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Press release
18th March 2014

2013 ANNUAL RESULTS: INCREASE IN OPERATING PROFITABILITY, HIGHER THAN THE OBJECTIVE

Adjusted EBITDA margin of 5.1%

Paris (France), 18th March 2014 – Valtech S.A. [NYSE Euronext Paris: FR0011505163 - LTE], first independent European company in digital and technology marketing, has published its annual audited results of the fiscal year 2013 ending 31st December. The Board of Directors met on Friday, March 14, 2014, chaired by Sebastian Lombardo, to approve the annual financial statements. Audit procedures on the consolidated statements have taken place. The certification report is being issued.

Group's key figures (M€)	**2013**	**2012**	**Change**
Turnover	137.5	133.7	+ 2.9%
Cost of sales	(93.5)	(92.6)	+ 0.8%
Gross margin	44.0	41.1	+ 7.0%
Commercial and marketing costs	(8.9)	(11.5)	- 22.6%
Structural costs	(31.5)	(29.4)	+ 6.9%
Adjusted EBITDA(1)	7.0	2.6	
Adjusted EBITDA margin	*5.1%*	*2.0%*	
EBITDA	4.7	2.6	
Amortizations and provisions	(2.8)	(2.4)	
EBIT	2.0	0.2	
Net income- group share	1.0	(2.1)	
Net earnings per share	0.05	(0.01)	
Employees (annual average)	1,515	1,565	

(1) The adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) excludes the exceptional elements and the expenses of the redeemable share subscription warrant issue

KEY FIGURES

- A consolidated turnover of € 137.5 million, representing an annual increase of 2.9%. At constant scope and exchange rates (excluding the telecom service business in the United States disposed in Q4 2013 and the non-strategic partnership contract with SAP disposed in October 2012), organic growth stood at 7.5 %, remaining strong despite the postponement in 2014 of several projects in Northern Europe and the United States.

- A gross margin of € 44.0 million, up by 7.0%, or a rate of 32.0% against 30.7% a year earlier. This reflects the continuing transformation of Valtech's business model with the increasing importance of digital marketing in the group's business, especially in the UK, Germany and the United States.

- Adjusted EBITDA of € 7.0 million, up by 168.9%, representing a margin of 5.1%, above the target of 4.0%. This performance is the result of (i) the reduction in trade and marketing costs (-22.7%) and (ii) a moderate increase in structural costs (+6.9%) with an increase in the overall and per-employee turnover.

- Net income-group share of € 1.0 million, against a loss of (2.1) million € in 2012, after accounting for net financial costs of (0.1) M€, a loss of (0.1) M€ for equity in the South Korean joint venture disposed at the end of 2013 and (0.8) M€ of corporate tax (including € 0.9 million deferred tax).

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MAIN COMMENTS

Sebastian Lombardo, Valtech's CEO, said:

« *The company has achieved strong operating performance in 2013: despite slightly less dynamic growth in the second half of the year, due to project postponements and the lengthening of our sales cycles, Valtech's transformation has continued with a significant improvement in profitability for the year.*

Our adjusted EBITDA margin was thus at 5.1% throughout the year, a level significantly higher than the 4% target that we set ourselves. All geographical areas have seen their profitability increase in 2013, allowing to end with a positive net income-Group share of € 1.0 million.

We begin 2014 with confidence but also with caution, given the impact that the lengthening of business cycles might have on profitability. Therefore, we have a goal of an annual turnover of between € 145 million and € 150 million, excluding acquisitions and a continued improvement in our operating profitability with an adjusted EBITDA margin of 5.5 %. »

FINANCIAL SITUATION

In 2013, Valtech recorded an operating cash-flow of € 8.2 million, resulting from the company's operations but also from good management of working capital. After accounting for investment flows of (2.4) M€, net debt repayment of € 1.8 million and the capital increase of € 0.7 million related to the issuance of share subscription warrants in July 2013, Valtech has generated € 4.2 million in cash in 2013.

On 31st December 2013, shareholder equity amounted to € 28.8 million. Borrowings were reduced from € 9.4 million to € 4.9 million at the end of 2013. Valtech thus had a positive net cash position of € 0.4 million on 31 December 2013, against a net debt of € 5.5 million in late 2012.

ANALYSIS OF THE OPERATING PERFORMANCE BY REGION

Northern Europe

In Northern Europe, Valtech has achieved organic growth of 13.2%, remaining solid despite project postponements in Denmark and the United Kingdom. As expected, the adjusted EBITDA margin improved significantly in the 2nd half, to 10.7% over the period, due to improved results in Denmark and the growing importance of digital marketing in Germany and the UK.

The 2014 prospects are favourable for this area, now the most advanced in the transformation of the group with more than 75% of the business carried out in digital and technology marketing.

