughout the world. Not only multinationals benefit from this approach, internationally operating small and medium enterprises also enjoy the benefits.

Data analytics to strengthen control and improve quality on transparency

Clients that are in control are in a better position to execute on their tax strategy. Data analysis is growing in importance. Our Quantitative Services group is playing its part by improving our clients' fiscal processes and making them more transparent. EY deploys a wide range of innovative tools to make data analyses that help resolve diverse international fiscal problems. Advanced IT applications enable us to identify irregularities in our clients' data, bring illogical outcomes to light and trace errors. We can then advise on improvements that can be made, thus enabling our clients to work more efficiently. Good analysis strengthens compliance owing to the greater transparency and better risk control, and enhances the quality of fiscal reporting.

Continuous investment in training, quality and knowledge sharing

We continuously invest in the quality of our people. We have developed a corporate fiscal training program for staff who have been with us for less than five years. We also expect all our new people to gain experience in one of our other tax specializations in their first three years so that they can widen their professional know-how and deepen their understanding of our organization. And more important, of the many tax matters relevant to our clients. Our Tax Academy is also open to clients. We invest in professional consultation and in reviews of the partners' practices. We operate one of the most complete comprehensive and advanced tax knowledge systems in the Netherlands, Portal One. It contains a comprehensive body of internal and external literature to provide our people with all types of tax expertise wherever they are in the world.

Strengthen global, empower local

Service lines

Advisory

Focused service footprint delivers results

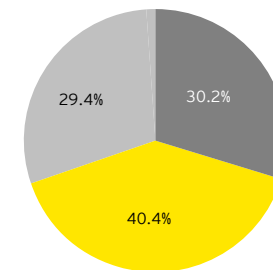
Advisory can look back on a good year; revenue was €89 million (2012/2013: €86 million). The volume of activity measured in hours was significantly higher and revenue was slightly higher.

Growth was realized across various service offerings. The number of multidisciplinary transformation engagements backed up by business intelligence, data analytics and ICT increased sharply. Information security, however, grew the fastest. The tripling of this service's revenue was due principally to the greater interest shown by corporate clients in securing their information. More and more information security policies are now owned at the highest organizational level, not least because of the fear of cyber attacks. Engagements have accordingly become more comprehensive and more complex.

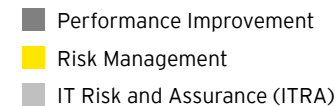
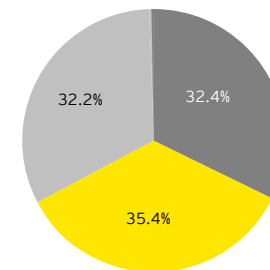
EY's enviable track record in information security stretches back more than 20 years. Our approach to information security risks combines practical experience in business processes and industry sectors with technical security expertise and, increasingly, legal knowledge.

Our sectoral approach and client strategy in combination with focus works. By mobilizing the right combinations of talents and selecting high performing multidisciplinary teams, we can help our clients improve their business performance and operational efficiency while managing risk.

Advisory
2013/2014



2012/2013



Transformation processes are the starting point for service delivery

Enterprises are in constant flux, change is a continuous process. Increased dynamism and complexity have led to the intertwining of more relevant factors. Only a few issues can be seen in isolation and tackled as stand-alone challenges. The importance of a multidisciplinary, integrated approach is growing rapidly. The significance of such change management factors as people and culture has been overlooked in recent years. But it is the softer aspects such as behavioral change, employee buy-in, staff capabilities, people risks and organizational restructuring that are critical to achieve the desired transformation. In the years ahead we expect substantial growth in our People and Organizational Change advisory services.

Strengthen global, empower local

Service lines

We help companies successfully manage and sustain people, process and technology change by focusing on organization alignment. We link processes, governance, structure and culture to the future workforce and talent development strategy, human resource (HR) processes and measures to support, incentivize and reward desired behaviors. Given the similarities with Tax's human capital advisory practice, we will intensify cooperation in this field.

Investing in talent and diversity

Our ongoing investment in new talent, diversity and inclusiveness is also bearing fruit at Advisory Services. Half of the Risk team now consists of specialized women professionals. Furthermore, several teams have been strengthened with top talents from our international network, some of whom have a background in both law and ICT. Their home countries include Ukraine, Turkey, the US, Nicaragua and Portugal. Conversely, we are enabling many of our own top talents to gain several years' experience outside the Netherlands.

Building a better working world

Enterprise Growth Services (ESG) is a non-profit enterprise within EY, supporting job-creating small businesses in the emerging markets. It embodies everything we mean when we say our ambition is to build a better working world. We send our best people to rise to the challenge faced by organizations in emerging markets. The program deploys experienced consultants to local businesses at heavily-subsidized rates to make EY's business consulting services accessible to a different sort of client in low and middle-income countries.

Strengthen global, empower local

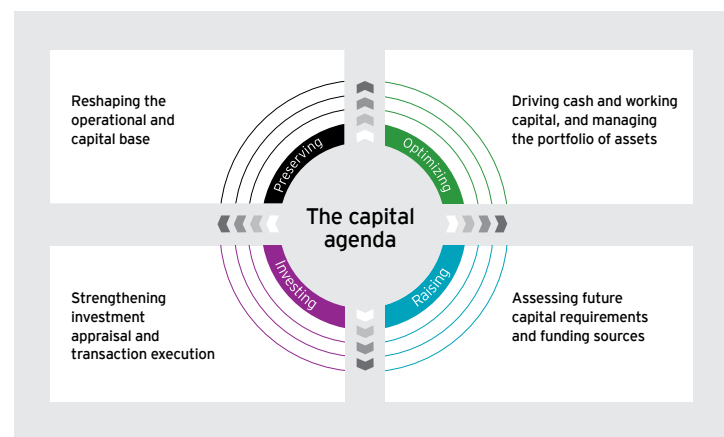
Service lines

Transaction Advisory Services (TAS)

Investing in growth

Following two quarters of relative calm, the transaction market picked up again in the first quarter of 2014. The economic upturn had a noticeable impact on the market and prompted a return of confidence. It was not enough, however, to make up for the weaker performance in the first half of the year. On balance, TAS recorded a sharp decline in revenue, down to €30 million.

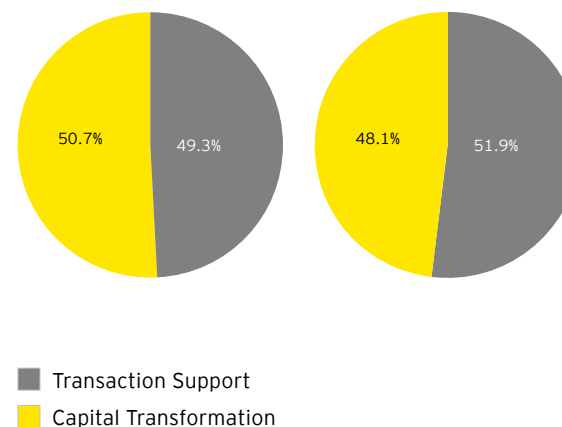
In 2013 we made substantial investments in strengthening, widening and improving the quality of our service offering. The benefits were not seen in the past fiscal year but will be a source of further growth in the years ahead.



