

econocom

REGULATED INFORMATION
05 March 2015

2014 audited full-year results

Revenue rises 18.4% to €2,093 million and recurring operating profit up 2.3% to €95.3 million

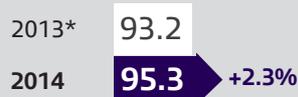
Revenue

(in € millions)



Recurring operating profit ^{(1) & (2)}

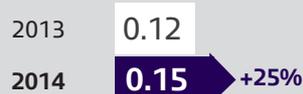
(in € millions)



*Restated

Compensation per share

(in €)



- Growth driven by the integration of Osiatis and 3% organic growth resulting from Econocom's success in the digital market and synergies between the group's three business lines.
- A targeted acquisition policy which is showing results and consolidates Econocom's position in the security, mobility and cloud-based services market
- A strong financial position with equity at €280 million and gearing limited to 38%
- A 25% increase in compensation per share

The Board of Directors of Econocom Group, a European company specialising in the digital transformation of businesses, met today with Mr Jean-Louis Bouchard acting as chairman, to finalise the 2014 full-year results.

In € millions	2014	2013 (restated)
Revenue	2,092.6	1,766.7
Recurring operating profit ^{(1) & (2)}	95.3	93.2
Recurring operating profit	92.3	90.9
Other non-operational income and expenses	(24.9)	(13.4)
Operating profit	67.4	77.5
Financial result	(11.8)	(9.7)
Profit before tax	55.5	67.8
Income tax	(21.0)	(23.1)
Share of profit of associates	0.0	0.1
Profit from discontinued operations	(3.0)	(0.6)
Profit for the year attributable to owners of the parent	30.9	44.1
Profit for the year (non-controlling interests)	0.7	0.0
Net earnings per share attributable to owners of the parent	€0.28	€0.46
Net earnings per share excluding non-recurring items	€0.44	€0.56

(1) Before amortisation of the ECS customer portfolio and the Osiatis brand

(2) After the reclassification of factoring charges and bank interest as financial expenses

To speed up the spread of digital progress within organisations, Econocom has launched the "Digital for all, Now!" movement.

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Full-year revenue up 18.4% and 3% organic growth

Econocom reported consolidated revenue of €2,093 million versus €1,767 million in 2013, an 18.4% rise compared with the previous year. This performance is in line with the guidance announced in 2014 of revenue in excess of €2 billion for the year.

The group has thus confirmed its ability to generate organic growth (3%) in a year that was devoted mainly to the decisive integration of Osiatis. This growth was driven by the group's positioning in the fast-growing digital transformation market and by business synergies between the three complementary business lines.

In the fourth quarter the group saw an acceleration of growth and organic growth in all its activities.

Recurring operating profit slightly above the guidance announced in October

Recurring operating profit rose 2.3% to stand at €95.3 million.

In order to comply with market practices, financial expenses arising from credit lines and factoring have been reclassified as financial expenses. This reclassification amounted to €5.2 million in 2014.

Net profit reached €30.9 million after the inclusion of €24.9 million of non-recurring expenses resulting from the process of integrating Osiatis, which is now complete, measures for optimising the group's organisation and the stepping up of cost savings plans across all the business lines.

Financial structure reinforced

The group reported a healthy financial position with equity rising to €280 million and net book debt amounting to €106 million. Econocom's gearing is thus limited to 38%.

This performance is all the more satisfying given the substantial investments Econocom made during the year in order to consolidate its future growth: over €100 million was invested in 2014 to develop Digital Dimension, acquire other companies, deploy an in-house funding entity to support the group's innovative offerings, and for internal management tools.

These investments were possible thanks to significant cash flow generation and the group's strict management of working capital requirements.

Following its successful second convertible bond loan in January 2014 (€175 million worth of ORNANE bonds), Econocom posted net cash in bank of €121 million on 31 December 2014.

This strong financial position gives the group the means to continue its ambitious strategic development plan.



A 25% rise in compensation per share and share dilution under control

At the next General Shareholders Meeting the Board of Directors will recommend that the shareholders receive a refund of the issue premium in lieu of dividend.

This payment will amount to €0.15 per share, i.e. a 25% rise in the gross shareholder return compared with the gross dividend of €0.12 per share paid in 2014.

In addition, Econocom continued its treasury share buyback policy and cancelled 3,053,303 shares on 29 December 2014, bringing its proportion of treasury shares to 1.30% of the share capital as of 31 December 2014. As of 4 March, the group held 2,398,327 treasury shares, i.e. 2.13% of its share capital.

Targeted acquisitions to reinforce the group's offering and international presence

This year the group focused on building and reinforcing to launch initiatives with the aim of preparing its next development phases.

- In January 2014, Econocom invested in Digital Dimension in partnership with Georges Croix with the aim of creating a market place for B2B digital solutions, mainly in cloud mode. It aims to achieve revenue of €120 million and operational profitability of at least 10% by 2016. Since its inception the company has made three acquisitions: **Rayonnance**, a company specialising in business-to-business mobile solutions, **ASP Serveur**, a leading provider of public and private cloud hosting solutions, and finally, **Aragon e-RH**, a French software vendor specialising in cloud-based HRIS solutions to cover the full range of companies' HR needs. Digital Dimension contributed €33 million to the group's 2014 consolidated revenue.

- In July, Econocom also acquired **Comiris**, a French specialist in collaborative, multimedia and videoconferencing tools.

- Finally, at the beginning of 2015, Econocom acquired a 45% stake in **Helis**, a French company specialising in critical infrastructure and network consulting, and acquired the entire share capital of **Clesys**, an infrastructure and network security specialist. These acquisitions are in keeping with the Mutation 2017 strategic plan and will reinforce the group's consulting capabilities and Security division, which are crucial for companies' digital transformation challenges.

Regarding its international operations, the group took a number of initiatives to serve its clients in the main countries in which they operate: it set up a Technology Management & Financing business in **Mexico**, where it already had a Services activity, and took over Interadapt and its subsidiary Syrix, acquired in 2014 (€14 million revenue and over 300 engineers and technicians) in **Brazil**. The Americas contributed €38 million to the group's consolidated revenue in 2014.

Finally, the group signed a partnership in **Germany** with local company Technogroup IT-Service GmbH (over 200 engineers and technicians) to serve its clients in Germany and Switzerland.

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Outlook for 2015

The Group's Management expects another year of organic growth in revenue and a rise in recurring operating profit and net result per share.

These forecasts are confirmed by the first positive trends observed at the beginning of 2015.

In addition, Econocom confirms it will be actively continuing its targeted acquisition policy in its main strategic areas: security, eHealth, eEducation, consulting, mobile and web apps, and will deploy its multi-activity model in its strategic countries in order to consolidate its position at the forefront of the digital transformation of businesses and public services.

The 2015 first-quarter revenue release will be published after the close of trading on 22 April.

The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement, which would require an adjustment to the figures included in the press release.

About Econocom

Econocom designs, finances and oversees companies' digital transformation. With over 8,000 employees in 20 countries and revenue in excess of €2 billion, Econocom has all the requisite abilities to ensure the successful implementation of large-scale digital projects: consulting, sourcing and technology management & financing of digital assets, infrastructure, application and business solution services, and project financing.

For further information: www.econocom.com

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