

Thursday 29 March 2012

2011 ANNUAL RESULTS

(1st January – 31 December)

 **Business & Decision**

Patrick Bensabat
Chairman and CEO

Christophe Dumoulin
Deputy CEO





SUMMARY

■ Identity



■ 2011 highlights



■ Financial performance



■ Outlook

Business & Decision is an international Consulting and Systems Integration Group

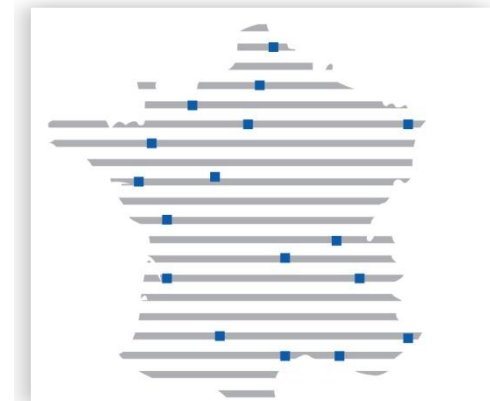
2011 turnover: €249m half of which is
attributable to international operations



▶ 2,800 employees



▶ 19 countries across the world



▶ 17 agencies in France

➔ A MULTI-SPECIALIST GROUP

5 major expertise areas recognized by:

- ▶ The biggest international research firms
- ▶ Solution vendors who are leaders in the Group's expertise areas

BI/EPM

Amongst Gartner's 14
Magic Quadrant
international players

Gartner

CRM

Amongst Gartner's 14
Magic Quadrant
European players

Gartner

E-business

Amongst the 12 biggest
design and web agencies
of Europe

FORRESTER

EIM

MDM/BRMS/SEARCH/ECM

Consulting

Project ownership
assistance/Consulting/ERP
Change management)
Business & Decision University

A specialist's agility, expertise and innovation capacity coupled with a big IT services company's structure and industrialized approach

EXPERTISE

- ▶ Complete command of technologies
- ▶ Business process knowledge
- ▶ Sector-specific expertise

INNOVATION

- ▶ Cloud Computing
- ▶ Mobility
- ▶ Business social networks
- ▶ Green Data Center

INDUSTRIALIZATION

- ▶ Package offerings
- ▶ Shared tools and methods
- ▶ Dedicated or shared service centers

➔ THE VALUE CHAIN

A complete service range to help you elaborate, build, execute and successfully complete your transformation projects

Consulting

- ▶ Management and Consulting
- ▶ Process optimization
- ▶ Solutions selection
- ▶ Audit

Integration

- ▶ Architecture
- ▶ Project management
- ▶ Implementation
- ▶ Audit

Execution

- ▶ Managed services
- ▶ Methodology
- ▶ Hosting
- ▶ Migration
- ▶ AMO/Third-party software testing

Drive adoption

- ▶ Training
- ▶ Continuous improvement
- ▶ Change Management

- Identity

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- 2011 highlights

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- Financial performance

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- Outlook

- ▶ Strong Net Income (Group Share) growth of 36 %, 2nd best performance in the Group's history
- ▶ Bank covenants easily complied with
- ▶ High growth in international revenue: 10.1%

➔ OTHER 2011 HIGHLIGHTS

- ▶ Return to operating profitability in the USA in 2011: €0.1m as compared to a €1.9m loss in 2010
- ▶ Sustained sales activity despite a more challenging 4th quarter
- ▶ Strong profitability in French regions and the Benelux
- ▶ Operational launch of the "Green" Datacenter
- ▶ Set-up of an operational management ERP tools
- ▶ Continued simplification of the legal structure (9 subsidiaries in France and 21 subsidiaries abroad to cover the 18 countries in which the Group operates)
- ▶ Increased shareholders' equity in major international subsidiaries (USA, Switzerland and Spain)
- ▶ Bank charges renegotiation

