

## REGULATED INFORMATION

**April 19, 2013**

### **ECONOCOM AND OSIATIS KEY SHAREHOLDERS BEGIN EXCLUSIVE TALKS FOR POSSIBLE ALLIANCE BETWEEN THE TWO GROUPS**

Econocom, a European business-to-business digital service provider and Osiatis, a major player in infrastructure services in France, have begun exclusive talks for a potential business combination.

#### **The group's rapid development in digital services**

The planned transaction should enable Econocom to make decisive headway in the highly-concentrated digital services market, where size has become a strategic issue.

**After this acquisition, Econocom should earn almost €1.9 billion in revenue**, with a workforce of more than 8,000 people in 20 countries.

Founded in 1998, Osiatis operates in the areas of architecture consulting, outsourced services, critical systems and networks maintenance and support for the rollout of cloud solutions. In the application services market, the Group is also recognised as a specialist in infrastructure-related solutions (portals, collaboration, roaming, BI, etc.).

Osiatis Group, which employs 4,600 people, earned consolidated revenue of € 309 million in 2012, which marked a considerable increase of 10.4%, and robust operating margin of 7.3%.

The new group would therefore be positioned as a key business partner, helping companies define and integrate their digital solutions and would benefit from Econocom and Osiatis' complementary business lines and geographic locations.

The transaction would strengthen the group's service activities in three of its strategic zones including France, Southern Europe and the Benelux countries, expand its presence in Europe (in particular in Austria) whilst supporting its development in Latin America (Brazil).

For Osiatis Group, this alliance would mean stronger international presence and business offers in distribution and financial and administrative management of the digital infrastructures likely to interest a large number of its customers.

**Acquisition of a majority stake in the capital**

The transaction proposed by Econocom concerns the securities (shares and equity warrants) held by Walter Butler, Osiatis' main shareholder, Robert Aydabirian, as well as Jean-Maurice Fritsch and Bruno Grossi, the company's managers, representing 8,521,278 shares or 51.22%<sup>1</sup> of the company's capital and 875,000 equity warrants.

Under the economic terms of the transaction, Econocom would buy one Osiatis share for one Econocom Group share and pay an extra cash balance of €4.00 for each share, i.e. Econocom would be paying €10.00 for one Osiatis share (ISIN: FR0004044337, Mnemo: OSA) based on the current Econocom Group share price, or €175 million for 100% of Osiatis' capital on fully diluted bases.

This valuation represents a premium of 41% compared to the Osiatis share price at the last trading session (€7.14 on 18 April, 2013) and 51% compared to the average of the last 20 trading sessions.

Econocom's offer is subject to the conditions precedent of the limited review of Osiatis' accounts (in parallel to Osiatis' limited review of Econocom's accounts) and a favourable opinion from the competition authorities.

Given the healthy balance sheets of both groups and Osiatis' lack of net debt, financing for the transaction will be easy to arrange.

Econocom Group Management expects the transaction to be accretive as early as in 2014, for both recurring operating profit and earnings per share. This confirms that the deal is in the best interests of the group's shareholders.

**Planned transactions to be finalised in summer 2013**

The parties aim to close the deal by the end of June, after consulting the employee representative bodies. The transaction could be finalised by the end of August, subject to authorisation from the competition authorities. Econocom will keep the market informed of the project's progress.

In the event that it takes control of Osiatis, Econocom would then submit, as required by Article 234-2 of the General Regulation of the AMF, the French financial markets authority, a public tender offer for all of Osiatis shares which it might not hold on the basis of the same conditions as the acquisition. Osiatis would then, in accordance with the applicable regulatory provisions, appoint an independent appraiser. Econocom would reserve its right to submit a squeeze-out following the public tender offer.

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<sup>1</sup> based on a total of 16,633,400 shares making up Osiatis' capital at 31 March 2012.

At the end of these transactions, Jean-Louis Bouchard, Chairman of Econocom Group, would still be the majority shareholder of Econocom Group with around 42% of the capital, and Walter Butler would become a key shareholder with more than 6%. The latter will then be able to apply for representation on the Econocom Board of Directors, knowing that the request will be backed by Jean-Louis Bouchard.

Jean-Louis Bouchard, Chairman of Econocom, says: *"This transaction would represent another milestone in the life of Econocom as it will allow us to strengthen our position as a key player in the integration and financing of digital solutions for our customers. The combination of our two groups, which share one vision and common values, would be a major step for the success of our ambitious new strategic plan, to be unveiled shortly. This transaction would enhance the new group's resources so that it may take advantage of the tremendous boom expected from digital solutions."*

Walter Butler, Chairman of the Supervisory Board and main shareholder of Osiatis, says: *"I am delighted about this alliance project for Osiatis' clients and employees: I see it as the continuation of the success Osiatis has enjoyed over the past fifteen years. With this transaction, we will see the emergence of a new European leader with significant growth potential."*

#### **About Econocom**

Established in 18 countries with 3,700 employees and consolidated revenue of €1.54 billion in 2012, Econocom is a European provider of services for integrating and financing digital solutions. Its services include consultancy, distribution, leasing and a complete range of IT outsourcing services.

The Econocom Group share (BE0974266950 - ECONB) has been listed on the Euronext NYSE in Brussels since 1986 and is part of the BelMid index.

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#### **About Osiatis**

Osiatis, one of the main French digital services companies, is recognised as a leader in infrastructure services (architecture consulting, resource and Cloud conversion engineering, production and work environment outsourcing, critical systems and networks maintenance). And in the applications services market, the Group also addresses the specialised segment of infrastructure-related solutions (portals, collaboration, roaming, BI...).

The Group employs a workforce of more than 4,600 and is established in France, Austria, Benelux countries, Spain and Brazil.

[www.osiatis.com](http://www.osiatis.com)

Osiatis is listed on NYSE Euronext Paris, compartment C (ISIN: FR0004044337 - Code: OSA - Bloomberg: OSA.FP - Reuters: OSA.PA).

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