Transaction Advisory Services

2013/2014

2012/2013



Consolidating our added value

Client needs are changing. Companies are having to deal with rapid technological advances, the transformation from old to new industries, regulatory changes, increased shareholder scrutiny and customer purchasing power and demand shifts. Clients are taking more well considered decisions on the strategic management of their capital and executing transactions in line with their core strategies. Strategic portfolio reviews are an important tool for optimizing capital allocation and deciding which assets to invest in and which to sell off in order to drive competitive advantage and long-term growth.

Our Capital Agenda concept is so firmly embedded in our worldwide organization that we can meet these changing needs. We put our clients' capital requirements at the heart of our strategy, focusing on four themes: optimizing capital, raising capital, investing capital and preserving capital.

Strengthen global, empower local

Service lines

To continue growing in the future, we strengthened and widened the Capital Agenda themes. We want to advise our corporate and private equity clients using a more holistic and integrated approach during all phases of the business cycle so that they make optimal use of their capital. In keeping with this approach we engaged a number of leading specialists in this market in order to strengthen the transaction advisory practices of our Lead Advisory Team (M&A) and Operational Transaction Support Team (OTS).

To be successful it is at least as important that we are fully versed in the sectors in which our clients operate. We have therefore established dedicated teams for each of the sectors we serve. In addition we will maintain our focus on the middle market: entrepreneurs at large family businesses in their growth phase.

We have organized ourselves so that we can tailor a multidisciplinary team for each theme, drawing on both our own Dutch EY organization and our global network. This is a logical step that matches our positioning. We are proud of having long-term relationships with a large number of our clients.

Dedicated multifunctional divestment professionals to improve portfolio management

Today, the longer-term value and growth that strategic selling can create is better understood. Companies are realizing that divestments are a growth tool, similar to acquisitions. Selling assets and re-shaping portfolios can help companies concentrate on higher-growth opportunities and create value for stakeholders.

Against this background, we have set up a dedicated specialist team to advise our corporate clients on divestments. It can help them improve their portfolio management, develop a clear strategy and prepare and execute a divestment: we create a value story by analyzing the growth opportunities, assessing underlying trends and identifying hidden value in earnings, corporate allocations, real estate, working capital, human resources, IT, operations and tax. Finally, we assist with negotiations. We work with corporate and private equity clients on a variety of divestments, including sales of the entire company, carve-outs, spin-offs and joint ventures.

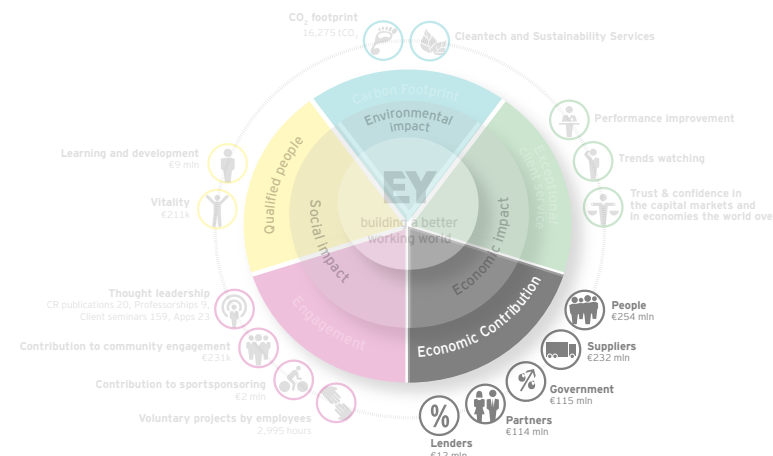
Diversity enriches

We try to attract talent that has an outstanding reputation in the market or in a particular sector. Diversity is a definite competitive advantage. During the year, for example, we strengthened our transaction advisory practice with several top professionals from different parts of the world. The distinctive identity, experience and culture they brought with them have strengthened our teams and taught them how to integrate a wider range of perspectives.

Strengthen global, empower local

Our financial contribution

Combined income statement	2013/2014	2012/2013	Δ
(€ million)			
Assurance	289	287	1%
Tax	241	238	1%
Advisory	89	86	3%
Transaction Advisory services	30	43	-29%
Rendering of services	649	654	-1%
Corporate Business Services	25	23	7%
Revenue	674	677	-1%
Operating expenses			
Purchased services	78	79	-2%
Employee expenses	282	282	0%
Depreciation and amortization	8	16	-50%
Other operating expenses	160	179	-11%
	528	556	-5%
Operating profit	146	121	21%
Finance income and expenses	-8	-10	-13%
Profit before tax	138	111	25%
Income tax expenses	0	0	0%
Profit for the fiscal year	138	111	25%
One-off impairment and provision for vacant property	-	23	-
One-off impact on result for 2013/2014	-5	-	-
Underlying profit	133	134	-1%
Undistributable items and interest on capital	-19	-20	5%
Income available for distribution	114	114	0%



Solid performance in a challenging market

Revenue on our core operating activities of Assurance, Tax and Advisory increased by €8 million in fiscal 2013/2014. Assurance, our largest service line, advanced its revenue by €2 million to €289 million. Tax, the second largest in revenue terms, reported a €3 million increase, with its revenue rising to €241 million. Advisory improved its revenue by €3 million to €89 million. Operating in a volatile market, TAS reported a sharp, €13 million, drop in revenue to €30 million mainly as a consequence of weak M&A conditions. Our Corporate Business Services reported a €2 million increase in revenue to €25 million.

Volume (number of hours billed) increased, mainly driven by an increase in client serving staff. Revenue per hour billed, however, was lower, reflecting the increase in non-billable engagement hours for the service line quality investment programs, fierce competition and the continued volatile and fragile economic climate. As a result, revenue declined marginally by 1% to €674 million.

Costs kept firmly under control

Operating expenses were €28 million lower than in 2012/2013.

Strengthen global, empower local

Our financial contribution

In 2012/2013 our operating expenses included a one-off impairment and vacancy provision of €23 million on account of our office space reduction plan. Excluding the €5 million one-off impact on account of the office space reduction plan 2012/2013 recorded in this fiscal year, underlying operating expenses were equal, which reflects the benefits of our global organization and the cost efficiency measures taken in previous years.

This enabled us to create room for continued investing in the quality of our services and our people, business development staff, training, efforts and activities during the first phase of the mandatory audit firm rotation, IT and Workplace of the future.

Underlying profitability in line with previous year

On balance, operating profit increased by €25 million to €146 million. Finance income and expenses improved by €2 million to €8 million negative. As a result profit for the fiscal year increased by €27 million to €138 million. After an adjustment for a €23 million one-off charge in 2012/2013 and the €5 million one-off impact recorded in 2013/2014, underlying profit at €133 million was €1 million lower compared to the previous year.

