

Paris, September 2<sup>nd</sup>, 2013

## Results for the First Half of 2013

€237.3 million revenue

Significant improvement of net income and net cash position

First benefits of Google partnership

| In millions of euros, except per share data <sup>(1)</sup> | H1 2012      | H1 2013      |
|--|--------------|--------------|
| <b>Revenue</b>   | <b>262.3</b> | <b>237.3</b> |
| Growth rate  | -2.3%        | -9.5%        |
| Growth rate L-F-L <sup>(2)</sup>                           | -2.9%        | -5.9%        |
| <b>Operating margin <sup>(3)</sup></b>                     | <b>7.2</b>   | <b>6.3</b>   |
| In % of the Revenue  | 2.7%         | 2.7%         |
| <b>Operating income</b>                                    | <b>-2.0</b>  | <b>10.5</b>  |
| In % of the income   | -0.8%        | 4.4%         |
| <b>Net income – Group share</b>                            | <b>-2.4</b>  | <b>7.3</b>   |
| Diluted earnings per share <sup>(4)</sup>                  | -0.25€       | 0.78€        |
| <b>Cash Balance <sup>(5)</sup></b>                         | <b>22.6</b>  | <b>13.8</b>  |

(1) The H1 2013 financial statements presented in this press release were approved by the Executive Board on August 28th, 2013 and presented to the Supervisory Board on the same day; they are certified by external auditors.

(2) At constant exchange rates and perimeter.

(3) Current operating income before the amortization of intangible assets resulting from acquisitions and excluding impact of stock options.

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

(5) Including bank overdrafts, credit revolving and cash management tools booked as 'other current financial assets'.

### Results for the First Half of 2013:

Devoteam's (NYSE Euronext Paris: DVT) total **revenue** for the first half of 2013 was €237.3 million, compared to €262.3 million for the first half of 2012. At constant exchange rates and perimeter, the decline in revenue was 5.9%, impacted by a negative effect of the number of working days in the first half of 2013. In a challenging environment, especially in the Telecom vertical, the Group successfully closed the divestment of two subsidiaries, and signed two innovative partnerships on its Mobile Enabler and Cloud Transformation offers, with SAP and Google respectively.

**The operating margin**, expressed as a percentage of revenue, remained stable at 2.7%, compared to the first half of 2012, despite the calendar effect. The Group improved its direct margins on contracts, which helped compensate a decrease in the utilization rate<sup>1</sup>. Utilization stood at 80.9% for the first half of 2013, as opposed to 82.0% over the same period last year.

**The operating result** rose sharply to reach €10.5 million in the first half of 2013, compared to €-2.0 million over the same period in 2012. It includes €12 million profits from disposal of subsidiaries. The decrease of non-recurring costs, compared to the first half year of 2012, came from a drop in costs relating to the “Eagle” transformation plan. For the first half of 2013, the operating result also included restructuring costs amounting to €4.4 million, and goodwill impairment of German and Polish entities for an amount of €1.4 million.

**The financial result** was €-1.1 million (compared to €-0.5 million in the first half of 2012). This variation is partially explained by exchange rates effects on the Polish currency. On the contrary, the cost of financial debt decreased significantly due to an improved net debt position.

**Income tax** amounted to €2.4 million, and represented 25% of the income before tax.

**Net earnings attributable to equity holders of the parent company** have climbed considerably, and stood at €7.3 million in the first half of 2013, as opposed to €-2.4 million one year earlier.

**Operating cash flow** stood at €-6.2 million in the first half of 2013, an improvement of €2.1 million compared to the first half of 2012, mainly explained by a lesser change in net working capital and by an improvement of the self-financing capacity of €1 million.

**Investment cash flow** reached €11.9 million. It was mainly generated by the disposal of subsidiaries during the first half of 2013.

**Financing cash flow** includes a share buy-back of €1.4 million and loan repayments of €1.2 million.

**The net debt** improved by €5 million since the end of 2012. As a consequence, at 2013 first half end, the Group showed a cash surplus of €6.6 million over the financial debt.

