

Paris, February 26<sup>th</sup>, 2013

## 2012 Annual Results

**515.1M€ revenue**  
**3.5% operating margin**  
**9.7 M€ cash available**  
**Divestment of Exaprobe ICT**

<i>In million euros, except earnings per share (1)</i>	<b>31.12.2012</b>	31.12.2011	<b>Variation</b>
<b>Revenue</b>	<b>515.1</b>	528.1	<b>-2.5%</b>
<b>Operating margin (2)</b>	<b>18.3</b>	28.9	<b>-37%</b>
<i>% of the revenue</i>	<b>3.5%</b>	5.5%	
<b>Operating income</b>	<b>1.0</b>	24.2	<b>-96%</b>
<i>% of the revenue</i>	<b>0.2%</b>	4.6%	
<b>Net income – Group share</b>	<b>(2.8)</b>	14.8	
<i>Diluted earnings per share (in €) (3)</i>	<b>(0.29)</b>	1.48	
<b>Cash available at the end of the year (4)</b>	<b>9.7</b>	40.7	

(1) The annual financial statements presented in this press release were approved by the Supervisory Board on February 25th, 2013, and are currently in the process of certification by the Group auditors.

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

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

(4) The cash available at the end of the year is defined as the cash and cash equivalent plus other liquid financial assets and minus bank overdrafts and short-term credit lines.

Devoteam (NYSE Euronext Paris: DVT) announces its financial results for the year ended 31 December 2012. The Group turnover amounted to 515.1 million euros and the operating margin stood at 3.5% of the turnover. As of December 31<sup>st</sup>, 2012, the cash available to the Group was positive at 9.7 million euros, taking into account the 18.6 million euros cash out linked to the last installment of the OBSAR debt paid in November 2012.

Stanislas de Bentzmann, co-CEO of Devoteam, comments : “In 2012, the Group invested in Eagle – its transformation plan, which was presented in July. The Group aims at being *the preferred IT transformation partner* for its customers, while executing a number of initiatives to bring its operating margin close to that of the sector’s top performers. The deployment of the Eagle program will carry on in 2013 and 2014”.

The simplified consolidated financial statements for 2012 are available on our website:  
<http://devoteam.com>

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## **2012 Financial results**

Standing at 515.1 million euros, the **total revenue** slightly decreased by 2.5% compared with 2011 and by 4.1% on a like-for-like basis.

The **operating margin** amounted to 18.3 million euros, or 3.5% of the revenue (5.5% in 2011). The lower operating margin mainly resulted from a 1.4 points decrease of resources utilization rate<sup>1</sup> between 2011 and 2012. The SG&A costs remained stable in value in 2012 and slightly increased in percentage of the turnover.

The **operating result** stood at 1.0 million euros in 2012, representing 0.2% of the turnover, compared with 24.2 million euros in 2011. It included 15.7 million euros of non-current result and a 1 million euros one-off cost due to intangible assets amortization. Costs resulting from the Eagle program (6.3 million euros), together with downsizing costs (7.9 million euros), represented the lion's share of non-current expenses.

The **financial result** stood at -1.5 million euros. It improved compared to 2011, thanks to the reduction of the financial debt and the favorable evolution of the exchange rate.

The **net loss attributable to the shareholders** of the parent company amounted 2.8 million euros, and included a 3.3 million euros income tax expense.

The financial situation remains sound thanks to a positive 2012 operating cash flow of 2.7 million euros and a neutral net debt position. The Group benefited from 9.7 million euros cash available as of December 31<sup>st</sup>, 2012, or 1.6 million euros excluding debt and other financial liabilities. Cash out during the period mainly covered 18.6 million euros repayment of the last installment of the OBSAR debt, 5.2 million euros of dividends payment and 3.2 million euros of buy-backs of Devoteam SA's own shares.

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<sup>1</sup> Utilization rate measures the percentage of working hours (excluding paid holidays) of billable employees who were billed to a client.

## Headcount evolution in 2012

On December 31<sup>st</sup>, 2012, the Group employed 4,664 people. Following the actions undertaken to adapt to the new strategy and to the economic environment, the billable workforce decreased by 136 employees while the SG&A staff was reduced by 57 employees. Therefore, the ratio of billable to total workforce improved in 2012.

## Q4 2012 revenue analysis

The turnover for Q4 2012 amounted 135.2 million euros, a decrease of 1.8% compared to Q4 2011, or -5.7% excluding the impact of exchange rates and changes in the consolidation perimeter.

