

DEVOTEAM 2011 first half results: strong growth in revenues (+12%)

Paris, August 30th 2011

<i>In millions of euros (1)</i>	30.06.2011	30.06.2010	Change
Revenues	268.5	240.2	+12%
Operating Margin (2)	13.0	13.0	0%
<i>In % revenues</i>	4.9%	5.4%	
Operating Profit	11.7	12.6	-7%
<i>In % revenues</i>	4.4%	5.3%	
Net Income – group share	6.9	7.3	-6%
Diluted earnings per share (3)	0.68 €	0.70 €	-3%
Net Cash, end of period (4)	39	81	

(1) Interim financial statements included in this press release were accepted by the Group Executive Board on August 29th, 2011 and certified by the Group external auditors

(2) Defined as current operating profit excluding the impact of stock options and amortization of intangible assets resulting from acquisitions

(3) Based on the weighted average number of shares for the period

(4) Including bank overdrafts and cash management instruments recognized in other financial assets

H1 2011 Consolidated Interim Financial Statements can be downloaded from our Website:

<http://www.devoteam.com>

Devoteam (NYSE Euronext Paris: DVT) reported financial results for the first half of 2011, ended June 30th. Revenue rose 12% to €268.5 million, with organic growth of 6%, noticeably driven by a strong performance in *Business Consulting* activities. Diluted earnings per share were virtually unchanged at €0.68.

Half-year results presentation

Revenues stood at €268.5 million, an increase of 12% over the first half of 2010 (+ 5.6% excluding revenues from acquisitions and currency effects).

Operating margin was €13 million, stable compared to the first half of 2010. In percentage of revenues, operating margin was 4.9%, compared to 5.4% over the same period of 2010. Excluding occasional loss of €1 million from Wola Info over the period, the margin was almost stable at 5.3% of sales.

Operating profit totalled €11.7 million in the first half of 2011 (4.4% of revenues), compared to €12.6 million (5.3% of revenues) over the same period last year. Restructuring charges in the first half amounted to less than €1 million, against €3.2 million in the first half of 2010. Operating profit decreased by 7% due to the recognition in 2010 of a one-off profit of €4.7 million related to the acquisition of Tieto's operations in France. Excluding this one-off effect, operating profit grew by more than 40%.

Financial result was close to that of last year at € -1 million and tax rate increased slightly to 35.3% (versus 32.8% in first half 2011), leading to a €7 million net income (-12% year-on-year). After deducting profits attributable to the minority shareholders of controlled entities, net income stood at €6.9 million (-6% year-on-year).

Diluted earnings per share were virtually unchanged at €0.68 per share (versus €0.70 per share in the first half of 2010), helped by share buybacks made in 2010 and 2011. The Group held 5.3% of its shares as of June 30th, 2011.

With a Net Cash position of €39 million as of June 30th, 2011, the Group benefits from a sound financial position. The last two OBSAR payments, due in November 2011 and 2012, amount to just over €18 million each. The decrease in net cash in the first half of 2011 mainly resulted from an operating cash-flow of - €19 million (- €26 million of which coming from an increase of working capital) and €6.2 million of cumulated effect of dividends paid to shareholders of the parent company, together with share and BSAR buyback. Investments of the period were mainly composed of €1.9 million of fixed assets and €2.9 million of acquisitions of subsidiaries (net of cash acquired).

Performance analysis for the second quarter of 2011

Revenues for the second quarter of 2011 rose 9.1% to €134.7 million, compared with €123.4 million over the same period in 2010. Excluding revenues from acquisitions - which contributed €5.8 million in the quarter - and currency effects, organic growth stood at 5.0% in the second quarter of 2011.

Operating margin was almost stable at 6.8 million. As a percentage of sales, it reached 5.1% - and 5.4% excluding Wola Info - against 5.6% in the second quarter of 2010. Despite improved utilization rates, the Group's margin was negatively impacted by an increase in salary costs not yet reflected in sales prices to customers.

H1 financials by Operating Group and Geographic Region

In millions of euros	France		International		Total	
	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010
Revenues Contribution	120.3	110.7	148.2	129.5	268.5	240.2
Growth year-on-year	+8.7%		+14.4%		+11.8%	
<i>Organic growth (**)</i>	+4.1%		+6.8%		+5.6%	

In millions of euros	Technology Consulting		Business Consulting		Total	
	H1 2011	H1 2010(*) restated	H1 2011	H1 2010(*) restated	H1 2011	H1 2010
Revenues Contribution	220.3	202.5	48.3	37.7	268.5	240.2
Growth year-on-year	+8.8%		+28.0%		+11.8%	
<i>Organic growth (**)</i>	+3.5%		+16.7%		+5.6%	
Operating Margin (***)	9.4	10.7	3.6	2.3	13.0	13.0
In % of revenues	4.3%	5.3%	7.5%	6.1%	4.9%	5.4%

(*) Following an organizational change in the Netherlands, €3.9 M of revenues and €0.5 M of operating margin included in Business Consulting in H1 2010 are now integrated in Technology Consulting. The growth figures in this table have been restated to allow comparison.

(**) Excluding revenues from acquisitions and currency effects.

(***) Defined as current operating profit excluding the impact of stock options and amortization of intangible assets resulting from acquisitions.

Excluding acquisition effects, revenue contribution of *Technology Consulting* (82% of Group sales) grew 3.5% year-on-year in the first half of 2011; *Enterprise Service Management* projects in Spain and in the United Kingdom - plus the dynamics in the Benelux - offset the slowdown in Russia, and the reduced activity in Turkey, where Devoteam terminated a hardware integration business. Operating margin of *Technology Consulting* business was down one point to 4.3%.

Excluding currency effects and revenues coming from the acquisition of Fornebu Consulting in Norway, *Business Consulting* entities (accounting for 18% of total revenues) achieved a 16.7% revenue growth over the same period last year. They benefited, since the beginning of the year, from a good performance in the Middle East and Denmark, also contributing to the increase in

operating margin at 7.5%.

Despite a positive net recruitment in the first half of 2011 – early signs of an improvement in growth and margin for the coming six months - *Business Consulting* activities in France were still impacted by the recent change of their organisation.

Headcount

The Group headcount stood at 4,744 on June 30th 2011, an increase of 241 people, or 5% in one year. The number of billable employees was up 6% year on year.

2011 Outlook

Taking into account its performance in the first half of the year, Devoteam confirmed its guidance of €530 million revenues in 2011. The goal of a 6% operating margin has been maintained, although becoming more challenging in the current environment.

Next financial press release

Q3 2011 revenues: November 8th 2011 (after market close).

About Devoteam:

Devoteam is an IT consulting group created in 1995. Combining consulting and technical solutions offers enables Devoteam to provide its customers with independent advice and effective solutions that meet their industrial objectives. In 2010, Devoteam achieved a turnover of 495 M€ and an operating margin of 6%. The Group consists of 4,744 employees in 24 countries across Europe, North Africa and the Middle East.

Listing: NYSE Euronext since October 28, 1999

Part of the indexes: CACMS of NYSE Euronext & of Gaia index

ISIN : FR 0000073793, Reuters : DVTM.PA, Bloomberg : DEVO FP

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