Income available for distribution unchanged

The underlying profit for the fiscal year is distributed to the partners' B.V.s after settling undistributable items like pension obligations for retired partners and interest on capital. These amounted to €19 million in 2013/2014 (2012/2013: €20 million). As a consequence, income available for distribution to partners amounted to €114 million (2012/2013: €114 million).

Strengthen global, empower local

Partner remuneration

The remuneration criteria for partners and other professionals include specific quality and risk management indicators, covering both actions and results. The mainstay of our remuneration policy is the Global Partner Performance Management (GPPM) process, a globally consistent evaluation process for all partners in EY member firms around the world. It reinforces the global business agenda by linking their performance to wider goals and values. GPPM is an ongoing cyclical process that includes goal setting, personal development planning, performance review and recognition and reward. It is used as the cornerstone of the evaluation process to document partners' goals and performance.

The remuneration criteria recognize different market values for different skills and roles and are designed to attract and retain high-performing individuals. The following factors are considered in determining the partner's contribution level: seniority, role and responsibility, long-term potential and mobility.

Partners are assessed annually on global goals: quality and effective risk management, people engagement and teaming, exceptional client service and quantitative metrics: revenue, sales/pipeline and margin. The overall rating scale runs from 1 (lowest) to 5 (highest). The rating on quality and effective risk management ("Quality Rating") and people engagement and teaming ("People Rating") caps the overall rating since the latter cannot exceed the Quality or People Rating by more than 1. Quality Rating data is recorded in the Quality Measurement Tool leading to a 3-point rating scale (did not meet expectations, met expectations and exceeded expectations).

Specific Quality Rating measures have been developed to account for:

- ▶ Technical excellence
- ▶ Living the EY values as demonstrated by behaviors and attitude
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management
- ▶ Compliance with policies and procedures
- ▶ Compliance with laws, regulations and professional duties
- ▶ Contributing to protecting and enhancing the EY brand

Instances of non-compliance with quality standards result in remedial actions, which may include compensation adjustment, additional training, additional supervision, or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in separation from our firm.

The overall rating determines the partner reward that includes a profit per unit contribution level remuneration and can include a performance award. Outperforming partners can be granted a performance award generally ranging from 5% to 25% of their profit per unit remuneration. To qualify for a performance award the Quality Rating should at least meet our quality expectations.

More specific information on the remuneration policy of Ernst & Young Accountants LLP in the Netherlands can be found in the [Transparency Report 2014](#).

Strengthen global, empower local

Partner remuneration

The Board members of Ernst & Young Nederland LLP do not receive any remuneration other than their entitlement to the profit for the fiscal year through their private limited liability company (*Besloten Vennootschap met beperkte aansprakelijkheid, "B.V."*), being a total of €3.2 million (2012/2013 €3.4 million).

Income available for distribution amounted to €114 million (2012/2013: €114 million). Average income for 224 partners (2012/2013: 226 partners) therefore amounted to €511k (2012/2013: €505k).

Partner income covers such items as salary, pension, business expenses, depreciation, insurance premiums, wage tax, social security, income tax, dividend tax and the B.V.'s own corporate income tax liability.

Strengthen global, empower local

Our interaction with society

Transparency

We are aware that our corporate reputation is based for a large part on the extent to which we meet the legitimate interests and expectations of society. By engaging with our stakeholders – governments, policymakers, regulators and standard setters – we are playing our part in building a better working world by promoting transparency and trust. Through open dialogue with stakeholders, we provide our perspective and seek to better understand their points of view. We encourage improvements in transparency in corporate governance, financial reporting and other matters that affect capital markets.

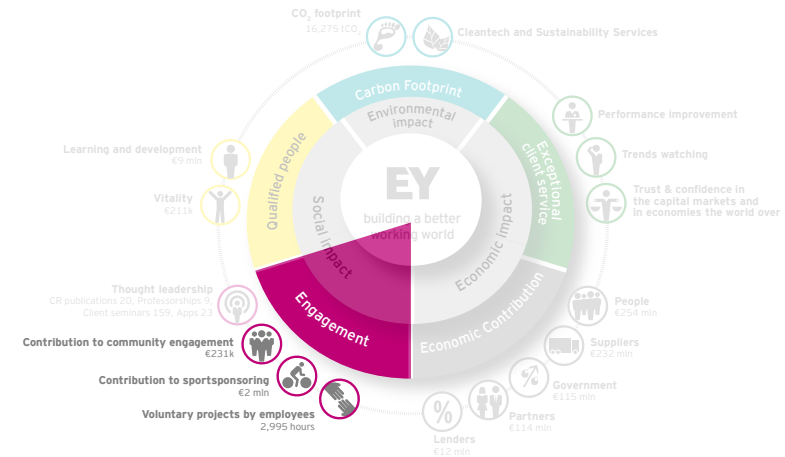
Our own integrated report, GRI G4 Content Index and Transparency Report also promote greater transparency and consistency. This transparent approach allows us to deliver on our commitment to the communities in which we operate.

Code of Conduct

Our organization is built on strong internal structures and frameworks. These include policies, checks and balances that form the foundations for our organization. They guide the behavior of each EY individual, help us limit risk, ensure independence and support anti-corruption and similar measures. Our Global Code of Conduct provides a clear set of standards to guide our actions and our business conduct.

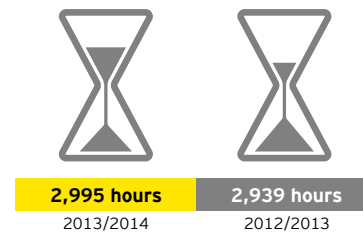
Community engagement

Our engagement with society also includes thought leadership by sharing our knowledge and professional skills, see also page 20, Thought leadership. We encourage all our people to take part in projects run by socially engaged organizations in order to widen their outlook and enhance their personal skills. The activities are coordinated by the EY Foundation, which was set up especially for this purpose. Sports sponsorship also commands a prominent place within our community engagement. Love of sport is in our genes and complements what we stand for: talent development, optimal performance and ambition.



During the fiscal year many diverse and very successful projects allowed others to benefit from our expertise in accounting, tax, financial and general business advice. Our focus lies on not-for-profit organizations that are engaged in sustainable entrepreneurship, the environment and education. It is no accident that these are the priority themes in our sustainability policy. We support the organizations chiefly by sharing our knowledge and competences with them. Since the set-up we have entered into three partnerships with not-for-profit organizations. We have had several partnerships with: Urgenda, Business Without Borders and others. During the year we entered into a partnership with Stichting Dagje les geven, www.dagjelesgeven.nl

Community engagement hours



Through these organizations, we encourage our people to perform voluntary work, pro bono work and take part in thought leadership projects. To complement our partnerships, our Sustainability Accelerator program enables our people to carry out their own projects to generate added value for society in the form of social and/or sustainable entrepreneurship and for themselves in the form of new competences and know-how.

For more information go to the [GRI G4 Content Index](#)

Strengthen global, empower local

Environment

Our largest contribution to the environment is the provision of our Cleantech and Sustainability Services to our clients. Although our environmental impact is relatively small in comparison with companies in other sectors, we intend to reduce our ecological footprint even further. We are taking measurable actions to reduce our carbon footprint.