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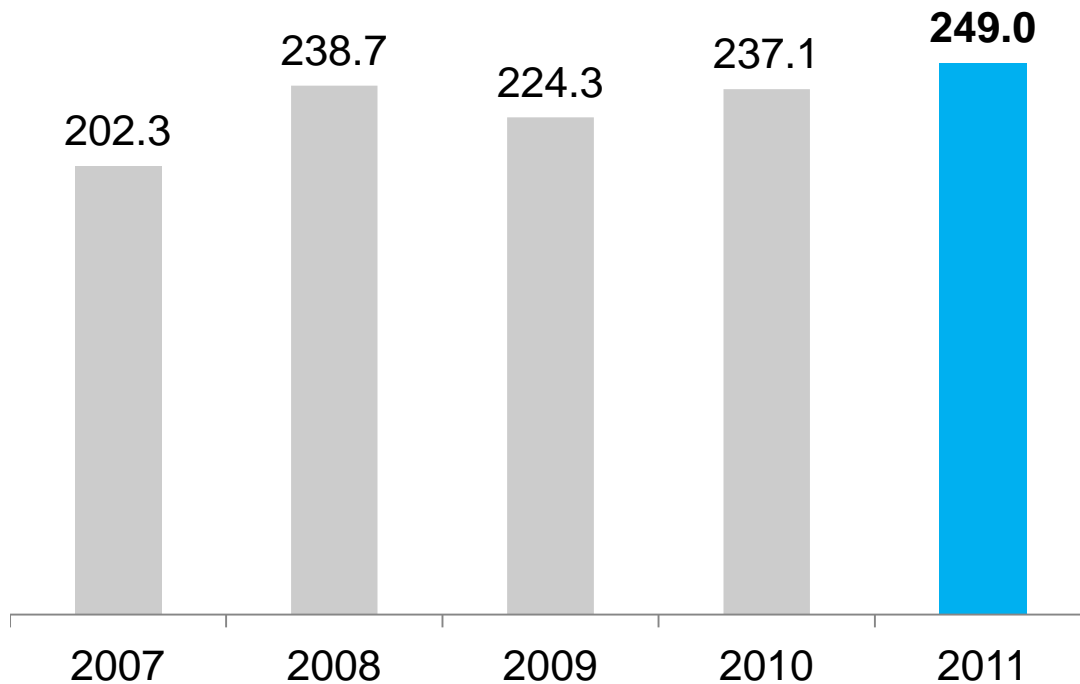
- Financial performance

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- Outlook

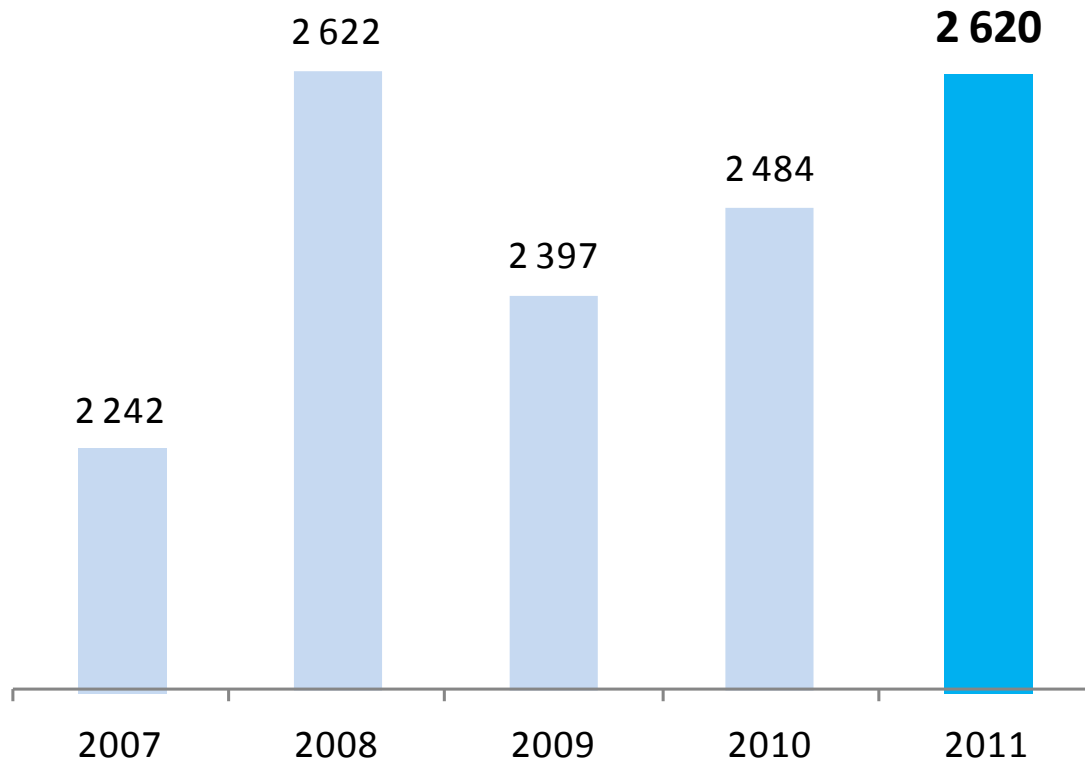
➔ ANNUAL TURNOVER

Consolidated turnover (€m)