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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

### Analysis of the second quarter of 2013, by region:

Total revenue for the second quarter of 2013 was €112 million, a 4.6% decrease, at constant exchange rates and perimeter, compared to the same period in 2012.

The Region **Western Europe** includes the Belgian, Luxembourgish and French Expertise activities and represents 24% of the Group revenue. At constant exchange rates and perimeter, this region grew 3.1% in the second quarter of 2013, a strong improvement compared to the first quarter, driven by a recovery in the volume of business with the banking industry. The region's operating margin increased by 2.2 points in the first half of 2013, compared to the same period in 2012. Western Europe is the most advanced region in the deployment of the EAGLE transformation program.

Revenue of the **Mediterranean area**, which consists of the *Solutions* and *Consulting* businesses in France and North Africa, amounted to €18.2 million. The € 4.5 million decline in revenue is partially explained by lower sales of third party licenses in France, compared to the second quarter of 2012.

The other regions were penalized by a decrease in the Telecom business, particularly in Northern Europe, Central Europe and Italy.

The **Northern Europe region**, which consolidates the United Kingdom and Scandinavian countries, shed 8.4% in revenue on a like-for-like basis. Our main customer shutting down its Telecom R&D center in Norway on the one hand, and a difficult base effect in the United Kingdom (contracts linked to Olympic Games in 2012) on the other, were the two main drivers. In Denmark, the expansion of SaaS software model secured recurring revenue for the coming years. However, transition to the new model had an impact on short term growth.

The revenue in **Central Europe**, which is comprised of operations in Germany, Switzerland, Austria, Poland and Czech Republic, decreased by 12.2% in the second quarter of 2013 compared to the second quarter of 2012. The region faced a new decrease in revenue on its traditional Telecom business in Germany, which was partially compensated by the successful deployment of the "Network Transformation" offer, and by the portfolio diversification on other verticals. With operational loss reduced by half between the first six months of 2012 and the same period in 2013, the "Wola Info" business in Poland showed signs of improvement, but remained difficult.

Revenue and operating margin of "**Single entities**" (Spain, Italy and the Netherlands) were impacted by Telecoms in Italy, and the banking sector in the Netherlands. On the opposite, despite a depressed local environment, the business in Spain keeps performing well.

Revenue in the “**Middle East & Turkey**” region shed 11.6% in the second quarter of 2013 due to delays in the launch of some projects and stood at €4.9 million.

“**Others**” which combines all the other investments of the Group (“Venture”), maintained a good performance during the quarter.

« **Divestments** » includes the businesses divested in 2013.

### Headcount

On June 30<sup>th</sup> 2013, the Group employed 4 059 people, compared to 4 664 at the end of 2012. This decrease is mainly due to the effect of divestments in the first half of 2013. The billable staff to total workforce ratio stood at 85% as of June 30<sup>th</sup> 2013, a slight decrease compared to December 2012 (85.9%).

### 2013 Outlook

In April 2013, Devoteam signed a partnership with Google Enterprise, in order to help its customers in their transition to Cloud and Mobility. In this high-growth market, Devoteam became one of Google’s main partners in Europe. The Group landed, with a CAC 40 company, the first multi-year contract resulting from this partnership during the summer.

Considering the results of the first half of 2013, Devoteam confirms its targets of a stable operating margin and of a strong improvement of the net result in 2013.

### Share capital and dividend

During the first half of 2013, Devoteam bought back €1.4M of its shares, and paid a €0.9 million dividend in July 2013.