Northern Europe - (M€)	**2013**	**2012**	**Change**
Turnover	65.1	57.8	+ 12.6%
Adjusted EBITDA	4.9	4.0	+ 21.8%
Adjusted EBITDA margin	*7.5%*	*6.9%*	
EBITDA	4.5	4.2	+ 6.7%
Employees (annual average)	422	393	

This zone includes Germany, Denmark, UK and Sweden.

United States

The evolution of business in the United States was affected by two developments in business scope (disposal of the telecom services in 4Q 2013 and of the non-strategic partnership contract with SAP in October 2012). Excluding these developments, organic growth at constant exchange rate stood at 8.8%.

The significant improvement in adjusted EBITDA, despite continued sales and marketing investments in digital, validates the transformation made overseas. The acceleration of the trend expected in 2014 should allow this region to contribute positively to profitability in 2014.

United States - (M€)	2013	2012	Change
Turnover	36.0	38.0	- 5.3%
Adjusted EBITDA	(0.8)	(2.9)	
Adjusted EBITDA margin	*-2.2%*	*-7.6%*	
EBITDA	(0.9)	(3.3)	
Employees (annual average)	277	311	

Southern Europe

In Southern Europe, the Group has benefitted from the reorganization initiated in 4Q 2012 and from its selectivity favouring the profitability of operations. The adjusted EBITDA is thus at 2.4% in 2013.

Visibility on 2014 remains low given a disadvantageous political, economic and social context.

Southern Europe - (M€)	2013	2012	Change
Turnover	36.3	35.2	+ 2.9%
Adjusted EBITDA	0.9	(0.6)	
Adjusted EBITDA margin	*2.4%*	*-1.8%*	
EBITDA	0.3	(0.6)	
Employees (annual average)	285	298	

Rest of the world

In the rest of the world, growth excluding the foreign exchange impact amounted to 6.4%, driven by the growth in digital projects in other geographical areas. The high adjusted EBITDA margin reflects the Indian teams' solid competency for delivery, particularly on digital platforms, *big data and mobile*.

Rest of the world - (M€)	2013	2012	Change
Turnover	10.2	10.9	- 6.2%
Adjusted EBITDA	2.0	1.3	+ 53.9%
Adjusted EBITDA margin	*19.5%*	*11.9%*	
EBITDA	2.0	1.3	+ 53.9%
Employees (annual average)	531	563	

Intra-company eliminations

The intra-company turnover consists of the elimination of intra-company revenue. This revenue is eliminated in the consolidated statements.

Rest of the world - (M€)	2013	2012
Turnover	(10.1)	(8.1)

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TABLE FROM OPERATING RESULTS TO ADJUSTED EBITDA

Group Key figures (EUR million)	2013	2012
Operating Results	2.0	0.2
Depreciation, amortization and impairment	(2.7)	(2.4)
EBITDA	4.7	2.6
Adjustment earn-out H2O	-	0.7
Restructuring	(1.5)	(0.7)
Divestment of assets	(0.4)	-
Share-based payments	(0.4)	-
Adjusted EBITDA	7.0	2.6

LEGAL TRANSFORMATION OF VALTECH TO A EUROPEAN COMPANY

By a resolution of its Board of Directors, Valtech announced its intention to submit to its shareholders' vote, during the next annual general meeting on 25 April 2014, a draft on the legal transformation from a limited company (SA) to that of a European Company (Societas Europaea, SE).

With a presence in 7 countries around the world, Valtech has 68 % of its business in Europe in 2013 and currently concentrates about 50% of its workforce here. Therefore, the Board considered it appropriate to translate this dimension by enhancing the transnational and European identity of Valtech.

Valtech will thus benefit from a legal status recognized in most countries in which the company operates, in line with the new economic reality, both as regards its employees, as its customers. This corporate structure has the advantage of benefiting from a base formed by a homogeneous system and recognized within the European Union (EU). It facilitates the establishment of branches within the EU and is an asset in the context of responding to RFPs.

This legal change will not affect the group's organization, governance, listing or operations.

FINANCIAL CALENDAR

- The Q1 2014 turnover (January-March) will be published on Tuesday 29th April 2014, after market close.
- The Q2 2014 turnover (April-June) will be published on Wednesday 16th July 2014, after market close.
- The H1 2014 results (January-June) will be published on Monday 1st September 2014, after market close.
- The Q3 2014 turnover (July-September) will be published on Wednesday 15th October 2014, after market close.

ABOUT VALTECH

Valtech [NYSE Euronext Paris: FR0011505163 - LTE] is a digital marketing agency, pioneer in technologies with a presence in seven countries (France, UK, Germany, Sweden, Denmark, USA, India) and approximately 1,500 employees. As a "digital full service" player, Valtech knows how to add value to its customers at all stages of a digital project: strategy consulting, design, graphic design, development and optimization of business-critical digital platforms. With its recognized commitment to innovation and agility, Valtech helps brands to develop and grow their business through web technologies while optimizing Time-to-Market and return on Investment.

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