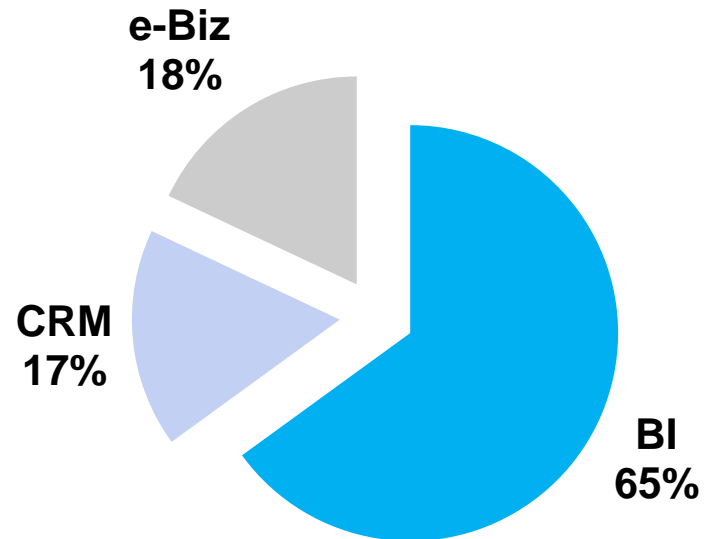
- ▶ Global 2011 revenue showing a gross increase of 5.0% as compared to 2010
- ▶ A 5.2 % growth at constant exchange rate
- ▶ Historic unprecedented revenue level

Consolidated headcounts at end of December



- ▶ 5.4% growth in headcounts, keeping pace with the turnover
- ▶ Pursued recruitment plan

