

### RECURRING OPERATING PROFIT RISES SHARPLY AND THE INTEGRATION OF ECS PROGRESSES RAPIDLY

CONSOLIDATED RESULTS (unaudited in € millions)	H1 2010	H1 2011
Revenue	361.3	763.7
<b>Recurring operating profit<sup>1</sup></b>	<b>10.7</b>	<b>18.6</b>
Operating profit	9.3	12.8
Financial result	(0.3)	(7.4)
Profit before tax	9.0	5.4
Tax	(2.7)	(2.7)
Net consolidated profit	6.2	2.7
Net profit, group share	6.2	2.7

Revenue H1 2011

**€763.7 M**

Recurring operating profit H1 2011

**€18.6 M**

During the first six months of the year, Econocom consolidated its position as the European leader in business-to-business IT and telecoms infrastructure management, with, most notably:

- revenue doubling
- the integration of ECS, which it acquired in October 2010, with reorganisation costs well under control
- continued investments in innovation in order to keep pace with the ever-changing market and address businesses' needs
- a sharp rise in recurring operating profit
- total repayment of the bank loan

#### 2011 half-year results

In the first half of 2011, the group reported consolidated revenue of €764 million, compared with €361 million in H1 2010.

Managed Services (accounting for 16% of consolidated revenue, up 72%) benefited from the integration of ECS and good sales performances in the Telecoms service division.

Products & Solutions (16% of sales, growing 16%) improved thanks to a multi-year contract with the European Institutions and the innovative offering deployed by the group (medical BU, the Everpad enterprise solution, etc.).

Lastly, IT Financial Services (which accounts for 68% of invoicing, a leap of 181%), also benefited from the merger with ECS as well as lively sales activity which exceeded expectations.

<sup>1</sup> Before amortisation of the ECS customer portfolio (€1 M for the first half 2011)

The first synergies resulting from the acquisition of ECS led to a sharp rise in recurring operating profit in the first half, which jumped from €10.7 million to €18.6 million.

Net profit, group share, stood at €2.7 million. This includes €10 million of non-recurring costs (half of which were exceptional costs incurred by the integration of ECS, whilst the other half consisted of financial costs and taxes arising from the early repayment of the bank loan).

### **Financial position on 30 June, 2011**

Another notable event in the first half was the complete repayment of the bank loan secured for the acquisition of ECS. The group was able to pay off this debt, over a period of eight months, thanks to rigorous financial management and the successful issue of €84 million worth of convertible bonds in May, 2011.

On 30 June, 2011, the group's equity stood at €123 million. Net financial debt, including the convertible bonds, reached €112 million. The traditionally seasonal nature of cash-flow and Working Capital Requirements will lead to a significant drop in this amount as from the end of 2011 and a return to positive net cash-flow in 2012. Moreover, the group currently holds 1,009,206 own shares, or 3.9% of its share capital, not recognised in the financial statements.

### **Strategy and outlook**

After such a promising start to the year, Econocom Group can maintain its annual revenue and recurring operating profit targets (€1.4 billion and €56 million respectively).

During the second half, the group will focus on continuing the integration of ECS. The actions taken in the course of the first eight months mean the group will reach its target of €15 million worth of operational synergies this year and €25 million in 2012.

Furthermore, the growth in operating profit and the repayment of the bank loan will give Econocom the resources to continue its combined growth strategy. The group therefore plans to enhance its enterprise solutions offering and Managed Services division, and is investigating a number of targeted external growth opportunities.

*The third-quarter revenue will be published after the close of trading on Monday, 17 October, 2011.*

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*Established in 17 countries with 3,700 employees and consolidated revenue of €1.021 billion in 2010, Econocom is Europe's leading independent provider of business-to-business IT and telecoms infrastructure management services. Its services include consultancy, procurement, financing and a complete range of IT outsourcing services. The Econocom Group share (BE0003563716 - ECONB) has been listed on the Euronext NYSE in Brussels since 1986 and is part of the BelMid index.*

**For further information:**

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