Like other organizations in the business services industry, our ecological footprint is due almost entirely to staff travel and office energy consumption. Our mobility policy contains concrete goals to increase staff awareness of the benefits of public transport and more economical cars. Office accommodation policy pays specific attention to energy consumption, office certification, video conferencing facilities, new heating and cooling systems and green electricity in addition to our Workplace of the future program. Sustainability criteria are active elements in our procurement policy and we are in dialogue with our suppliers.

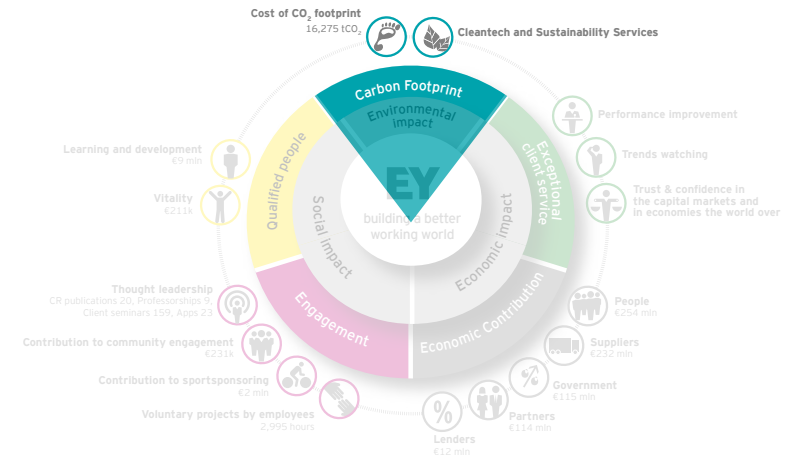
In total, we reduced our CO₂ impact by 33.1% in the 2013/2014 fiscal year (compared with the 2008/2009 baseline) to 16,275 tCO₂.

For more information, reference is made to our [GRI G4 Content Index](#).

Smart mobility, rewarding sustainable behavior

Building a better working world means more than just contributing to minimizing the negative effects of climate change we support our clients on sustainable growth as they move towards a lower carbon economy. For us, it also means a commitment and a responsibility to manage our own operations so as to reduce our environmental footprint. Against this background, we have developed a state-of-the-art concept for smart sustainable mobility.

We reward our employees' sustainable mobility behavior because it can considerably lower our carbon footprint and cut costs. Furthermore, the new way of working, with our people having to choose more often between working at home or at another location, calls for a fresh approach to mobility, for both private and business travel.



We will phase in our new mobility concept as from the 2015 fiscal year.

The concept of integrated smart mobility rests on three pillars: fewer, more efficient and cleaner journeys. Staff first consider how many kilometers they can save by selecting the smartest location to work at each day. One day they may opt for a combination of transport modes (bicycle and train) and the next for the car. We are encouraging staff to opt for cleaner transport such as low-fuel cars or, even better, hybrid or electric cars. Those opting for a 'gas guzzler' make a small payment for the vehicle's emissions.

Many members of staff will therefore have to change their behavior.

And changing behavior is difficult because it calls for a different mindset.

'Travelling to work' no longer automatically means 'taking the car', but thinking about smart mobility: where's the best place to work today and how can I get there as cleanly, efficiently and safely as possible? The answer might be the first-class carriage of a train or an e-bike.

To encourage this behavioral change, everyone will be given a mobility budget based on the principle of 'usage' rather than 'ownership'. Staff can choose from a variety of transport modes, from bicycle and bus to train and electric car. A digital journey planner will help them select the most efficient mode. This approach gives the staff individual freedom of choice and responsibility. Furthermore, it agrees with the wishes of the new generation of staff, who are often more environmentally aware.

Some of our clients have already shown an interest in our mobility concept.

This is yet another challenge for us to help build a better working world.

Strengthen global, empower local

Risk Management and Quality

At the heart of providing exceptional client service is our unwavering commitment to quality and service that is professional and globally consistent. This means service that is based on objectivity, professional skepticism and adherence to EY and professional standards.

Setting the right "tone at the top" is a key responsibility of our leadership team. We communicate to our people that quality and professional responsibility starts with them and is the most important thing they do every day. Our approach to ethics, integrity and compliance is embedded in our culture of consultation, our training programs and internal communications. Our Global Code of Conduct provides a clear set of standards and behaviors that guide our actions and interaction with society and our business conduct. In addition, we have specific anti-bribery and insider trading policies in place. Senior management regularly reiterates these expectations and the importance of performing quality work and complying with professional standards and our policies through varied forms of communication. Also, we assess quality of professional service as a key metric in evaluating and rewarding all professionals.

We continually strive to further improve our quality and risk management processes. Vision 2020 has reinforced the ownership of quality within all our service lines. Our service lines are accountable for the delivery of quality on engagements, including managing quality reviews and real-time quality assurance of engagements, which measures compliance with professional standards and all of our policies.

Risk Management oversees the application of policies and practices that support and improve quality and independence.

The quality and risk management system relevant to our audit practice is described in detail in the Transparency Report issued by Ernst & Young Accountants LLP. The description relates only to the Assurance service line but similar quality and risk management systems are in operation within the other service lines.

We take a holistic approach to measuring the quality of the services we provide to our clients and other stakeholders. It starts with our comprehensive quality review program and real-time quality assurance engagements in all service lines, which measures compliance with professional standards and all EY policies. In addition, we use our Expectations of Service Quality (ESQ) framework to understand client or audit committee expectations before work begins and subsequently measure how well we perform against those expectations through our Assessment of Service Quality (ASQ). ASQ gives our stakeholders the opportunity to tell us what is working well and what needs to be improved. It is about having a dialogue, making sure we understand their needs and then responding accordingly.

Quality management

The main quality management processes include quality control programs, client and engagement acceptance and continuance, and independence.

Quality control programs

We have implemented quality control programs for all our service lines. Their primary goal is to determine whether our quality policies and procedures are appropriately designed and observed in the execution of engagements.

The programs are implemented annually by the service lines, for which engagements are selected according to their (inherent) risk profile. The objective is to review engagements of approximately one-third of our partners each year. The programs' results are evaluated and communicated so that quality improvements can be made.

Strengthen global, empower local

Risk Management and Quality

●● Quality review*

	2013/2014		2012/2013	
Rating 1	84	85%	80	86%
Rating 2	14	14%	13	14%
Rating 3	1	1%	0	0%
Total	99	100%	93	100%

* Partners/directors

1 = There were no or minor findings

2 = The findings were more than minor but less than material

3 = There were material findings

Compliance with Risk Management policies is managed through our central Risk Management department. Tests performed through the local compliance review process are reviewed by the Global Independence Audit (GIA). The most recent review of GIA took place during visits in December 2013 and June 2014.

Client and engagement acceptance and continuance

EY's client and engagement acceptance policy sets out the principles to determine whether to accept or to continue with a client or engagement. The acceptance process involves a careful consideration of the risk characteristics of a prospective client or engagement and includes several due diligence procedures. In addition, our global conflicts policy defines categories of conflicts of interest, the process to identify such conflicts and provisions to manage them.