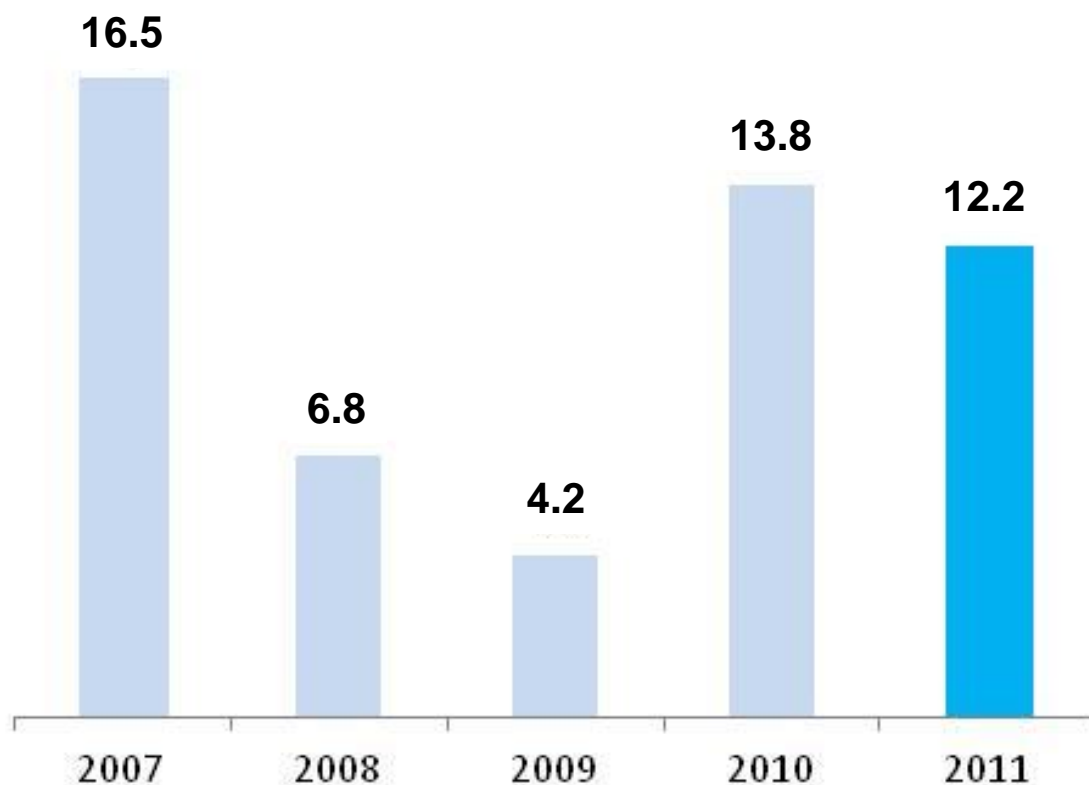
Revenue breakdown in %



- ▶ Stability of revenue breakdown by business activity:
 - BI up 4.8% on 2010
 - CRM up 3.5 % on 2010
 - E-Business up 7.3% on 2010
- ▶ The first ten customers account for 24% of the total revenue

➔ 2011 PROFITABILITY

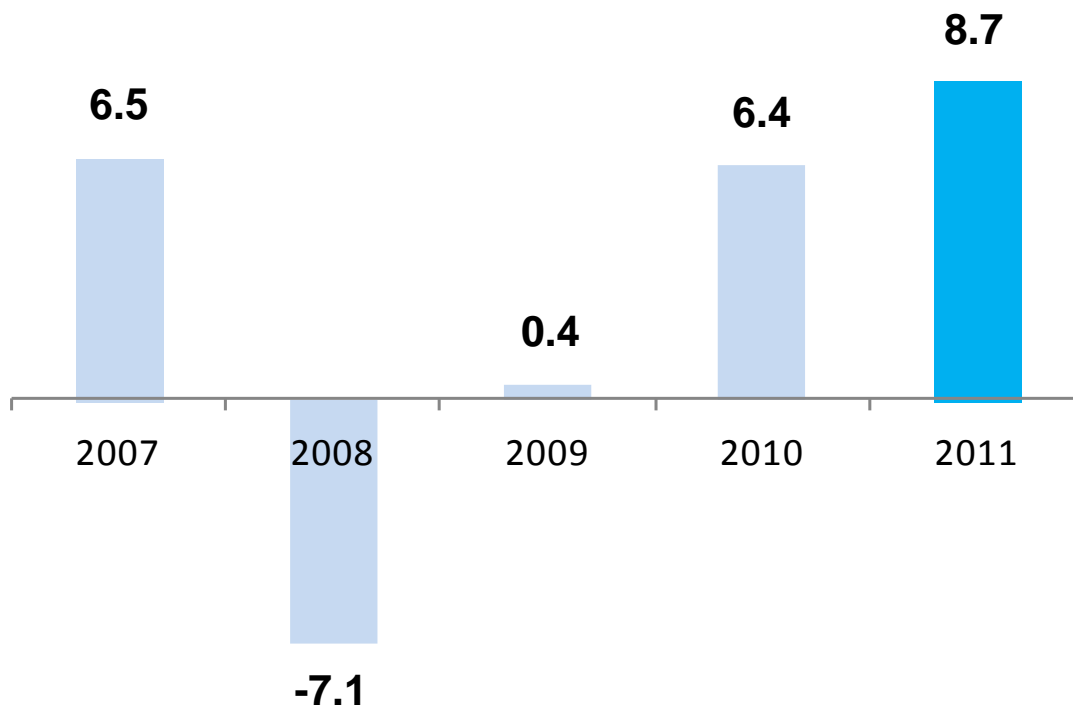
Operating income/loss (€m)



- ▶ €12.2m operating income, affected by €2.0m of non-recurring items:
 - Losses in countries where critical mass was not reached
 - Exceptional impact of two contracts
 - Goodwill amortization
- ▶ Stable operating margin over H1 and H2

➔ INCREASE IN NET INCOME

Net income - Group share (€m)



- ▶ Net income (Group Share) of €8.7m, up 36% on 2010:
 - Increase in financial income
 - Decrease in tax expense
- ▶ Second best performance in the Group's history

