solucom
management & IT consulting

Press release *Paris, 5 June 2012*

Resistant 2011/12 annual results in line with the targets set

During its meeting on 1st June 2012, the Supervisory Board of Solucom approved the consolidated annual financial statements as at 31 March 2012 summarised below. The audit procedures have been carried out and the audit report relating to their certification is in the process of being issued by the independent auditors.

Consolidated data at 31st March (In €m)	2011/12	2010/11	Change
Sales revenues	108.1	108.0	*0%*
EBIT	11.6	12.6	*- 8%*
Current operating margin	*10.8%*	*11.7%*	
Operating income	11.6	12.6	*- 8%*
Group's share of net profit	7.0	6.9	*+ 1%*
Net margin	*6.5%*	*6.4%*	

During its 2011/12 financial year, Solucom achieved consolidated turnover of €108.1m, stable in comparison with the previous year.

As anticipated at the start of the year, the downturn in the headcount penalised the turnover for the 1st half year, which was down 4% compared with the previous year. During the 2nd half, the return to growth of the headcount and the intensification of the commercial efforts made to meet the crisis gave the firm the means to resume its growth and to offset the downturn at the start of the year.

On the commercial side, despite a market context which has rapidly become more difficult, the year saw the 1st concrete results of the "Solucom 2015" strategic plan. Several significant transformation projects have been agreed with very large corporations such as SNCF, GDF SUEZ, Crédit Agricole and La Poste. Some initial foreign successes have also been recorded for customers such as Attijariwafa Bank in Morocco, Crown in the United Kingdom and Thalys in Belgium.

Success of the actions taken in respect of human resources

In terms of human resources, the 2011/12 financial year confirmed the success of the actions undertaken. The success of the recruitment campaign, with more than 220 new hires during the year, and the significant reduction in the churn rate, at 14% in 2011/12 compared with 20% in 2010/11, has allowed the headcount to resume its growth.

At 31 March 2012, Solucom's total headcount was 992 staff, up by 8% over the year. At the start of April, including the staff of the firms Alturia Consulting and Eveho, the headcount amounted to more than 1,100 people.

Resistance of the business indicators despite the crisis

Once again, the firm's business indicators showed resistance in 2011/12 despite the crisis.

Solucom thus recorded an activity rate of 83% over the financial year, compared with 85% for the 2010/11 year. The return to sustained growth in the headcount in the 2nd half year and the wait-and-see attitude of the major order givers weighed on activity at the end of the year and explain this slowdown. The activity rate nevertheless continues to fall within Solucom's standard bracket of between 82% and 84%.

Sales prices increased. They amounted to €720 over the financial year, compared with €713 during the previous year, namely an increase of 1%, in line with the 1%-2% trend anticipated by the firm at the start of the year.

Annual results in line with Solucom's objectives

This satisfactory resistance by the business indicators allowed the firm to produce EBIT of €11.6m in 2011/12, representing a current operating margin of 10.8%, in line with the target bracket of 10%-12% announced at the start of the year. This margin, below that of the previous financial year, incorporates the capital investments undertaken as part of the "Solucom 2015" plan, as well as the effect of the market disruptions in the 2nd half.

The fall in the cost of debt, which is the result of the improvement in the financial situation, and the reduction in the tax charge have allowed the net income - group share to come in slightly ahead of that of the previous year at €7.0m, giving a net margin of 6.5%.

A positive net cash balance of €12m

At 31 March 2012, the consolidated shareholders' equity of Solucom amounted to €45.2m.

Thanks to a net cash flow of €9.5m, up by 9% over the year, the net cash balance continued to grow to €12.0m at the end of the financial year.

The firm was therefore able to finance in cash, from its own resources, the acquisitions of the two consulting firms Alturia Consulting and Eveho, completed at the beginning of April. Following these acquisitions, Solucom still has significant net cash, allowing it to seize, where applicable, new development opportunities.

In addition, at the next general meeting of shareholders on 26 September 2012, Solucom will propose the payment of a dividend of €0.22 per share in respect of the 2011/12 financial year, up by 5% compared with last year.

"Solucom 2015": A dynamic under way

By resuming the growth in its headcount and re-launching its external growth dynamic, Solucom has used the 2011/12 financial year to give the starting impetus to its "Solucom 2015" strategic plan.

The mergers with Alturia Consulting and Eveho will in particular allow the firm to acquire strong positions with order givers in the insurance world, a key sector undergoing profound changes.

The integration of these two firms will be one of the challenges for the 2012/13 financial year, with the objective of rapidly achieving commercial synergies and gradually raising the profitability of these two structures back to their historic levels, comparable to or greater than the standard profitability rate of Solucom.

2012/13 financial objectives: prudence in a disturbed economic environment

The 2012/13 financial year has opened against an extremely uncertain market background. The order givers at the large corporations are again showing a wait-and-see attitude, while observers are now forecasting a fall in the Consultancy market in 2012.

Against this background, commercial actions will constitute the first priority for the year. In addition, whilst remaining confident in the firm's capacity to confront a difficult environment, Solucom is remaining extremely vigilant and remains ready at any time to modulate its development actions to take account of changes in visibility.