### Revenue by geography

In million euros (**)		Q4 2012	Q4 2011	FY 2012	FY 2011
<b>France</b>		<b>66,6</b>	63,7	<b>242,2</b>	239.5
	<b>Var.</b>	<b>4.6%</b>		<b>1.1%</b>	
	<i>Var. Like-for-like<sup>(*)</sup></i>	<i>-1.8%</i>		<i>-0.6%</i>	
<b>Rest of the world</b>		<b>68.6</b>	74,0	<b>272,9</b>	288.6
	<b>Var.</b>	<b>-7.3%</b>		<b>-5.5%</b>	
	<i>Var. Like-for-like<sup>(*)</sup></i>	<i>-9.0%</i>		<i>-7.0%</i>	
<b>Total</b>		<b>135.2</b>	137,7	<b>515.1</b>	528.1
	<b>Var.</b>	<b>-1.8%</b>		<b>-2.5%</b>	
	<i>Var. Like-for-like<sup>(*)</sup></i>	<i>-5.7%</i>		<i>-4.1%</i>	

### Revenue by segment

In million euros (**)		Q4 2012	Q4 2011	FY 2012	FY 2011
<b>Technology consulting</b>		<b>111,7</b>	115	<b>427.9</b>	437.3
	<b>Var.</b>	<b>-2.9%</b>		<b>-2.2%</b>	
	<i>Var. Like-for-like<sup>(*)</sup></i>	<i>-7.1%</i>		<i>-3.6%</i>	
<b>Business consulting</b>		<b>23.5</b>	22,6	<b>87.2</b>	90.8
	<b>Var.</b>	<b>+3.8%</b>		<b>-4.0%</b>	
	<i>Var. Like-for-like<sup>(*)</sup></i>	<i>+1.6%</i>		<i>-6.6%</i>	

(\*) At constant exchange rates and perimeter.

(\*\*) Non-audited figures.

Business in France grew 4.6% in total in the last quarter of 2012 compared to the same period last year thanks to the assets acquired from Technicolor and consolidated in Q4 2012. It decreased at constant perimeter, as a consequence of lower volumes in the financial sector.

Business outside of France represented 51% of the Group turnover over the quarter. It decreased 7.3%, mainly due to the Telecom driven subsidiaries in Italy, Russia and the United Kingdom. The Oil & Gas, Manufacturing, and non financial services verticals partially compensated the pressure on Telecoms.

The utilization rate<sup>1</sup> of internal resources for the last quarter of 2012 stood at 83.8% compared to 83% for the same period in 2011.

### **Post-closing events**

To focus on its strategic offers and reposition its Telecoms business, the Group entered advanced negotiations with Ericsson to sell its Telecom operations in France. The business for sale represents 7% of the Group's revenue and employs 400 consultants. The deal is expected to be closed during the second quarter of 2013.

On February 21<sup>st</sup>, 2013, Devoteam also completed the divestment to Econocom Group of its equity stake in Exaprobe ICT (15 million euros turnover and 65 employees).

### **Shareholders' remuneration**

Considering 2012 results and the investments made in the Eagle program, the Board of Directors decided to amend its dividend policy and propose at the next Annual Shareholders' Meeting an annual dividend for 2012 of 10 cents per share. In addition, the Group will pursue its share buy-back program.

## **2013 financial calendar and press releases**

Q1 2013 revenues: May 6<sup>th</sup>, 2013<sup>(\*)</sup>

H1 2013 results: August 29<sup>th</sup>, 2013<sup>(\*)</sup>

Q3 2013 revenues: November 7<sup>th</sup>, 2013<sup>(\*)</sup>

FY 2013 results: February 26<sup>th</sup>, 2014<sup>(\*)</sup>

Annual Shareholders' Meeting: June 20<sup>th</sup>, 2013

Dividend payment date: July 2<sup>nd</sup>, 2013

*(\*) After stock-exchange closing*

### **About Devoteam :**

Devoteam is an IT consulting group created in 1995, a preferred partner for accompanying the IT transformation of its clients. Combining consulting know-how and technical expertise enables Devoteam to provide its customers with independent advice and effective solutions that meet their strategic industrial objectives.

In 2012, Devoteam achieved revenues of 515M€ and an operating margin of 3.5%. The Group consists of 4,664 employees in 23 countries across Europe, North Africa and the Middle East.

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

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

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