### 2013 Financial calendar and press releases

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

FY 2013 results: March 4th, 2014<sup>(\*)</sup>

*(\*) After trading hours*

## Appendix

### Activity evolution by region:

| In million of euros             | Q1 2013      | Q1 2012      | Q2 2013      | Q2 2012      | H1 2013      | H1 2012      |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Western Europe</b>           | <b>28.2</b>  | <b>29.2</b>  | <b>27.0</b>  | <b>26.2</b>  | <b>55.2</b>  | <b>55.4</b>  |
| Var                             | -3.2%        |              | 3.1%         |              | -0.2%        |              |
| Var L-F-L                       | -3.2%        |              | 3.1%         |              | -0.2%        |              |
| <b>Mediterranean area</b>       | <b>17.8</b>  | <b>21.1</b>  | <b>18.2</b>  | <b>22.7</b>  | <b>36.0</b>  | <b>43.8</b>  |
| Var                             | -15.9%       |              | -19.7%       |              | -17.9%       |              |
| Var L-F-L                       | -15.9%       |              | -19.6%       |              | -17.8%       |              |
| <b>Northern Europe</b>          | <b>15.6</b>  | <b>20.1</b>  | <b>15.7</b>  | <b>17.3</b>  | <b>31.2</b>  | <b>37.4</b>  |
| Var                             | -22.5%       |              | -9.6%        |              | -16.5%       |              |
| Var L-F-L                       | -22.9%       |              | -8.4%        |              | -16.1%       |              |
| <b>Central Europe</b>           | <b>11.6</b>  | <b>13.4</b>  | <b>11.9</b>  | <b>13.6</b>  | <b>23.5</b>  | <b>27.0</b>  |
| Var                             | -13.3%       |              | -12.2%       |              | -12.7%       |              |
| Var L-F-L                       | -13.3%       |              | -12.1%       |              | -12.7%       |              |
| <b>Middle East &amp; Turkey</b> | <b>4.5</b>   | <b>4.7</b>   | <b>4.9</b>   | <b>5.6</b>   | <b>9.4</b>   | <b>10.2</b>  |
| Var                             | -3.4%        |              | -13.2%       |              | -8.7%        |              |
| Var L-F-L                       | -2.7%        |              | -11.6%       |              | -7.6%        |              |
| <b>Single entities</b>          | <b>11.8</b>  | <b>14.3</b>  | <b>11.5</b>  | <b>13.6</b>  | <b>23.3</b>  | <b>28.0</b>  |
| Var                             | -17.4%       |              | -15.8%       |              | -16.6%       |              |
| Var L-F-L                       | -17.4%       |              | -15.8%       |              | -16.6%       |              |
| <b>Others</b>                   | <b>21.1</b>  | <b>17.0</b>  | <b>22.5</b>  | <b>18.7</b>  | <b>43.6</b>  | <b>35.6</b>  |
| Var                             | 24.6%        |              | 20.4%        |              | 22.4%        |              |
| Var L-F-L                       | 24.3%        |              | 20.7%        |              | 22.4%        |              |
| <b>Divestments*</b>             | <b>14.7</b>  | <b>12.9</b>  | <b>0.4</b>   | <b>12.0</b>  | <b>15.1</b>  | <b>25.0</b>  |
| Var                             | 13.5%        |              | -96.6%       |              | -39.5%       |              |
| Var L-F-L                       | -2.7%        |              | -2.5%        |              | -2.6%        |              |
| <b>Consolidated Revenue</b>     | <b>125.3</b> | <b>132.6</b> | <b>112.0</b> | <b>129.7</b> | <b>237.3</b> | <b>262.3</b> |
| Var                             | -5.5%        |              | -13.6%       |              | -9.5%        |              |
| Var L-F-L                       | -7.2%        |              | -4.6%        |              | -5.9%        |              |

\* including the cancellation, in Q2 2013, of 2.7M€ revenues booked in Q1 2013 coming from Exaprobe ICT, which left the consolidation scope as of January 1<sup>st</sup>, 2013.

| In million of euros         | Q1 2013      | Q1 2012      | Q2 2013      | Q2 2012      | H1 2013      | H1 2012      |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>France*</b>              | <b>60.7</b>  | <b>60.4</b>  | <b>45.9</b>  | <b>59.9</b>  | <b>106.6</b> | <b>120.3</b> |
| Var                         | 0.4%         |              | -23.2%       |              | -11.4%       |              |
| Var L-F-L                   | -3.2%        |              | -4.4%        |              | -3.8%        |              |
| <b>Rest of the world</b>    | <b>64.6</b>  | <b>72.2</b>  | <b>66.1</b>  | <b>69.8</b>  | <b>130.7</b> | <b>142.1</b> |
| Var                         | -10.5%       |              | -5.4%        |              | -8.0%        |              |
| Var L-F-L                   | -10.5%       |              | -4.8%        |              | -7.7%        |              |
| <b>Consolidated Revenue</b> | <b>125.3</b> | <b>132.6</b> | <b>112.0</b> | <b>129.7</b> | <b>237.3</b> | <b>262.3</b> |
| Var                         | -5.5%        |              | -13.6%       |              | -9.5%        |              |
| Var L-F-L                   | -7.2%        |              | -4.6%        |              | -5.9%        |              |

