

econocom

REGULATED INFORMATION
22 April 2014

Revenue at end of March 2014: €450 million, up 20% Annual guidance confirmed

Business trend

Econocom, a European business-to-business digital service provider, reported revenue of €450 million in the first quarter of 2014, compared with €375 million in Q1 2013, i.e. a 20% rise in published data. This growth is due to the integration of Osiatis Group, which the group acquired in September 2013.

On a like-for-like basis, the group's consolidated revenue fell by 3.5%; all the group's geographical areas posted growth or remained stable, with the exception of Benelux, (down by €32 million), which achieved exceptional performance during the first quarter of 2013, and is still expected to achieve its annual guidance.

Integration of Osiatis and the creation of Digital Dimension

At the end of 2013 and early 2014, the Services teams focused their efforts on the integration process and on implementing the new organisation. These projects, combined with a more selective policy for choosing deals, affected business volumes during the first quarter of 2014. Management is working together to implement the synergy plan.

Furthermore, as announced in January, the group has enhanced its service offering by setting up the company **Digital Dimension**, which aims to establish itself rapidly as a major player specialising in designing, implementing and managing front-office, cloud-based digital solutions. The first offerings are due to be launched this year; meanwhile, the group is looking into external growth opportunities in order to broaden its expertise, and one acquisition is currently being finalised.

Issue of €175 million of convertible bonds and share and bond buyback

In order to support its growth strategy in the digital world, in January 2014 Econocom successfully placed net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE), due to mature in 2019, for a total amount of €175 million. Part of the proceeds from this transaction were used to buy back convertible bonds due to mature in June 2016 (OCEANE). The total number of outstanding OCEANE is currently 2,350,465 (compared with 4,000,000 at the time of issue), representing a potential 8.8% maximum dilution of the group's share capital.

Revenue

(in € millions)

Q1 2013 375

Q1 2014 450 +20 %

Unaudited

In addition, Econocom continued its active share buyback policy during the first quarter. The group currently holds 1,248,021 Econocom Group shares, i.e. 1.2% of the company's shares. These shares will serve essentially to cover stock option plans.

These transactions are in line with the group's policy with respect to shareholder return and controlling the potential dilutive effects of its development.

Annual guidance confirmed

Econocom confirms its financial guidance for 2014, i.e. annual revenue in excess of €2.0 billion and recurring operating profit of over €100 million, increasing slightly on a like-for-like basis.

The 2014 half-year revenue will be published after the close of trading on 24 July.

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 infrastructure-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.

**For further information: www.econocom.com
Follow us on Twitter: <https://twitter.com/econocom>**

**Investor and shareholder relations: galliane.touze@econocom.com
PR contact: florence.lievre@econocom.com**

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

The public offer for Osiatis' shares launched by Econocom has not and will not require any formal approval or registration process outside France

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