To coordinate client and engagement acceptance and continuance efficiently, we have developed the intranet-based Global Tool for Acceptance and Continuance (GTAC) to take users step-by-step through the acceptance and continuance requirements. In 2013/2014 16,007 assessments were processed.

Independence

Our independence policies and processes are designed to comply with the independence requirements applied in the 2013/2014 fiscal year.

They included:

- ▶ Annual confirmation of compliance with EY's Global Independence Policy by Ernst & Young Nederland LLP;
- ▶ annual confirmation of compliance with EY's Global Independence Policy by our professionals, with partners being required to confirm compliance quarterly in an intranet-based monitoring tool. In this tool, all partners and senior non-partners disclose all listed investments held by them and/or their spouses, to allow for continuous monitoring;
- ▶ annual confirmation of compliance with EY's Global Independence Policy by our audit team members, with all team members confirming their independence with respect to audit client; and
- ▶ completion of an annual independence training course by all our professionals.

Each year, EY's global Independence team establishes a program for testing compliance with personal independence confirmation requirements and with reporting of information into Global Monitoring System (GMS). As of 2013/2014 20% of the partner and designated director population is tested annually. For more information we refer to the [Transparency report 2014](#).

●● Independence review*

	2013/2014		2012/2013	
No violations	43	86%	87	84%
Administrative violations	5	10%	15	15%
Independence violations	2	4%	1	1%
Total	50	100%	103	100%

* Partners/directors

Strengthen global, empower local

Risk Management and Quality

Strategy	Risks and opportunities	Impact	Principal mitigations
Winning in the market	<ul style="list-style-type: none"> Changes in demand: not responding promptly and appropriately to developments in the market or not being able to match key skills effectively to growth areas, or not being able to innovate Loss of trust of stakeholders: not delivering services or managing activities to meet the expectations and wishes of our clients, supervisors and other stakeholders Competition and price pressure Audit Profession Act, Dutch Code for Audit Firms, VIO and European regulatory changes in the audit profession (e.g. audit firm rotation and segregation of audit and non-audit services) Brand reputation: not keeping promises 	<ul style="list-style-type: none"> Obstacle to growth Reputational risks; loss of clients, call for more regulation, supervision and/or changes in governance structure Increased lead time and cost to win engagements and lower revenue margins per engagement with the risk of quality deterioration Significant number of audit firm rotations in the short term, increased use of resources, efforts and cost, quality and reputational risks and change in market share of audit and non-audit services Lower client loyalty 	<ul style="list-style-type: none"> Investing in new services and national & international research Strength of a highly integrated global firm that can source adequate expertise and people ESQ/ASQ framework in place for our clients Strict engagement acceptance policy and quality control programs Code of conduct Broad stakeholder dialogue program Efficient organization of operational processes including shared service centers to reduce our cost structure, deliver exceptional client service and offer higher added value services Structured Our New World program to manage mandatory firm rotation and investing in people, quality, new audit systems and more efficient business procedures Transparent communication and doing the right things in line with our purpose of Building a better working world
Creating highest performing teams	<ul style="list-style-type: none"> Inadequate ability to retain or recruit top talent and/or experienced hires with a wide view of society and necessary sector or specific experience, leadership potential due to scarcity on the labor market or perceived attractiveness of professional services firm Loss of key staff without adequate succession planning 	<ul style="list-style-type: none"> Obstacle to healthy and balanced growth of the business portfolio Quality impact on service delivery 	<ul style="list-style-type: none"> Strong recruitment program targeted at both young talent and experienced hires EY Experience program, where working for EY should be a lifetime experience: Creating a challenging and pleasant working environment and investing in both the professional and personal development of our people, international mobility of people and workplace at EY, attention to vitality and diversity. We also maintain contact with former colleagues through our alumni network Potential top talent is systematically mapped and a more differentiated career policy is in place Monitoring staff satisfaction Succession planning framework in place
Strengthen global, empower local	<ul style="list-style-type: none"> Fraud and/or shortcomings at clients Non-compliance with strict internal quality requirements and breaches of applicable regulations Information systems: system failure or data loss Insufficient cash flow position Possible claims against EY in the Netherlands and/or internationally 	<ul style="list-style-type: none"> Reputational damage, claims and litigation leading to loss of income and/or high costs Delay and/or harm to operational and client services; reputational damage, loss of clients, potential litigation and claims Pressure on liquidity to meet financial obligations Negative financial impact, reputational damage and/or loss of business 	<ul style="list-style-type: none"> Strict client engagement acceptance policy Strict enforcement of stringent quality and risk management policies and procedures to ensure the highest quality and monitor compliance with policies, procedures and regulations EY's international ICT infrastructure satisfies the highest security and continuity criteria The standard load set on PCs contains most of the software for client services Adequate back-up systems in place Insight into daily cash position, monitoring of working capital and fall back scenario in place Strict enforcement of a stringent quality and risk management system Professional liability insurance in place

Strengthen global, empower local

Risk Management and Quality

Risk management

As a professional service provider, EY is active in various markets and is exposed to market, strategic, operational, regulatory and compliance risks that are inherent in its activities. EY's risk management and operational processes are designed to identify and mitigate risks at an early stage. We monitor the various risks and their potential impact, and take appropriate measures to reduce them.

The risks identified represent not only threats to our organization but also opportunities to achieve our ambitions. We are a private business, operating in a competitive, partially regulated environment. Taking well-managed risks is part of our strategy to achieve our ambition.

International internal quality review programs are the main tool to monitor compliance with all prescribed policies and procedures and their documentation and to identify appropriate remedial measures.

With respect to litigation and claims in our increasingly litigious society, there will always be tension between the desire to be transparent in the public interest about lessons learned on the one hand, and the need to be prudent from a legal point of view and not to weaken our position in existing litigation or induce new litigation on the other. What is more, in many cases there will be legal and contractual restrictions to our transparency, or our external communications may be limited by our duty to respect the privacy of the individuals involved. In a healthy society, the degree of transparency of private firms will always be a matter of debate. We accept that debate and will try to focus on the essential question: how can we align our transparency with the public interest? In this report we share the number of proceedings (see table) and provide more detail in our [Transparency Report 2014](#).

●● Proceedings

	2013/2014	
Civil proceedings	8	(1 new in 2013/2014)
Disciplinary proceedings	9	(4 new in 2013/2014)
Total	17	

Strengthen global, empower local

In-control statement

The Board of Directors of Ernst & Young Nederland LLP has final overall responsibility for designing and operating an effective risk management and internal control system. This includes implementing and, if necessary, adjusting international EY policies and procedures, establishing and maintaining processes as well as guiding people's behavior in such a way that the firm can achieve its objectives. In the year under review, we analyzed and evaluated the risk management and internal control system, and considered the risks to which our organization is exposed.