\* including the cancellation, in Q2 2013, of 2.7M€ revenues booked in Q1 2013 coming from Exaprobe ICT, which left the consolidation scope as of January 1<sup>st</sup>, 2013.

| In million of euros             | Group contribution H1 2013 | Operating Margin H1 2013 | In % of Group contribution H1 2013 | Group contribution H1 2012 | Operating margin H1 2012 | In % of Group contribution H1 2012 |
|---------------------------------|----------------------------|--------------------------|------------------------------------|----------------------------|--------------------------|------------------------------------|
| <b>Western Europe</b>           | <b>55.2</b>                | <b>3.2</b>               | <b>5.8%</b>                        | <b>55.4</b>                | <b>2.0</b>               | <b>3.6%</b>                        |
| Var                             | -0.2%                      | 62.0%                    |                                    |                            |                          |                                    |
| Var L-F-L                       | -0.2%                      |                          |                                    |                            |                          |                                    |
| <b>Mediterranean area</b>       | <b>36.0</b>                | <b>-0.1</b>              | <b>-0.4%</b>                       | <b>43.8</b>                | <b>0.8</b>               | <b>1.9%</b>                        |
| Var                             | -17.9%                     | -116.2%                  |                                    |                            |                          |                                    |
| Var L-F-L                       | -17.8%                     |                          |                                    |                            |                          |                                    |
| <b>Northern Europe</b>          | <b>31.2</b>                | <b>0.1</b>               | <b>0.4%</b>                        | <b>37.4</b>                | <b>1.3</b>               | <b>3.6%</b>                        |
| Var                             | -16.5%                     | -90.1%                   |                                    |                            |                          |                                    |
| Var L-F-L                       | -16.1%                     |                          |                                    |                            |                          |                                    |
| <b>Central Europe</b>           | <b>23.5</b>                | <b>-1.3</b>              | <b>-5.7%</b>                       | <b>27.0</b>                | <b>-0.3</b>              | <b>-1.1%</b>                       |
| Var                             | -12.7%                     | 358.0%                   |                                    |                            |                          |                                    |
| Var L-F-L                       | -12.7%                     |                          |                                    |                            |                          |                                    |
| <b>Middle East &amp; Turkey</b> | <b>9.4</b>                 | <b>0.4</b>               | <b>4.3%</b>                        | <b>10.2</b>                | <b>0.6</b>               | <b>6.1%</b>                        |
| Var                             | -8.7%                      | -35.5%                   |                                    |                            |                          |                                    |
| Var L-F-L                       | -7.6%                      |                          |                                    |                            |                          |                                    |
| <b>Single entities</b>          | <b>23.3</b>                | <b>0.3</b>               | <b>1.5%</b>                        | <b>28.0</b>                | <b>1.3</b>               | <b>4.7%</b>                        |
| Var                             | -16.6%                     | -73.6%                   |                                    |                            |                          |                                    |
| Var L-F-L                       | -16.6%                     |                          |                                    |                            |                          |                                    |
| <b>Others</b>                   | <b>43.6</b>                | <b>2.5</b>               | <b>5.8%</b>                        | <b>35.6</b>                | <b>1.2</b>               | <b>3.4%</b>                        |
| Var                             | 22.4%                      | 109.4%                   |                                    |                            |                          |                                    |
| Var L-F-L                       | 22.4%                      |                          |                                    |                            |                          |                                    |
| <b>Divestments</b>              | <b>15.1</b>                | <b>1.2</b>               | <b>7.8%</b>                        | <b>25.0</b>                | <b>0.2</b>               | <b>0.8%</b>                        |
| Var                             | -39.5%                     | 523.5%                   |                                    |                            |                          |                                    |
| Var L-F-L                       | -2.6%                      |                          |                                    |                            |                          |                                    |
| <b>Total</b>                    | <b>237.3</b>               | <b>6.3</b>               | <b>2.7%</b>                        | <b>262.3</b>               | <b>7.2</b>               | <b>2.7%</b>                        |
| Var                             | -9.5%                      | -12.7%                   |                                    |                            |                          |                                    |
| Var L-F-L                       | -5.9%                      |                          |                                    |                            |                          |                                    |

