

**2008/09 results:  
40% growth and 11.2% operating margin**

**Solucom one of the Top 5 IT consulting firms in France**

In €M – Audited figures	2008/09	2007/08	Variation
<b>Turnover</b>	101.9	73.0	+ 40%
<b>EBIT</b>	11.4	9.5	+ 21%
<i>Operating margin</i>	11.2%	13.0%	
<b>Operating income</b>	11.1	9.2	+ 20%
<b>Group's share of net profit</b>	7.0	6.2	+ 14%
<i>Net margin</i>	6.9%	8.5%	

At the end of the 2008/09 financial year (ended 31 March 2009), Solucom posted a turnover of € 101.9M, up 40% on 2007/08. Aside from the inclusion of Cosmosbay~Vectis since 1 April 2008, Solucom has enjoyed solid, annual organic growth of 14%. The firm's staff at the end of March 2009 numbered 966, as against 666 a year earlier, up 45%, 13% on a comparable scope.

**Durability of operating indicators**

Solucom's activity rate was 79%, impacted by the inclusion of Cosmosbay~Vectis, which saw a noticeable drop in the activity rate of its consultants, due to inadequate sales performance. On a comparable scope, the activity rate remained in line with the firm's norm at between 82% and 84%.

The average daily sales price was up for the 3<sup>rd</sup> consecutive year at € 740, representing 2% annual growth. This increase reflects the positive contribution by Cosmosbay~Vectis, which has demonstrated that its sales prices are holding up well. On the same scope the sales price has remained the same as the previous year, despite the return of pricing pressures.

**2008/09 results in line with targets**

EBIT was € 11.4M, up 21% on the previous financial year. Operating margin came to 11.2%, exactly in line with the annual target of between 10% and 12%.

After taking into account an increase in the cost of borrowings, following recent acquisitions paid in cash, the group's share of net profit increased 14% to € 7.0M, representing a net margin of 6.9%.

At 31 March 2009 Solucom's shareholders' equity stood at € 32.1M and net borrowings, without any early-repayment bank covenants, came to € 5.2M, which represents perfectly balanced gearing of 16%. To date Solucom has a liquid cash position of a further € 16.1M for financial commitments in respect of acquisitions, which are limited to € 2.4M, leaving the firm broad room for financial manoeuvre.

Solucom will be proposing at its Annual General Meeting on 25 September 2009 to pay a dividend of € 0.19 per share, in line with the previous year.

### **Solucom: No. 5 in IT consulting in France**

The sales successes achieved in 2008/09 together with the acquisition of Cosmosbay~Vectis have let the firm change its scale of operations.

With 966 employees at end March 2009 Solucom is close to the 1,000 mark for staff it had initially targeted for 2010. At the same time, now with over 30% of turnover coming from outside technology consulting, Solucom has achieved true legitimacy in every aspect of IT consulting, especially in governance and major IT transformation projects.

All this has led Solucom, a year ahead of schedule, to join the Top 5 IT consulting firms in France<sup>(1)</sup>. This new status as a major player was also reinforced by the unification of all the firm's various brands in April 2009.

### **2009: an IT market in crisis**

The deterioration in the economic situation over recent months is now weighing heavily on the IT services market. All market observers have accordingly revised downwards their forecasts, and all are now expecting contraction in consulting activities in 2009.

Solucom, however, has several assets to resist the slowdown in the market: its status as a major player, its broad sectoral presence, its portfolio of services that are suited to the expectations of major clients, and its crisis products, such as consulting in outsourcing and IT rationalisation.

### **Priority in 2009/10 to defend margins**

Achieving a turnaround at Cosmosbay~Vectis will be one of Solucom's priorities for 2009/10. The actions taken in the second half of 2008/09, which were reflected in a gradual but as yet insufficient improvement in the rate of activity, will be reinforced in order to bring Cosmosbay~Vectis's profitability up to the level of the rest of the firm.

Solucom will be speeding up its investment in sales, which was already upped in 2008/09. The firm intends to steer its growth with great prudence, phasing in recruiting in line with developments of its indicators. The priority is thus to defend margins through securing activity rates and by a policy of only gradually taking on expenses.

### **Very cautious targets for 2009/10**

The 2009/10 financial year will accordingly be marked by a slowdown in growth, which will already be visible from Q1 with turnover figures circa the one recorded a year previously. Q1 2009/10 in addition is suffering from a particularly unfavourable base effect.

For the entire financial year Solucom has set a target of achieving turnover of over € 102M, which would be positive organic growth and an operating margin of over 8%. These very cautious targets are intended to be fine-tuned as the financial year proceeds, as visibility improves.

Upcoming dates: Turnover for Q1 2009/10 financial year on 22 July 2009 (after close of trading).

### **About Solucom:**

*Solucom is a management and IT consulting firm.*

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

*Our mission statement? To place innovation at the heart of business lines, target and steer*

(1) Source: PAC (May 2009) – Top 10 IT consulting firms in France

*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 and has been granted the innovative company award from OSEO Innovation.*



Find all our financial communications at [www.solucom.fr](http://www.solucom.fr)



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