➔ PROFIT AND LOSS ACCOUNT AT 31 DECEMBER 2011 (IN €m)

€m	2011	2010	Variation
Turnover	249.0	237.1	5%
Current operating income	13.5	15.3	-12%
<i>Current operating margin</i>	5.4%	6.5%	
Other operating expenses	1.3	1.5	-13%
Operating income	12.2	13.8	-12%
<i>Operating margin</i>	4.9%	5.8%	
Financial result	-1.1	-3.1	
Tax expense	2.5	4.6	
Net income	8.6	6.1	41%
Net income (Group Share)	8.7	6.4	36%
<i>Net margin</i>	3.5%	2.7%	

➔ BALANCE SHEET AT 31 DECEMBER 2011 (IN €m)

ASSET	31-Dec-11	31-Dec-10	LIABILITY	31-Dec-11	31-Dec-10
Non-current assets	69.7	69.2	Shareholders' equity	59.6	50.1
Goodwill	46.7	46.5	Non-controlling interests	0.7	0.8
Net fixed assets	21.2	19.4	Non-current liabilities	30.4	36.2
Deferred tax assets	1.8	3.4	Provisions	5.2	4.8
Current assets	104.7	108.4	LT financial debt	23.8	27.5
Customers	82.9	82.1	Other debts	1.4	3.9
Other non-current assets	11.8	7.7	Current liabilities	84.0	90.5
Cash and cash equivalent	10.0	18.5	Suppliers	13.3	17.0
Assets intended to be disposed of	0.8		Other creditors	49.1	51.8
Total asset	175.2	177.6	Financial debt < 1 yr	7.7	3.3
			Cash and cash equivalent	13.9	18.4
			Liabilities intended to be disposed of	0.5	
			Total liability	175.2	177.6

→ CASH FLOW STATEMENT (IN €m, 12 months, at 31 December 2011)

€m	Dec. 2011	Dec. 2010
Current operating income	13.5	15.3
Misc. eliminations	1.8	2.7
Operating cash flow - before tax	15.3	18.0
Tax	-5.4	-1.3
Operating cash flow - after tax	9.9	16.7
Change in working capital	-9.3	1.1
Net cash inflow from operating activities	0.6	17.8
Cash flow from investment activities	-1.3	-4.3
Cash flow from financing activities	-3.2	-0.4
Change in cash and cash equivalent	-3.8	13.1
Cash and cash equivalent – beginning of year	18.1	5.0
Cash and cash equivalent – end of year	14.4	18.1
Exchange rate effect	-0.1	0.0
Change in cash and cash equivalent	-3.8	13.1

➔ BANK COVENANTS

	Dec-11	Dec-10	<i>Negotiated</i>
<u>Net gearing</u>	0.59	0.60	<u>< 0.85</u>
<u>Leverage</u>	2.32	1.45	<u>< 3.60</u>
<u>Interest cover</u>	14.04	6.88	<u>> 3.80</u>

▶ All covenants are easily complied with



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- ▶ Sale of the main British subsidiary effective since 29 February 2012:
 - 50% decrease in financial debt (a €16.4m impact)
 - Net gearing which was 59% in December 2011, is automatically cut by half
 - UK presence maintained through the Mi-Case software package: high potential activity, at start-up phase
- ▶ Refocusing closely on operations and discontinuing activity in countries where the critical mass has not been reached (currently Israel and China)
- ▶ Exceptional capital gains of €2.5m already recorded
- ▶ Profitability objectives for all subsidiaries
- ▶ New offerings development:
 - Innovation: Cloud Computing, Big Data
 - Package offerings: software packages and SaaS.
- ▶ In February 2012, Business & Decision celebrated its 20 years of existence

➔ Stock Exchange Information



NYSE Euronext Compartment C
ISIN : FR0000078958-BND
Reuters : BZDK.PA
Bloomberg: BND:FP

Share price - first 2012 quarter



- ▶ Capitalization as at 28 March 2012:
€ 45,642,425
- ▶ Share price movement since the beginning of the year: 33% vs Small CAC 18%
- ▶ Indicators
 - VE/ROC (Enterprise Value/Current Operating Income): 5.3
 - Capitalization: 76% shareholders' equity
 - PER: 5.2
- ▶ Capital
 - Founders and family members: 57%
 - Free float: 34%
 - Others: 9%