econocom

REGULATED INFORMATION
3 September 2015

2015 Half-Year Results

Strong growth in revenue (15%), recurring operating profit (35%) and net profit (36%) for the first half

Revenue (in € millions)* H1 2014 974 H1 2015 1,122 +15%

Recurring operating profit (in € millions)*

н1 2014 32.1

H1 2015 43.4 +35%

Net profit (in € millions)*

H1 2014 15.0 H1 2015 20.4 +36%

* Unaudited consolidated data

First-half highlights

- Revenue of €1.1 billion, rising 15%, 13% of which organically
- Organic growth across all business lines and geographical areas
- Recurring operating profit¹ rose 35% and operating margin rate up across all business lines
- Sharp increase in operating profit
- Net profit up 36%
- Financial resources strengthened: successful issue of bonds as part of a private placement (Euro PP) of €101 million
- Continuing the investment strategy with seven targeted transactions carried out
- 2015 guidance confirmed: another year of organic growth in revenue and a rise
 in recurring operating profit and net earnings per share
- The group's Management expects a sharp rise in net earnings per share for the year

Econocom, a European company specialising in the digital transformation of businesses, announced its half-year results after the Board of Directors met today.

15% growth in revenue, supported by all business lines and geographical areas

Econocom reported revenue of €1,122 million in the first half of 2015, compared with €974 million for the same period in 2014, i.e. a 15% rise, 13% of which is organic.

This overall growth dynamic was supported by the group's three core businesses:

• Technology Management & Financing, driven by the healthy business trend, posted revenue of €567 million compared with €491 million a year before (an entirely organic growth of 15%). Econocom Digital Finance, the group's in-house funding subsidiary, contributed around 5% to the activity's revenue.

 $^{\rm 1} \! \text{Before amortisation of the ECS customer portfolio}$ and the Osiatis brand



- Products & Solutions reported revenue of €211 million compared with €167 million a year before, i.e. an entirely organic increase of 26%. The activity, which continues to generate strong business synergies with the group's other business lines, also benefited from its successful launch in Italy in the high-growth digital assets market.
- Services achieved revenue of €344 million compared with €316 million for the first half of 2014, i.e. a 9% rise, 2% of which is organic growth. Thanks to its robust, extensive services platform, Econocom is now in a position to deploy digital offerings which will help consolidate its organic growth.

These organic increases in revenue confirm the group's strong positioning in the digital transformation market and the complementary nature of its three core businesses.

Lastly, all the group's geographical areas posted strong growth of between 10% and 17%: France reported revenue of €603 million, up 17%, revenue in Benelux rose 14% to €181 million, Southern Europe posted revenue of €196 million (up 10%), and Northern Europe's revenue stood at €143 million, up 17%.

Recurring operating profit up 35%, reflecting improved profitability across all business lines

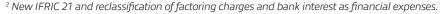
In the first half of 2015, recurring operating profit amounted to \leq 43.4 million compared with the \leq 30.6 million published in 2014 (up 42%) and \leq 32.1 million in restated data² (up 35%).

All the group's core businesses reported double-digit growth in recurring operating profit and a rise in operating margin rates. These good results were due to the implementation of business synergies, the successful integration of the Services activities, the group's productivity plans and the growth of new types of assets in the B2B market (Apple and IoT).

Recurring operating profit stood at €25.4 million for **Technology Management & Financing**, €13.6 million for **Services**, and €4.4 million for **Products & Solutions** in the first half.

Significant increase in operating profit

Operating profit for the first half stood at €40.3 million compared with €25 million for the first half of 2014. This 61% rise is a result of the significant improvement in operating performance and the limited amount of non-recurring expenses (€1.1 million compared with €5.6 million in the first half of 2014), due mainly to the acquisitions of companies. As the integration of Osiatis Group was completed in 2014, the group no longer has to bear any exceptional expenses for this, as previously announced.





Net profit up 36%

Net profit amounted to €20.4 million, compared with €15 million in the first half of 2014, a 36% increase.

This rise was partly due to the **decrease in financial interest expenses as a result of the group's changing its financing sources.** The ORNANE convertible bonds issued in January 2014 and the private placement (Euro PP) in May 2015 benefited from better financial conditions than for the OCEANE convertible bonds issued in 2011, which were repaid early in 2014.

Net profit includes a non-economic, non-cash financial expense of €2 million as a result of the change in the mark-to-market fair value of the ORNANE derivative in the first half of 2015, due to the rise in the Econocom Group share price. The impact on the first half of 2014 was, conversely, a €5.3 million profit.

Net profit restated with non-economic items³ stood at €24.1 million.

Net earnings per share rose 34% in the first half of 2015.

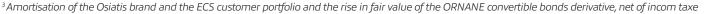
Financial resources strengthened and diversified

On 30 June 2015, net financial debt amounted to €251 million, in line with the group's forecasts. This reflects the investments made during the first half (acquisitions and developing the in-house funding subsidiary) and buying back treasury shares. As every year, this was negatively affected by the seasonal nature of business. The group expects it to decrease by 31 December 2015.

Equity stood at €261 million. This change is due to the first-half results, repayment of share premiums and buying back treasury shares.

Econocom, which has continued its treasury share buyback policy, held 4,196,468 treasury shares, i.e. 3.7% of the share capital, on 30 June 2015 compared with 1.3% on 31 December 2014.

The group has also reinforced and diversified its financial resources and benefits from net cash at bank of €81 million on 30 June 2015. After the successful issue of net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE) in January 2014, in May 2015 the group successfully finalised an issue of bonds with maturities of five and seven years as part of a private placement (Euro PP) of €101 million with eight institutional investors. These funds will enable the group achieve its objectives.





Outlook

After a record second half 2014, the group's Management is satisfied with the results of the first half of 2015. The first-half growth dynamic, supported by the first trends of the third quarter, has enabled Econocom to:

- Confirm its 2015 guidance: another year of organic growth in revenue and a rise in recurring operating profit and net earnings per share.
- Expect a sharp rise in restated net earnings per share
- Confirm the objectives of its Mutation 2017 plan: €3 billion in revenue and €150 million recurring operating profit in 2017.

The group, which has already invested in seven targeted transactions in the first half of 2015, will continue its investment strategy in four key sectors (security, web and mobile apps, digital solutions and infrastructure and network consulting). In July Econocom acquired (via Digital Dimension) SynerTrade, the European leader in cloud-based eProcurement solutions (€13 million revenue in 2014), and is currently looking into other potential acquisitions in France and overseas (Italy and Spain) in order to deploy its original business model based on its three complementary business lines.

Lastly, Econocom continues to support its organic growth, in particular by expanding its sales force by around forty people in the first half, i.e. 7% of its sales staff. In line with the growth of its business, the group has also recently launched a new employer branding campaign which will increase its overall appeal.

Two meetings of the press and financial analysts will be held in Brussels and Paris on 4 September 2015.

The third-quarter trading statement will be published after the close of trading on 21 October 2015.

About Econocom

Econocom designs, finances and oversees companies' digital transformation. With over 8,500 employees in 19 countries and revenue in excess of €2 billion, Econocom has all the requisite abilities to ensure the successful implementation of large-scale digital Investor and shareholder relations: galliane.touze@econocom.com projects: consulting, sourcing and technology management & financing of digital assets, infrastructure, application and business solution services, and project financing.

The Econocom Group share (BE0974266950 - ECONB) has been listed on the Euronext

NYSE in Brussels since 1986 and is part of the BelMid and Tech40 indices.

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