Based on this review and cognizant of its inherent limitations as described below, the Board concluded that there was reasonable assurance that in the year under review:

- ▶ it understood to what extent the strategic and operational objectives were realized;
- ▶ the internal and external financial and management reports were reliable; and
- ▶ applicable laws and regulations were observed.

Furthermore, there is no reason to believe that the internal risk management and control system will not work properly during the current year.

It is important to note that a risk management and internal control system, no matter how well designed and operated, provides only reasonable assurance regarding achievement of an entity's objectives. Achievement of objectives is affected by limitations inherent in all management processes, including the inherent risk that errors and violations can occur as a result of human failure, the possibility of poor judgment in decision-making, control processes being deliberately circumvented by professionals, management overriding controls, and unforeseen circumstances. Another limiting factor is the need to consider the relative costs and benefits of risk responses.

Properly designed and implemented risk management and internal cost control systems will therefore provide reasonable but not absolute assurance that EY is not hindered in achieving its business objectives or in the orderly and legitimate conduct of its business. In this context, reasonable assurance refers to the degree of certainty that would be satisfactory for a prudent business manager in the management of his or her affairs in the volatile and changing business environment in which EY operates.

Any assessment of effectiveness in future periods is subject to the risk that the risk management and internal control system may become inadequate because of changes in conditions.

Rotterdam, 9 October 2014

Marcel van Loo
Jeroen Davidson
Michèle Hagers

Governance

Corporate governance

We constantly monitor our independence, integrity and results. Safeguards are in place in the form of governance rules, codes of conduct, quality measures and controls. The main aspects have been considered in this report and below we provide a high level overview of our governance model. More detail is included in the separately issued [Transparency Report 2014](#), which provides detailed insight into the structure, organization, management, quality control system and performance of Ernst & Young Accountants LLP. This is a statutory requirement for firms that audit the financial statements of public interest entities.

Structure

Global

EY refers collectively to the global network of member firms of Ernst & Young Global Limited (EYG). EY's central entity, EYG, coordinates the member firms and promotes cooperation among them. EYG does not provide services, but its objectives include promoting the provision of exceptional, high-quality client service by its member firms worldwide. Each member firm is a legally distinct entity. The member firms' obligations and responsibilities are governed by the regulations of EYG and various other agreements.

In July 2013, EY streamlined its operating model by creating the Executive and the Regions. The Executive includes the Global Executive (GE), its committees and teams, and the leadership of the four Areas. This streamlined structure allows EY to further enhance its global scale and the delivery of consistent exceptional client service worldwide, with the Executive responsible for one global approach to strategy, quality, risk management, business planning, investments and priorities. At the same time, this new operating model allows for greater stakeholder focus in the 29 Regions, permitting member firms to build stronger relationships with clients and others in each country and be more responsive to local needs.

EYG's objectives include promotion of the provision by its member firms of high-quality service, worldwide. EY is organized in four geographic Areas: Americas, Asia-Pacific, EMEIA (Europe, Middle East, India and Africa) and Japan. The Areas comprise a number of Regions, which consist of member firms or sections of those firms.

Global INEs

On a global level EY appointed Independent Non-Executives (INEs). Although their perspective is truly international, their role is shaped by the objectives of the UK Audit Firm Governance Code: the INEs aim is to reinforce confidence in the public interest aspects of EY's decision-making, support its dealings with its different stakeholders and help to deliver the appropriate management of reputational risks.

EMEIA Area

EY's activities in the Netherlands are part of the EMEIA Area. The EMEIA Area consists of 99 countries divided into 11 geographical Regions and of the EMEIA Financial Services Organization Region, which facilitates all services provided to the financial sector in the EMEIA Area.

Together with Belgium, the Netherlands forms the BeNe Region. This Region does not include the Financial sectors in both countries, as these industry sectors are part of the EMEIA Financial Services Organization Region. Dutch partners are allocated to either the BeNe or the EMEIA Financial Services Organisation Region.

Ernst & Young (EMEIA) Limited (EMEIA Limited), an English company limited by guarantee, is the principal governance entity for the EYG member firms in the EMEIA Area.

Governance

Corporate governance

EMEIA Limited facilitates the coordination of these member firms and cooperation between them, but it does not control them. EMEIA Limited is a member firm of EYG.

In Europe, a holding entity, Ernst & Young Europe LLP (EY Europe) was formed in conjunction with the EYG member firms within the EMEIA Area. EY Europe is an English limited liability partnership, owned by partners of EYG member firms in Europe.

EY in the Netherlands

In the Netherlands, the two main EY entities are Ernst & Young Accountants LLP (including Assurance, Advisory and Transaction Advisory Services) and Ernst & Young Belastingadviseurs LLP (Tax). Both entities are owned by the private practice companies of EY's partners in the Netherlands ("members"). The members of Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP are also co-owners of Ernst & Young Nederland LLP.

Ernst & Young Accountants LLP is licensed by the Netherlands Authority for the Financial Markets to carry out statutory audits (including audits of public interest entities).

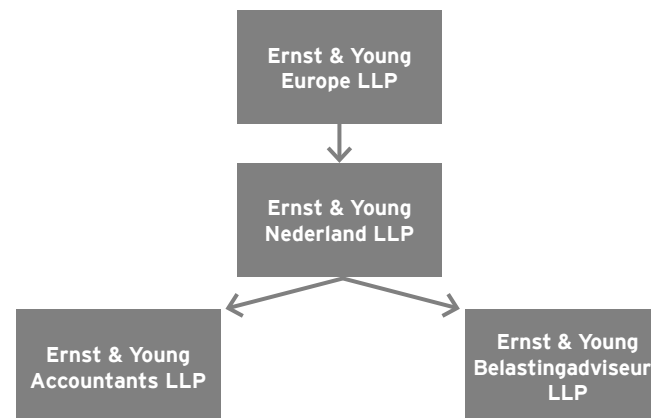
The EY network operates from 15 offices in the Netherlands and consists of:

- ▶ Ernst & Young Nederland LLP
- ▶ Ernst & Young Belastingadviseurs LLP
- ▶ Ernst & Young Actuarissen BV
- ▶ Ernst & Young CertifyPoint BV - independent and impartial certification institute
- ▶ Ernst & Young VAT Rep BV - VAT representation services
- ▶ Ernst & Young Real Estate Advisory Services BV - real estate investment advice and valuations

- ▶ Stichting Ernst & Young Foundation - supports initiatives by not-for-profit organizations regarding sustainability and environmental issues
- ▶ Beco Groep BV - advises clients on sustainability and environmental issues

Ernst & Young Belastingadviseurs LLP has a strategic alliance with Holland Van Gijzen Advocaten en Notarissen LLP. Ernst & Young Nederland LLP coordinates and facilitates EY's activities in the Netherlands, but does not provide services to external clients. The economic profits of Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP are distributed to partners through Ernst & Young Nederland LLP.

Ernst & Young Europe LLP has indirect control through Ernst & Young Nederland LLP.



Board of Directors

Ernst & Young Nederland LLP is governed by a Board of Directors elected by Ernst & Young Europe LLP. Current Directors are Marcel van Loo (Chairman), Michèle Hagers and Jeroen Davidson.