In view of these uncertainties, Solucom intends to be prudent in the formulation of its 2012/13 market plan.

The firm is setting itself the objective of producing positive organic growth over the financial year on a like-for-like basis. In addition, it is targeting total growth of more than 13%, with the integration of Alturia Consulting and Eveho.

Lastly, where profitability is concerned, Solucom is setting itself the objective of producing a double-digit current operating margin.

Next announcement: Q1 2012/13 sales, on 19 July 2012 (after the close of the market).

About Solucom

Solucom is a management and IT consulting firm.

Solucom's customers are among the top 200 large companies and public bodies. For them, Solucom is capable of mobilizing and combining the skills of over 1,000 staff members.

Our mission statement? To place innovation at the heart of business lines, target and steer transformations that are sources of added value, and turn the information system into an actual asset designed to serve corporate strategies.

Solucom is listed on NYSE Euronext Paris.

Solucom has been granted the innovative company award from OSEO Innovation.

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ANNEX 1: CONSOLIDATED FINANCIAL STATEMENTS

In € 000	**31/03/2012**	**31/03/2011**
REVENUES	**108,058**	**108,022**
Other operating income	0	0
Purchases consumed	3,624	3,426
Personnel costs (including profit share)	76,733	75,987
External costs	13,556	12,882
Taxes	1,824	1,931
Net depreciation and provision charges	669	1,198
Other income and expenses on ordinary activities	5	-23
OPERATING PROFIT	**11,647**	**12,621**
Other income and expenses from operations	-47	0
NET BORROWING COSTS	**11,600**	**12,621**
Financial income and expenses	60	7
Gross borrowing costs	107	150
COUT DE L'ENDETTEMENT FINANCIER NET	**47**	**144**
Other financial income and expenses	3	69
PROFIT BEFORE TAX	**11,556**	**12,548**
Corporation tax	4,557	5,612
NET PROFIT FOR THE YEAR	**6,999**	**6,935**
Minority interests	0	0
NET PROFIT (GROUP SHARE)	**6,999**	**6,935**
Basic earnings (group) per share (€) (1) (2)	1.44	1.43
Diluted earnings (group) per share (€) (2)	1,40	1.40

(1) Weighted average number of shares during the year excluding treasury shares.

(2) In accordance with IAS 33, earnings per share for the years ended 31 March 2012 and 31 March 2011 were recalculated based on the number of shares as at 31 March 2012.

ANNEX 2: CONSOLIDATED BALANCE SHEET

In € 000	31/03/2012	31/03/2011
NON-CURRENT ASSSETS	**29,657**	**31,018**
Goodwill	24,137	24,364
Intangible fixed assets	162	296
Tangible fixed assets	2,463	2,430
Long-term investments	700	648
Other non-current assets	2,195	3,280
CURRENT ASSETS	**57,600**	**53,736**
Trade receivables	35,844	33,617
Other receivables	7,177	6,092
Cash and cash equivalents	14,579	14,027
TOTAL ASSETS	**87,257**	**84,754**
SHAREHOLDERS' EQUITY	**45,159**	**40,040**
Share capital	497	497
Issue, merger and contribution premiums	11,219	11,219
Consolidated reserves and retained earnings	33,443	28,325
Minority interests		
TOTAL SHAREHOLDERS' EQUITY	**45,159**	**40,040**
NON-CURRENT LIABILITIES	**2,706**	**3,984**
Long-term provisions	2,197	1,674
Borrowings (due in more than a year)	288	2,233
Other non-current liabilities	221	77
CURRENT LIABILITIES	**39,392**	**40,730**
Short-term provisions	856	1,341
Borrowings (due in less than a year)	2,263	2,305
Trade payables	5,544	4,007
Tax and social security liabilities	26,843	28,712
Other current liabilities	3,886	4,365
TOTAL LIABILITIES	**87,257**	**84,754**

ANNEX 3: CONSOLIDATED CASH FLOW STATEMENT

In € 000	**31/03/2012**	**31/03/2011**
Total net consolidated profit	**6,999**	**6,935**
Elimination of non-cash items:		
Depreciation and provision charges	1,107	1,641
Expense/income from stock-options and similar items	0	0
Post tax capital losses/gains on sales of assets	38	7
Other non-cash income and expenditure	1,350	92
Free cash-flow after borrowing costs and tax	**9,494**	**8,675**
Exchange differences on free cash-flow		
Change in working capital	-3,698	1,163
Cash-flow from operating activities	**5,796**	**9,838**
Purchase of intangible and tangible fixed assets	-1,032	-939
Sale of fixed assets	0	1
Change in long-term investments	-1,213	-475
Change in consolidation scope	0	0
Other cash-flow from investing activities		
Net cash-flow from investing activities	**-2,245**	**-1,413**
Capital increase –proceeds from exercise of stock	0	0
Purchase and sale of treasury shares	0	0
Dividends paid to shareholders of the parent company	-1,026	-937
Dividends paid to minority interests of subsidiaries	0	0
Other cash-flow from finance activities	-1,966	-2,142
Net cash-flow from financing activities	**-2,992**	**-3,079**
Net change in cash and cash equivalents	**559**	**5,346**