

Solucom

Quarterly financial information at 31 december 2011

Solucom

Public Limited Company with a Board of Directors and a Supervisory Board

With a capital of €496,688.20

Registered Office: Tour Franklin – 100/101 Terrasse Boieldieu

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NANTERRE COMMERCIAL REGISTRY 377 550249

This document contains quarterly financial information, in the meaning of article L.451-1-2 IV of the Monetary and Financial Code, in respect of the third quarter of Solucom's 2011/12 financial year.

1 - Turnover for the past quarter

Turnover Consolidated data (in €m)	2011/12	2010/11	Change
H1	50.0	52.4	-4%
Q3 *	27.7	27.8	0%
Total for 9 months *	77.8	80.2	- 3%

* Unaudited data

In the 3rd quarter of its 2011/12 financial year (which will end on 31 March 2012), Solucom achieved consolidated turnover of € 27.7m, virtually stable compared with the same quarter of the previous year.

The return to growth in the staff numbers since the 2nd quarter has put an end to the decline which had slowed the performance of the firm in the 1st half. This 3rd quarter was nevertheless penalised by the deterioration in the market situation.

At the end of December 2011, consolidated turnover for nine months amounted to € 77.8m, down 3% compared with the same period for the previous year.

2 - General description of the financial situation and the quarterly results

At the end of the first nine months of the financial year, the activity rate amounted to 84%, slightly down compared with the 1st half (85%). This activity rate reflects the return to sustained growth in the staff numbers in the 3rd quarter and a market which has been disrupted since September. This activity rate falls within the upper end of the firm's standard range of between 82% and 84%.

Where sales prices are concerned, Solucom continued to record slight growth, in line with the movement observed since the end of 2010. The average daily rate therefore amounted to € 720 at the end of December, compared with € 716 in the 1st half and € 713 over the whole of the previous financial year.

Thanks to the success of its annual recruitment campaign, Solucom increased its headcount to 961 at 31 December 2011, compared with 919 at the end of September and 915 at the end of the previous financial year.

Over the full 2011/12 financial year, Solucom plans to complete around 220 recruitments.

As in the previous quarters, the staff churn rate continued to fall during the 3rd quarter. The consulting firm anticipates an annual churn rate of 15%, in line with the range of 12% to 15% forecast at the start of the year, and compared with 20% in 2010/11.



The 3rd quarter confirmed Solucom's anticipation in terms of market development, with a slowdown in expenditure by large accounts and a demand which will doubtless be flat over the first months of 2012.

In order to absorb the effects of the crisis, Solucom began, from September onwards, to strengthen its sales teams, to increase management's focus on pre-sales phase, and chose to improve visibility in its commercial decision-making.

This commercial action plan has started to produce its first positive effects: The commercial pipeline ⁽¹⁾ therefore amounted to 4.9 months at the end of the year, after having fallen to 3.7 months at the end of the previous quarter. The order book increased significantly to 3.4 months, compared with 2.8 months at the end of September. For the record, a satisfying visibility sets around or over 4 months.

At the end of the 3rd quarter of its financial year, Solucom confirms its annual goals as adjusted at the end of November: annual turnover of between € 108m and € 112m, a current operating margin of between 10% and 12% and the completion of a targeted external growth transaction, subject to tighter decision criteria.

3 - Explanation of major transactions and events during the quarter

No significant event to be signalled.

(1) *Commercial pipeline: snapshot of the volume of business currently being processed, in months of turnover.*

