

Solucom

Quarterly financial information at 31 December 2013

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

La Défense 8 – 92042 PARIS LA DEFENSE CEDEX

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 2013/14 financial year.

1 - Turnover for the past quarter

Turnover (in €m)	2013/14	2012/13	Total change	Change on a comparable scope
Q1	64.9	59.5	+9%	+7%
Q3 ⁽¹⁾	36.6	35.7	+2%	+2% ⁽²⁾
Total for 9 months⁽¹⁾	101.5	95.2	+7%	+5%⁽³⁾

(1) Unaudited consolidated data

(2) Excluding Lumens Consultants which has been consolidated from 01/12/13

(3) Excluding Stance which has been consolidated from 01/10/12 and excluding Lumens Consultants

In Q3 of its 2013/14 financial year Solucom posted a consolidated turnover of € 36.6M, with organic growth of 2% as compared with Q3 of the previous financial year.

Excluding the contribution by Lumens Consultants, which has been consolidated from 1 December 2013, the firm's organic growth also came to 2%. The slowdown in the rate of growth in the third quarter can be understood as the result of a higher base as compared with Q3 of the previous financial year.

In the first nine months of the 2013/14 financial year the consolidated turnover came to € 101.5M, up 7%. On a comparable consolidation scope, excluding Stance and Lumens Consultants, the company's growth was 5%.

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

Despite the slowdown in sales activity during the summer and up until November 2013, the firm's operating indicators remained solid in the 3rd quarter.

For the first 9 months of the financial year the activity rate was 83%, stable as compared with the first half year.

The average daily rate is on its way to stabilising. Its development over 9 months has been confirmed as varying between 0 and -1% from what was forecast at the beginning of the financial year.

The good level of orders in December has facilitated regaining visibility. At 31 December 2013 it stood at 3.4 months, as compared with 3.1 at 30 September.

It should be noted that these operating indicators do not for the time being include Lumens Consultants.

Solucom has continued to recruit dynamically. Staff turnover remained at a very restrained level, below the firm's standard range (12% -15%).

At 31 December 2013 the company had 1,271 employees, including the staff of Lumens Consultants, as against 1,185 at 31 March 2013.

During Q3 Solucom made a dividend payment for the 2012/13 financial year. This was € 0.32 per share, up 45%, representing a total of € 1.6M. In December the company also made payment of the fixed price for the acquisition of Lumens Consultants. Despite these outlays, the firm's net cash flow was up during Q3. Solucom accordingly has a significant cash surplus, which is allowing it to pursue its growth programme.

The improved visibility at the end of the year and the integration of Lumens Consultants and Trend Consultants in the last months of the financial year have led Solucom to update its target for annual growth. The company is now targeting consolidated turnover of 7.5%, as against an initial target of 5%, raised to 6.5% at the end of November.

In addition, the operating indicators for Q3 have supported Solucom in its target of generating EBIT between 10% and 12%, including Lumens Consultants and Trend Consultants.

3 - Explanation of major transactions and events during the quarter

▪ Takeover of Lumens Consultants

On 4th of December 2013, Solucom and Lumens Consultants have finalised the merger announced 13 November 2013.

Established in 2009 Lumens Consultants is a consulting and management firm that supports its clients throughout their operational excellence challenges, with a value proposition aimed at developing business agility. Lumens Consultants has thus developed first class know-how in terms of assisting transformation projects, as well as recognised expertise regarding the organisation and transformation of the human resources (HR) function.

At the end of the financial year, ended on 31 March 2013, Lumens Consultants achieved consolidated turnover of EUR 3.9 million, and operating margin of more than 8%.

Solucom acquired a 100% stake in Lumens Consultants. The transaction is funded primarily with cash, and to a lesser extent with Solucom shares.

Lumens Consultants is consolidated in Solucom's financial statements as of 1st December 2013.

4 - Explanation of major event after the quarter

▪ Takeover of Trend Consultants

On 13th January 2014, Solucom announced the acquisition of Trend Consultants, a consulting firm with very strong skills in the banking sector.

Trend Consultants operates at the heart of the business and operational needs of its clients with particular expertise in terms of development of customer relations, operational efficiency and process performance.

For the financial year, ended on 31 December 2012, Trend Consultants achieved turnover of € 2.2 M, and slightly positive operating margin.

Solucom acquired a 100% stake in Trend Consultants from its leaders, who will continue to develop the business within the firm. The transaction will be entirely financed in cash.

Trend Consultants will be consolidated in Solucom's financial statements as of 1st January 2014.