

DEVOTEAM reports 2011 financials: 7% increase in revenues and 6% growth of diluted earnings per share

Paris, February 29th, 2012

<i>In millions of euros (1)</i>	31.12.2011	31.12.2010	change
Revenues	528.1	495.0	+7%
Operating margin (2)	28.9	29.6	-2%
<i>In % of Revenues</i>	5.5%	6.0%	
Operating Profit	24.2	26.2	-8%
<i>In % of Revenues</i>	4.6%	5.3%	
Net Income-Group Share	14.8	14.3	+3%
Diluted earnings per share (3)	1.48 €	1.39 €	+6%
Cash and cash equivalents (4)	40.7	69.9	

(1) Financial statements included in this press release were accepted by the Group Executive Board on February 24th, 2012 and are currently being reviewed 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.

2011 consolidated accounts can be downloaded from our Web site: <http://www.devoteam.com>

Devoteam (NYSE Euronext Paris: DVT) reported financial results for the year ended December 31st, 2011, within its guided range. Revenues stood at €528 million (vs. a guidance of €525 million), an increase of 7% over last year with an operating margin equal to 5.5% of revenues. Diluted earnings per share increased 6% to reach €1.48.

The group has confirmed its positioning as an innovative company and signed a partnership with CA Technologies (formerly *Computer Associates*) under which Devoteam became the first partner of the Green IT Solution « *ecoDesktop* » for the EMEA region.

Stanislas de Bentzmann, co-CEO of the Group, commented on the results: “After having confirmed a reference position in 2011 in service management, 2012 will be devoted to the industrialization of the Group as well as the launch of new high added value offers such as services around Cloud and Mobility. We will be committed to use our historical know-how in telecoms in order to help our clients in their search for optimization”

2011 Financial overview

Revenues stood at €528 million, an increase of 7% compared to 2010, reflecting a 3% growth at constant exchange rates and perimeter.

Order entry in 2011 increased by 5% compared to 2010 to reach €543 million.

Operating margin amounted to €28.9 million or 5.5% of revenues. The pressure on wages seen earlier this year was offset by improved utilization rates. Excluding Wola Info (Poland) that was acquired in 2010 and that is currently being reorganized, the operating margin equaled 5.9% of revenues, almost stable compared to 2010. Benefits from restructuring measures in Wola Info began to become visible, as losses in the fourth quarter were significantly lower than the ones of the previous quarters.

2011 **operating profit** was €24.2 million, or 4.6% of revenues, compared to €26.2 million one year before, as the 2010 operating profit incorporated profits linked to the acquisition of Tieto's French subsidiary. Excluding this effect, operating income grew 11% in 2011. Restructuring costs were down to €2.1 million (vs. €5.6 million in 2010) and were mainly focused on France and on the Telecom entities facing diversification and repositioning issues such as Belgium and Germany. Loss on impairment of goodwill and intangible assets were also lower in 2011 at €1 million (€1.5 million in 2010).

Financial result decreased by €0.4 million, mainly due to a negative exchange rate impact, to reach €-2.1 million.

The activation of tax losses to be carried forward resulted in a decrease of the **tax rate**, down to 33% and a tax expense over the year amounting to €7.3 million.

Net profit attributable to shareholders of Devoteam SA increased 3%, from €14.3 million in 2010 to €14.8 million in 2011. This improvement, combined with the accretive effect of the share buyback program, resulted in a 6% increase of diluted earnings per share.

Operating cash flow for the year totaled €7.9 million, against €13.4 million in 2010. It includes a slight increase in net profits, a stable DSO compared to December 2010 - improved compared to June 2011, and a €3.6 million increase of the amount of taxes cashed out in 2011 versus that of 2010.

Major **investments** during the year are divided between €3.7 million used to finance acquisition of fixed assets and €2.5 million invested to acquire new subsidiaries (net of cash acquired).

As of December 31st, 2011, the Groups' **financial position** remained strong. Net cash reached €40.7 million - against €69.9 million at the end of 2010. The cash out related to financing activities for the year included: a €18.6 million repayment of the OBSAR debt issued at the end of 2006, a €6 million dividend payout (including payout for minority shareholders of subsidiaries), and a €5.4 million share and warrant buyback program.

Performance analysis of the fourth quarter 2011

Revenues during the fourth quarter of 2011 increased 1% over the same period last year to €138 million, with no significant impact of exchange rates and acquisitions. Excluding the impact of the withdrawal of hardware trading activities of Wola Info in Poland (amounting to nearly €2.5 million), organic growth in the fourth quarter of 2011 reached almost 3% over the fourth quarter of 2010, driven by the business in Spain and the Middle East.

Operating margin for the quarter was €9.5 million - or 6.9% of revenues, against €10.3 million, or 7.5% of revenues, in the fourth quarter of 2010. It reflected an unfavorable seasonality with one day less than in the same quarter in 2010.