Governance

Corporate governance

The Board of Directors provides coordinating leadership in order to optimize the shared course of the business and practices of Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP and promote their joint strategy. The Directors are entitled, through their respective practice firms, to a proportion of the profit but do not receive separate remuneration for their roles as Directors. The Board is responsible for the commercial and financial policies and reputational standing of EY.

Apart from the legal structure for the Netherlands, depicted on the previous page, we operate our business for Belgium and the Netherlands (BeNe) through the current combined Leadership Team:

Responsibility	Name	Joined EY in	Member since	Diversity	
				Gender	Nationality
Regional Managing Partner	R. Braes	1990	01-07-2011	Male	B
Country Managing Partner	M. van Loo	1989	01-07-2013	Male	NL
Assurance	M. Hagers	1989	01-07-2014	Female	NL
Tax	J. Davidson	1990	01-07-2013	Male	NL
Advisory	T. Sileghem	1999	01-01-2013	Male	B
TAS	M. Guns	1985	01-07-2008	Male	B
Markets	H.J. Bax	1996	01-07-2011	Female	NL
People	B. Haring	1990	01-07-2008	Female	NL
Risk	H. Schepers	1981	01-07-2011	Male	B
Operations	E. Kamphuis	2002	01-07-2012	Male	NL

Mr. G. Aarnink resigned during the fiscal year.

Financial Services in the Netherlands is led by:

FS Netherlands	R.J.W. Lelieveld	1980	01-07-2008	Male	NL
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Regional Partner Forum

The Regional Partner Forum is an advisory body for the combined Leadership Team on behalf of the partners. It convenes on a regular basis to discuss matters of interest, as described in the Regional Partner Forum Charter, provide input to the Europe Advisory Council and advise the Regional Managing Partner and the combined Leadership Team. The Partner Forum has 10 members, 7 from the Netherlands and 3 from Belgium.

Members of the Leadership Teams and of management cannot be elected to the Partner Forum. The members are elected by EY partners in Belgium and the Netherlands in three-yearly election cycles; membership of the Regional Partner Forum is in principle limited to a maximum of two terms of three years each.

Corporate Responsibility Steering Committee

The Country Managing Partner is responsible for corporate responsibility. Within the combined Leadership Team, there is a Corporate Responsibility Steering Committee with specific responsibilities for entrepreneurship, employees, environment and community engagement. They meet during the year and discuss the CR strategy, progress and new actions to be taken to achieve the CR targets. They are accountable to the full board as well as externally through this Integrated Annual Review and its appendix GRI G4 Content Index 2013/2014.

Public Interest Committee (Commissie Publiek Belang, CPB) and Stakeholder Dialogue Steering Committee

The CPB exclusively focuses on the public interest and acts as an independent supervisor. It only consists of independent members. In 2013/2014 EY established a Stakeholder Dialogue Steering Committee. The Chairman of the CPB is a member of this steering committee. For more information we refer to the [Transparency report 2014](#).

Governance

Corporate governance

Regulations

EY has various regulations in place that set the frameworks for the performance of its constituent bodies or implement the rules applying within EY. They include:

- ▶ Members' Agreement
- ▶ Fundamental rules
- ▶ Regulations
- ▶ Anti-bribery and insider trading policies
- ▶ Data privacy regulations
- ▶ Document retention regulations
- ▶ Independence policy
- ▶ Global Code of Conduct
- ▶ EY/Ethics, a global ethics hotline to provide EY people, clients and others outside the organization with a confidential means to report activity that may involve unethical or improper behavior that may be in violation of professional standards or otherwise inconsistent with our Global Code of Conduct.

About this report

Scope of this report

This is the third Integrated Annual Review published by EY in the Netherlands. It relates to the fiscal year ended 30 June 2014. It is designed to bring together material information about our strategy, performance, prospects and governance in a way that reflects the economic, social, environmental and society context in which we operate. It was prepared in accordance with the International Integrated Reporting Framework as developed by the International Integrated Reporting Council (IIRC). We present our financial statements separately.

This report discusses the activities carried out in the Netherlands by the entities Ernst & Young Nederland LLP, Ernst & Young Accountants LLP, Ernst & Young Belastingadviseurs LLP, Ernst & Young Actuarissen B.V., Ernst & Young CertifyPoint B.V., Ernst & Young VAT Rep B.V., Ernst & Young Real Estate Advisory Services B.V., Beco Groep B.V. and Stichting Ernst & Young Foundation. Ernst & Young Nederland LLP is the coordinating and facilitating entity of the Dutch EY organization but does not provide any services to clients. Ernst & Young Belastingadviseurs LLP has a strategic alliance with Holland Van Gijzen Advocaten en Notarissen LLP. Holland Van Gijzen accordingly falls within the scope of this report.

In this Integrated Annual Review we set out our vision and aspirations for the future. Such forward-looking statements can be recognized by the use of words like aspire, strive, attempt and aim. Those statements are subject to uncertainties, which is why our assurance provider can not provide assurance on such forward-looking statements.

GRI G4 Content Index

EY bases its CR reporting on the fourth generation Global Reporting Initiative (G4) guidelines. The subjects presented are consistent with our corporate responsibility (GRI G4) policy and are based on a materiality analysis.

The [GRI Index](#) is published as a separate report on our website.

The GRI G4 Content Index report has been prepared in accordance with the 'Comprehensive' criteria. This report, including the GRI G4 Content Index, but excluding the in-control statement, was fully subject to both an internal audit by EY's sustainability accountants and an external audit by BDO, EY's independent auditor.

XBRL

The Integrated Annual Review and the financial statements are also available in XBRL format. In addition to this report, Ernst & Young Accountants LLP publishes a Transparency Report. This is a statutory requirement for firms auditing the financial statements of public interest entities. The main topics included in the Transparency Report are governance, quality (policy and assurance), independence and remuneration policy. All reports are available online on our corporate reporting website www.ey.com/nl

Materiality determination process

EY is committed to building a better working world. Our purpose is to have a positive impact on the world around us and on the communities in which we work and live. We enhance transparency by disclosing our main issues and impacts in our Integrated Annual Review. Key issues and impacts are identified by means of a materiality determination process. The process consists of the following three steps.

1. Identifying relevant issues
2. Assessing their importance
3. Prioritizing them

Relevant issues are identified on the basis of the GRI G4 guidelines, ISO 26000, EY's own vision and policies, and their relevance to and impact on EY's various stakeholders.

About this report

To assess importance, we seek input from and dialogue with our key internal and external stakeholders. The stakeholders we consult are partners, people (including a number of former and prospective employees), clients, suppliers, Entrepreneur of the Year award winners, non-governmental organizations, professional organizations, regulators and authorities. They name EY's key added values for the external environment and related factors that create value over time.

After this consultation, partners of EY in the Netherlands advise the leadership team on our key added values for the external environment and prioritize related material issues. They do so at an intensive meeting facilitated by the Annual Review project team, with a broad selection of partners representing Ernst & Young in the Netherlands. The meeting discusses the input from external and internal stakeholders, and decides upon importance and priorities. The outcome of this materiality determination process is presented to the leadership team of EY in the Netherlands. The leadership team combines the added values for the external environment with those for the internal environment and takes a final decision on the material issues disclosed in the Integrated Annual Review.

