

econocom

REGULATED INFORMATION

4 March 2014

2013 Full-year results

Success of the mixed growth strategy and record operational performances

The Board of Directors of Econocom Group, a European business-to-business digital service provider, met on 4 March 2014, with Mr Jean-Louis Bouchard acting as chairman, to finalise the 2013 full-year results.

Revenue

(In € millions)

2012*	1,538	
2013	1,773	+15%

Recurring operating profit¹

(In € millions)

2012*	77	
2013	89	+16%

Gross dividend per share

(in €)

2012*	0.10	
2013	0.12 ³	+20%

*Restated²

In € millions	2012 <i>Audited</i>	2012 <i>(Restated)²</i>	2013
Revenue	1,538.3	1,538.3	1,772.6
Recurring operating profit ¹	74.1	76.8	88.8
Recurring operating profit	72.1	74.8	86.5
Non-current operating expenses	(3.5)	(3.5)	(13.4)
Operating profit	68.6	71.3	73.0
Financial result	(4.6)	(5.1)	(6.1)
Profit before tax	64.0	66.2	66.9
Income tax	(16.4)	(19.5)	(22.9)
Profit excluding non-controlling interests	47.4	46.6	44.1
Net earnings per share	€0.49	€0.48	€0.46
Recurring net earnings per share ¹	€0.50	€0.50	€0.57
Gross dividend per share	€0.10	€0.10	€0.12 ³

Jean-Louis Bouchard said: "2013 illustrates the success of our mixed growth strategy. We have begun to implement our ambitious Mutation 2017 plan and are stepping up investments in the digital sector, which is a new area we wish to conquer. We also successfully made a major acquisition, with Osiatis, and confirmed the considerable potential for creating value resulting from this alliance. This has allowed us to achieve record performances whilst continuing our shareholder return policy. These very positive results are just a stepping stone which will drive us to continue our efforts to maintain this virtuous trend and to go on playing an active role in the consolidation of our industry."

Record revenue and recurring operating profit

In 2013, Econocom posted consolidated revenue of €1.77 billion, a 15% increase on 2012. This performance is the result of organic growth (3.5%) and the integration of Osiatis for the last 4 months of the year (€121 M). This is a positive sign and a testament to the complementary natures of Econocom and Osiatis Groups, both of which reported organic growth in sales in 2013.

Recurring operating profit reached a new record level of €88.8 M, an increase of over 20% in published data and over 16% in comparable data. In addition to the profitable growth achieved for the year, Econocom also benefited from the contribution of Osiatis (in excess of €9 M).

The integration and transformation actions begun in 2013 as part of the strategic plan and the acquisition of Osiatis resulted in net non-current operating expenses of €13.4 M. Including these

¹Before amortisation of the brands and the ECS customer portfolio

²The restated 2012 financial statements include an expense of €0.8 million in recurring operating profit in accordance with IAS19R and the reclassification as income tax of the CVAE (French tax) in line with the standards for presenting financial statements applied by digital service companies.

³Subject to approval by the General Shareholders' Meeting on 20 May 2014.

non-recurring items, net financial expenses (€6.1 M) and income tax (€22.9 M), net profit for the year amounted to €44.1 M.

Recurring net earnings per share, restated with non-recurring items, rose 14% to €0.57 per share compared with the previous year (€0.50). Econocom has thus once again confirmed its ability to generate sustained growth whilst safeguarding its shareholders' interests.

Strengthening the financial structure and increasing the dividend

Thanks to sound cash management (cash flow of €79 M) and the successful integration of Osiatis, Econocom has a healthy financial structure. The group's equity stood at €260 M on 31 December 2013. Net financial debt was limited to €39 M, in spite of the share and convertible bond buyback during the year, which amounted to €33 M.

This healthy financial situation, along with the result of the issue of €175 M of net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE) in January 2014, have given the group the means to implement its strategic development plan.

Given this strong financial position, Econocom has increased its shareholder return policy over the past few months. In addition to the 5.35% of shares cancelled in December 2013, Econocom has also bought and cancelled 1,279,291 convertible bonds⁴, which account for 32% of the convertible bonds issued.

Furthermore, the Board of Directors will invite shareholders to vote, at the next Annual General Meeting, to raise the payment of a gross dividend to €0.12 per share, i.e. a 20% increase in one year.

Growth in revenue and recurring operating profit in 2014

As mentioned in the preliminary results published at the end of January, 2014 will focus primarily on finalising the integration of Osiatis and transforming the group's service business. The group will also continue its strategic investments in the digital sector, particularly in the field of dedicated smart object solutions and cloud offerings.

To that end, in January 2014 the group founded Digital Dimension⁵ in partnership with Georges Croix, a provider of cloud-based digital solutions, which reflects the group's ability to bring together renowned entrepreneurs with an original economic model in order to consolidate its leadership in the business-to-business digital services market.

Econocom Group thus expects annual revenue in excess of €2 billion and recurring operating profit of over €100 M, a slight increase on a like-for-like basis.

The 2014 first-quarter trading statement will be published after the close of trading on 22 April.

The Auditors, PricewaterhouseCoopers Reviseurs d'Entreprises Scrl, represented by Emmanuèle Attout, has confirmed that its audit work, which is substantially completed, has not revealed any material errors in the draft of its consolidated financial statements, and that the accounting information included in this press release is consistent in every significant way with said draft of the consolidated financial statements from which the information is taken.

About Econocom

Econocom is a European provider of business-to-business digital services. In 2013, it posted consolidated revenue of €1.77 billion. The services provided by the group include consulting, sourcing, technology management & financing, and a complete range of IT outsourcing services.

On 22 November, 2013, Econocom finalised the acquisition of the entire share capital of Osiatis, a major infrastructure service provider and related applications specialist. This transaction has resulted in the creation of a major new digital service company, with over 8,000 employees in 20 countries and cumulated revenue of around €2 billion.

The Econocom Group share (BE0974266950 - ECONB) has been listed on the Euronext NYSE in Brussels since 1986 and is part of the BelMid index.

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Register at www.actusnews.com to receive Econocom's financial news by email

⁴Corresponding to 5,117,164 shares

⁵See press release of 6 January 2014