| In million of euros      | Group contribution H1 2013 | Operating Margin H1 2013 | In % of Group contribution H1 2013 | Group contribution H1 2012 | Operating margin H1 2012 | In % of Group contribution H1 2012 |
|--------------------------|----------------------------|--------------------------|------------------------------------|----------------------------|--------------------------|------------------------------------|
| <b>France</b>            | <b>106.6</b>               | <b>5.3</b>               | <b>5.0%</b>                        | <b>120.3</b>               | <b>2.5</b>               | <b>2.1%</b>                        |
| Var                      | -11.4%                     | 108.7%                   |                                    |                            |                          |                                    |
| Var L-F-L                | -3.8%                      |                          |                                    |                            |                          |                                    |
| <b>Rest of the world</b> | <b>130.7</b>               | <b>1.0</b>               | <b>1.9%</b>                        | <b>142.1</b>               | <b>4.7</b>               | <b>3.3%</b>                        |
| Var                      | -8.0%                      | -78.4%                   |                                    |                            |                          |                                    |
| Var L-F-L                | -7.7%                      |                          |                                    |                            |                          |                                    |
| <b>Total</b>             | <b>237.3</b>               | <b>6.3</b>               | <b>2.7%</b>                        | <b>262.3</b>               | <b>7.2</b>               | <b>2.7%</b>                        |
| Var                      | -9.5%                      | -12.7%                   |                                    |                            |                          |                                    |
| Var L-F-L                | -5.9%                      |                          |                                    |                            |                          |                                    |

## Net debt:

| <i>In million of euros</i>   | June 30 <sup>th</sup> ,<br>2013 | Dec. 31 <sup>st</sup> ,<br>2012 | June 30 <sup>th</sup> ,<br>2012 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Financial investments (included in "Other current financial assets" in balance sheet)                              | 0.3                             | 0.3                             | 6.8                             |
| Cash and cash equivalents (as in balance sheet)  | 29.9                            | 32.9                            | 26.3                            |
| Bank overdrafts and credit Revolving (included in current "Loans, borrowings and bank overdraft" in balance sheet) | (16.3)                          | (23.5)                          | (10.5)                          |
| <b>Cash Balance</b>  | <b>13.8</b>                     | <b>9.7</b>                      | <b>22.6</b>                     |
| Current financial debts (excluding bank overdrafts, which are already included above)                              | (2.3)                           | (2.3)                           | (20.6)                          |
| Non-current financial debts (as in balance sheet)  | (4.9)                           | (5.7)                           | (6)                             |
| <b>Cash, net of financial debt</b>   | <b>6.6</b>                      | <b>1.6</b>                      | <b>(4)</b>                      |
| <b>Total consolidated equity</b>   | <b>131.8</b>                    | <b>127.9</b>                    | <b>127.6</b>                    |
| <b>Net debt-to-equity ratio</b>  | <b>-5.0%</b>                    | <b>-1.3%</b>                    | <b>3.1%</b>                     |

### **About Devoteam:**

Devoteam (ISIN: FR 0000073793, Reuters: DVTM.PA, Bloomberg: DEVO FP) is an IT consulting group created in 1995, a specialised ICT Transformation partner of its clients. Combining consulting know-how and technical expertise enables Devoteam to provide its customers with independent advice, delivering innovative and industrialised end-to-end solutions.

In 2012, Devoteam achieved revenues of 515M€ and an operating margin of 3.5%. The Group has a workforce of 4 059 employees in 23 countries across Europe, North Africa and Middle East.

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