In the current year, EY will discuss the outcomes of the materiality analysis with its stakeholder groups to check that their respective interests are properly accounted for.

Reporting standards and data compilation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union.

Financial and non-financial information is derived from a variety of sources. Where possible, it is taken from existing systems and supplemented with information provided by the line managers responsible for the subject concerned.

About this report

EY NL at a glance - reporting principles

KPI	Scope	Measurement
Financial	Combined	Revenue: sum of revenues as disclosed in the financial statements Operating cost ratio: operating expenses as disclosed in the financial statements as percentage of revenue Profit for the financial year: Profit for the year as disclosed in the financial statements Underlying profit: profit for the financial year, exclusive of the impact of one-offs (i.e. impairment charges and charges for provision for vacant properties) Revenue by service line: allocation of revenues to service lines Revenue by industry market segment: allocation of revenues to industry market segment
Average number of FTEs by service lines	Combined	Year-average FTE
Partners, client serving and support staff	Combined	Year-average FTE
Gender ratio	Combined	Year-end headcount
People pulse survey	EYNL	Global People Pulse survey conducted by external party (IBM) across a range of topics relevant to our organization and our employees
Retention rate	Combined	Retention of people at end of financial year with personal performance scores of 4 and 5 over the previous financial year (on a scale of 1 to 5)
Workplace of the Future	EYNL	Percentage of employees working for offices on which Workplace of the Future is implemented, calculated based on headcount
Assessment of service quality (ASQ)	EYNL	Average recommendation score of 127 interviewed clients headquartered or located in the Netherlands (on a scale of 1 (never) to 10 (always))
Quality review	EYNL	Internal reviews of engagements selected on the basis of risk emphasizing clients that are large, complex or of significant public interest. Primary goal of the review is to determine compliance with quality control systems, policies and procedures, professional standard, and regulatory standards. Is one of the remuneration criteria for partners
Proceedings	EYNL	Pending and initiated civil and disciplinary proceedings
Brand favorability	EYNL	Outcome of bi-annual global brand survey for Big4 firms conducted by TNS amongst clients and non-clients during September 2012 to January 2013. Survey question: How likely is it that you would recommend the services to other people on 0-10 scale where 0= "extremely unlikely" and 10= "extremely likely"?
Thought leadership	EYNL	CR publications: EY external publications or published (news) articles based on interviews with EY partners/employees Professorships: professorships at universities or colleges held by EY partners/employees Client seminars: events organized by EY or in which EY has participated (Events include CR events) Apps: EY Global applications offered in the Apple App store
Emissions	Combined	Total emissions (tCO ₂) is the sum of: Car travel: - lease cars: litres fuel x DEFRA*1 conversions factors*2 kgCO ₂ /litre - partners' cars: litres fuel x DEFRA conversions factors kgCO ₂ /litre - business use private cars: km x DEFRA conversions factors kgCO ₂ /km (total liters consumed are provided by our suppliers of lease cars, km's business use private cars are gathered through expense reports) Air travel: flight km* DEFRA conversions factors kgCO ₂ /km (flight km are obtained from our travel agent, short haul flights <1,000km ; long haul flights >1,000km, all flights are assumed to be economy class) Train travel: train km* supplier conversion factor kgCO ₂ /km (km's travelled by train and the conversion factor are obtained from Nederlandse Spoorwegen) Energy consumption offices: - electricity: kWh's* supplier conversion factor kgCO ₂ /kWh. - gas: m ³ * DEFRA conversion factor kgCO ₂ /m ³ (40% of gas emissions is estimated on average m ³ usage per m ²) Paper: kg* DEFRA conversion factor kgCO ₂ /kg (kg's paper are obtained from our suppliers) Waste: kg* supplier conversion factor kgCO ₂ /kg (kg waste and conversion factors are obtained from waste processing company SITA)

*1 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting (www.gov.uk/defra)

*2 The conversion factors used in previous years have been updated in accordance with current year conversion factors. Comparative figures have been adjusted accordingly

Scope EYNL Ernst & Young Nederland LLP and subsidiaries, HVG Holland Van Gijzen Advocaten en Notarissen LLP and subsidiaries, Combined Aggregation of EYNL and HVG without elimination of any transactions between the two groups

Assurance Report of the independent auditor

To: Ernst & Young Nederland LLP

Engagement

We have performed a reasonable assurance engagement of the Integrated Annual Review 2013/2014 (hereafter 'Integrated Report') of Ernst & Young Nederland LLP (hereafter 'EY') for the year ended 30 June 2014. The separate Appendix to the Integrated Report, the GRI G4 Content Index 2013/2014 (hereafter 'the GRI Index 2013/2014'), falls within the scope of this engagement. The references in the Integrated Report (to www.ey.com/nl, external websites and other documents) are excluded from our engagement, with exception of the GRI-index 2013/2014.

Identification of criteria

The criteria EY used for the preparation of the Integrated Report were:

- ▶ Sustainability Reporting Guidelines of the Global Reporting Initiative (G4);
- ▶ 'Handreiking maatschappelijke verslaggeving van de Raad voor de Jaarverslaggeving';
- ▶ The accounting principles of EY as included in the chapter 'About this report' of the Integrated Report.

Inherent limitations

In the Integrated Report, prospective information such as ambitions, strategy, plans, expectations and estimates is included. Inherent to this prospective information is that achievability is uncertain. Therefore we will not provide any assurance relating to the achievability of the prospective information.

Management's responsibility

Management is responsible for the preparation of the Integrated Report in accordance with the applied criteria, including the identification of stakeholders and the selection of material topics.

The choices made by management regarding the scope of the non-financial information and the reporting policy are set out in the GRI reporting tables in the website version of the 2013/2014 Audit.

Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the Integrated Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Integrated Report based on the evidence we have obtained. We conducted our assurance engagement in accordance with Dutch Law, including the Dutch standard on auditing 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen'. This requires that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain reasonable assurance about whether the Integrated Report is free of material misstatements.

A reasonable assurance engagement in accordance with Dutch Standard of auditing 3810N involves performing procedures to obtain evidence about the correct and complete presentation of the Indicators in the Integrated Report. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error in the Integrated Report and the Indicators. In making those risk assessments, we considered internal control relevant to the preparation of the Integrated Report. In order to get reasonable assurance on the Integrated Report, we performed substantive procedures to determine the correctness and completeness of the reported information.

Assurance Report of the independent auditor

To: Ernst & Young Nederland LLP

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

Opinion with respect to the Integrated Report

In our opinion, the Integrated Report 2013/2014 for the year ended 30 June 2014 is prepared, in all material aspects, in accordance with the applied criteria. This opinion is subject to the inherent limitation outlined elsewhere in this assurance report.

Rotterdam, 9 October 2014

For and on behalf of BDO Audit & Assurance B.V.

W.A. de Jong RA

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