Revenues from the **Technology Consulting** segment shrunk 0.2% over the quarter. They were stable compared to Q4 2010 at constant exchange rates and perimeter and increased 3% excluding Wola Info.

Business Consulting grew by 6.5% over the quarter, still driven by the strong performance in Middle East and Scandinavia. Fluctuations of local currencies compared to euro added 1.7 percentage point to this growth rate.

Revenues in France grew organically by 5.9% over the quarter, pulled by integration business around unified communications and security, as well as *Enterprise Service Management* projects.

Revenues outside France accounted for 54% of this quarter's revenues. They decreased by 3.2% (of which -0.1 percentage point relates to exchange rate effects). Excluding Wola Info, growth outside France was 1% over the quarter, driven by the outstanding performance of the Group in Spain and the Middle East.

Headcount

As of December 31st, 2011, the Group's workforce totaled 4,857 people. The productive workforce grew 5% over the year (+206 people) while the back-office workforce was reduced by 13 people. The attrition rate slowed down during the second half of the year.

Outlook 2012

The financial crisis that occurred during summer 2010 impacted growth within the euro zone. Many verticals such as financial services and telecommunications are going through major changes; moreover, changes in technology, such as the increasing influence of Cloud and Mobility, lead the whole industry to think about new operational models. In this context, Devoteam has been working for some quarters on a 3 year strategic plan. It will be presented to the market in June 2012.

Shareholders returns

A resolution proposing a dividend payment of €0.50 per share will be submitted to the Shareholder's Meeting to be held on April 11th, 2012.

Financial Calendar and Quarterly publications 2012

Q1: May 10th 2012 (*)

Q2: August 29th 2012 (*)

Q3: November 7th 2012 (*)

Q4: February 26th 2013 (*)

(*) *After stock market close.*

Next Shareholders' meeting: April 11th 2012

Dividend payment date: April 24th 2012

Addendum

Performance by business and geography FY 2011 (2)

<i>In millions of euros</i>	Business Consulting (1)			Technology Consulting (1)		
	FY 2011	FY 2010	Growth	FY 2011	FY 2010	Growth
Contribution to revenues	90.8	76.8	+18.3%	437.3	418.3	+4.6%
<i>LFL growth (3)</i>	+12.7%	-		+1.5%	-	
Operating margin	5.5	3.2	+70.4%	23.4	26.3	-11.1%
<i>In % of revenues</i>	6.0%	4.2%		5.4%	6.3%	

<i>In millions of euros</i>	France			Rest of World		
	FY 2011	FY 2010	Growth	FY 2011	FY 2010	Growth
Contribution to revenues	239.5	225.8	+6.1%	288.6	269.2	+7.2%
<i>LFL growth (3)</i>	3.8%	-		2.8%		
Operating margin	14.0	14.3	-2.1%	14.9	15.3	-2.5%
<i>In % of revenues</i>	5.8%	6.3%		5.2%	5.7%	

Growth by business and geography Q4 2011 (2)

<i>In millions of euros</i>	Business Consulting (1)				Technology Consulting (1)			
	Q4 2011	Q4 2010	Growth.	LFL(3)	Q4 2011	Q4 2010	Growth	LFL(3)
Contribution to revenues	22.6	21.3	+6.5%	+4.8%	115.0	115.3	-0.2%	0.0%

<i>In millions of euros</i>	France				Rest of World			
	Q4 2011	Q4 2010	Growth	LFL(3)	Q4 2011	Q4 2010	Growth	LFL(3)
Contribution to revenues	63.7	60.1	+5.9%	+5.9%	74.0	76.5	-3.2%	-3.3%

(1) Following a change in the organization of Devoteam Netherlands, €7.8 M (€2 M for Q4 2010) of Business Consulting revenues in FY 2010 are now included in the Technology Consulting segment. The 2010 figures presented here are restated to allow proper comparison.

(2) HQ costs and revenues allocation based on the respective % of Group revenues of each segment.

(3) At constant exchange rates and perimeter.

Cash position, net of financial debt as of December 31st, 2011

<i>In millions of euros</i>	31.12.2011	31.12.2010
<i>Net cash</i>	40.7	69.9
<i>Financial debts, due within one year (1)</i>	20.1 (2)	20.0
<i>Financial debt, due after one year</i>	6.1	24.9
Cash position, net of financial debt	14.4	25.0

(1) excluding overdrafts, already included in net cash position

(2) Last reimbursement of OBSAR (€18.6 M) is included in the short term financial debt and will be cashed out in Nov. 2012

About Devoteam :

Devoteam is an IT consulting group created in 1995. Combining consulting know-how and technical expertise enables Devoteam to provide its customers with independent advice and effective solutions that meet their industrial objectives. In 2011, Devoteam achieved revenues of 528M€ and an operating margin of 5.5%. The Group consists of 4.857 employees in 23 countries across Europe, North Africa and the Middle East.

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

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