

**2005/2006 results surpass expectations
Signature of a major TolP contract
with the Ministry of the Interior**

In million euros	2005/2006	2004/2005	Change
Revenues	38.7	31.4	+23%
Trading operating income	5.0	4.3	+16%
<i>Trading operating margin</i>	<i>12.9%</i>	<i>13.8%</i>	
Operating income	4.8	4.1	+17%
Net income (group share)	3.2	2.7	+18%
<i>Net margin</i>	<i>8.3%</i>	<i>8.7%</i>	

Strong growth in revenues: up 23% (+17% organic growth)

During the 2005/2006 financial year ended 31 March 2006 the Solucom Group has reported revenues of € 38.7M, up 23%, of which 17% was organic growth, higher than the targets of 22% and 15% respectively announced in December.

Dreamsoft was consolidated in the second half-year and reported excellent performance, with revenues of € 2.2 M for the six months (compared with € 3.6M for 12 months in 2004).

To support its growth, Solucom as expected has emphasised recruiting, with staff increasing by 19% at 31 March 2006 on a fixed scope of consolidation, despite the return of tensions on the employment market. Growth of total staff, including Dreamsoft, was 35%. Thus at 31 March 2006 Solucom had 392 employees on its payroll.

Operating margin of 12.9%, higher than the range announced

Current operating profits are € 5M, up 16%, representing 12.9% of revenues. This figure includes six months of consolidation of Dreamsoft and is sharply higher than the Group's initial target, which had been looking to an operating margin of 10-12%.

This high level of profitability is due to the good performance of operating indicators, in particular maintaining a high activity level at 84%. Further, on account of the policy of recruiting young qualified persons, the sales price / salaries ratio has improved, even though sales prices have hit their lowest point at € 680 (down 3.5%).

In this way Solucom has been able to mitigate the programmed impact of its major investments engaged over the financial year, especially as related to recruitment. The Group's share of net profits went up 18% to reach 8.3% of revenues.

Financing of the Dreamsoft acquisition with cash flow generated in the period

The Group's strong performance was also seen in fundamentals, with a growth in shareholders' equity to € 15.8M and of net cash to € 6.6M. The cash flow generated during the period effectively covered financing Dreamsoft in cash, the Group's current investments and the payment of dividends. Solucom thus retains intact its financial strike force for future developments. It will also be proposed to the General Meeting on 29 September 2006 to distribute a dividend of € 0.40, up 18% as compared with the previous year and to divide Solucom share price by four.

The reasons for Solucom's better than expected performance

In a business situation that continues to be favourable, Solucom expects to maintain a rate of growth significantly higher than the market, based on its growth dynamics set in motion 2 years ago, and its client portfolio, which still holds major growth potential.

Solucom should also harvest the fruits of its ability to anticipate the market, in particular in respect of ToIP and SOA, which today are central to the concerns of major accounts. Solucom has been involved in these issues for over a year and has an incontestable competitive edge, as illustrated by the major contract recently obtained in ToIP.

Signature of a major ToIP contract with the Ministry of the Interior

The Ministry of the Interior has just selected Solucom to support its project for moving over ToIP.

This migration affects over 2,300 locations and 160,000 extensions, and is unique in scope and scale in Europe. Its aim is to achieve significant economies of scale and to offer new services to both the Ministry's staff and outside users (unified messaging, mobility, videophone, virtual call centres).

This 4-year programme can be worth to Solucom up to € 2.1 million in services.

Growth prospects

Solucom confirms its ambition to become Nr. 1 in consulting in the infrastructure market, with a target of having 500 employees during 2007, making a revenues of € 55M for a full year.

With this in view, in 2006/2007 Solucom is going to intensify its efforts to fully control its main key to success in coming years: recruitment. Solucom's challenge is to maintain over the long-term a recruitment rate in line with its growth potential, without making any concessions on the quality of its new employees.

Despite the growth in its investments, Solucom expects to retain one of the best profitability rates in the sector, and is targeting in 2006/2007, as it had in the prior period, an operating margin of between 10% and 12%.

The target for organic growth remains in line with previous years; including Dreamsoft for 12 months, that would be overall growth of at least 20% on the prior period, excluding any new acquisitions.

Cheered by the successful integration of Dreamsoft, while retaining a high level of selectivity, Solucom is actively studying potential targets, which might represent additional growth agents for the Group.

Upcoming dates: Revenues for Q1'2006/2007, on 25/07/2006 after close of trading.

The Solucom Group: Strategy, Design and Governance of Infrastructures

A key player and leader in the field of IT infrastructure consulting, the Solucom Group works with the IT departments of major accounts to develop their infrastructure strategies, design solutions and ensure the governance of their infrastructures.

The Group also consults to Telecoms operators and the media to define their strategy for innovative offerings and services.

Solucom is the partner of the largest French companies in their national and international projects: Air France, Alstom, ANPE, BNP-Paribas, Bouygues Telecom, EDF, France Télécom, Gaz de France, Crédit Agricole, La Poste, L'Oréal, Ministères des Affaires Etrangères, de l'Education Nationale, de l'Intérieur, Neuf Cegetel, SFR, SNCF, Société Générale, Suez.

Solucom is listed on Euronext Paris – Eurolist – Section C, NextEconomy section.

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