



*Communiqué n°2 dated April 2, 2003*

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## **YEAR 2002 CONSOLIDATED RESULTS**

### **Operating margin : 10.4% Consolidation of the basics in a difficult environment**

Between 2001 and 2002, the consulting market went from two-figure growth to two-figure decline. The 2002 results reflect the costs of adapting to this situation.

Operating profit was 6.7 M€ (i.e. a margin of 10.4% for a turnover of 64.7 M€) compared to 13.8 M€ in 2001.

The decline in operating profit was due in part to an investment of almost 2.5 M€ to strengthen the front line management responsible for development. The remainder was due to a decrease in the employment rate of consultants during a part of the year, above all in the US. The steps to counter this decrease required several months to impact on the accounts. Exceptional costs for adapting the structure to these circumstances are also included.

Ebitda\* came out at 7.8 M€ compared to 14.6 M€ in 2001.

The result for the integrated companies before goodwill and exceptional items was 4.3 M€ against 8.7 M€ in 2001.

Exceptional items amounted to - 1.3 M€ compared to - 0.5 M€ in 2001. This was due in equal parts both to restructuring costs and by the creation of reserves or the write-off of new subsidiaries' debt to bring them in line with the Group business model.

Because of this, Group net profit before adjustment for goodwill was 2.1 M€ compared to 6.1 M€ in 2001.

Goodwill amortisation amounted to 1 M€ against 0.6 M€ in 2001 mainly reflecting the goodwill due to Efeso.

The Group achieved its target of net debt below 52% of equity.

Solving benefits from a D37 rating from the Banque de France.

### **Strategy**

Strong actions were taken throughout the year to both reduce cost levels and consolidate the basics.

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\* Ebitda includes operating profit plus all depreciation of fixed assets and provisions on current assets and risks



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As a result of these actions, the activity profile in the US was significantly improved and heralds a much better year 2003 in the region.

Moreover, the Group as a whole is better armed to face an uncertain business environment and to achieve better margins, even in a scenario of continuing weak activity.

Although adverse winds in 2002 slowed the Group's course to growth, Solving maintains its ambitious medium term objectives. The measures taken and the investments authorised in 2002 will allow the firm to be well placed to take advantage of a recovery in demand as soon as it becomes apparent.

#### **Dividends**

At the forthcoming Annual Shareholders Meeting a proposal will be made for a net dividend of 0.24€ or 0.36€ with the tax rebate representing a gross return of 8.9%.

**The Annual Shareholders Meeting of Solving International will be held on  
12<sup>th</sup> June at 10h00  
at the Maison des Arts et Métiers**

**Solving is one of the world's 20 leading consultancies in company strategy and  
improvement of operational performance**

Solving International achieved an average annual growth rate of +15% between 1986 and 1996 accompanied by a corresponding growth in profits. Since 1996, this growth has accelerated with +36% in 1997, +34% in 1998, +49% in 1999, +49% in 2000 and +20.5% in 2001. Over the same period, the profit margin, linked to the distinctive methods of the firm, has always been above 20%.

Second Market

Code : 6467

Introduced : 2<sup>nd</sup> July 1998

Initial price : 8.20 €

Floating : 48%

Capitalisation: 17.7 M€

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