

Press release

STRONG GROWTH OF REVENUES FOR THE THIRD QUARTER, UP 14.8% ORGANICALLY EXCLUDING OUTSOURCING

Strategic acquisitions in Cloud and Big Data

**Full-year 2015 guidance increased to almost € 480 million in revenue
with more than 6.5% operating margin**

Paris, November 10th 2015

In millions of euros	Q3 2015	Q3 2014	9m 2015	9m 2014
France	48.6	47.4	150.4	137.9
Variation	2.6%		9.1%	
L-f-I variation ⁽¹⁾	5.3%		2.2%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	15.9%		13.1%	
Rest of the world	66.3	57.7	196.7	183.4
Variation	15.0%		7.3%	
L-f-I variation ⁽¹⁾	13.9%		9.2%	
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	11.0%		6.4%	
Total	114.9	105.0	347.1	321.2
Variation	9.4%		8.1%	
L-f-I variation ⁽¹⁾	10.0%		6.2%	
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	8.2%		4.5%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	14.8%		10.8%	

⁽¹⁾At comparable perimeter and exchange rates

⁽²⁾"Between", a subsidiary operating in the Netherlands on the market of sourcing of IT professionals, has a very volatile contribution to revenue since, depending on the terms and conditions of the contracts signed, the revenue consolidated at Group level may be based on the contract's gross margin or on the full amount invoiced to the final customer. As a consequence, the Group decided to isolate this subsidiary when calculating the growth rate of the consolidated revenues

⁽³⁾Outsourcing business

Devoteam (NYSE Euronext Paris: DVT) reported revenues of € 114.9 million for the third quarter of 2015, a 14.8% increase compared to the third quarter of 2014, at comparable perimeter and exchange rates, when excluding the impact of the outsourcing business in France.

At current perimeter and exchange rates, the revenues of the Group rose 9.4% in the third quarter of 2015 compared to the same period last year.

Stanislas de Bentzmann, co-CEO of Devoteam, commented on these results:

"The figures of the third quarter confirmed the good trend that has been visible since the fourth quarter of 2014. It also confirmed the success of the digital transformation and cloud offers, on which the Group decided to invest. This business grew by about 30% in Q3 2015 and reached 35% of the total business of the Group.

Based on these encouraging results, we have decided to strengthen our leading position on Google offers with the acquisition of myG, a start-up specialized in the Google Search for Work and Google Drive for Work solutions.

We also went one step further in the redefinition of our portfolio of geographies, with the acquisition of Drago in Spain. On top of being a major building block of our Business Intelligence & Big Data offer, Drago allows Devoteam to grow on the Spanish market, which becomes the second largest country of the Group with five hundred employees. Devoteam thereby reaches in Spain the critical size, which is a key element for all our strategic geographies."

Analysis of the revenue by region

In millions of euros	Q3 2015	Q3 2014	9m 2015	9m 2014
New Mediterranean (Solutions France, Consulting France, Tunisia)	35.1	32.8	110.3	104.7
Variation	7.1%		5.4%	
L-f-I variation ⁽¹⁾	7.0%		5.4%	
Northern Europe & Belux (United-Kingdom, Norway, Denmark, Belgium, Luxembourg)	23.6	22.9	76.9	73.9
Variation	3.0%		4.1%	
L-f-I variation ⁽¹⁾	4.0%		4.0%	
Central Europe (Germany, Switzerland, Czech Rep., Poland, Austria)	13.7	11.7	39.0	34.6
Variation	16.9%		12.5%	
L-f-I variation ⁽¹⁾	15.0%		10.7%	
Single entities (S'team, Middle East, Netherlands excl. Between, Spain)	18.6	13.1	52.0	39.5
Variation	42.1%		31.7%	
L-f-I variation ⁽¹⁾	33.1%		23.5%	
Others	23.8	22.7	67.8⁽²⁾	56.3
Variation	5.2%		20.4%	
L-f-I variation ⁽¹⁾	5.3%		-1.7%	
L-f-I variation ⁽¹⁾ excl. Between ⁽³⁾	-10.0%		-23.6%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽⁴⁾	12.9%		28.8%	
Divestments⁽⁵⁾	-	1.8	1.1	12.2
Total	114.9	105.0	347.1	321.2
Variation	9.4%		8.1%	
L-f-I variation ⁽¹⁾	10.0%		6.2%	
L-f-I variation ⁽¹⁾ excl. Between ⁽³⁾	8.2%		4.5%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽⁴⁾	14.8%		10.8%	

⁽¹⁾At comparable perimeter and exchange rates

⁽²⁾Of which € 5.9 million in Q1 2015 and € 6.3 million in Q2 2015 of contribution of Axance and gPartner

⁽³⁾"Between", a subsidiary operating in the Netherlands on the market of sourcing of IT professionals, has a very volatile contribution to revenue since, depending on the terms and conditions of the contracts signed, the revenue consolidated at Group level may be based on the contract's gross margin or on the full amount invoiced to the final customer. As a consequence, the Group decided to isolate this subsidiary when calculating the growth rate of the consolidated revenues

⁽⁴⁾Outsourcing business in France

⁽⁵⁾In 2015, Divestments include Exa ECS. In 2014, it also includes AuSystems Italy, CRM Poland and Devoteam Sweden

Headcount and utilization rate

On September 30th 2015, the Group employed 3 619 people, an increase of 51 people over the quarter. The ratio of billable headcount to total headcount remained at 84.6%, a stable level compared to that of the 30th of June 2015. It improved sharply compared to last year (84.1% on September 30th 2015, when excluding the outsourcing business in France).

On the third quarter, the Group showed an improvement of the utilization rate of internal resources¹ excluding divestments, which stood at 84.7%. This compares to 84.3% in the same period of 2014 and to 84.3% in the second quarter of 2015.

Utilization rate of internal resources, excluding divested entities*							
Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015
82.1%	83.5%	84.3%	83.7%	83.4%	82.9%	84.3%	84.7%

*In 2015, the divested entities include Exa ECS. In 2014, it also includes AuSystems Italy, CRM Poland and Devoteam Sweden

2015 outlook

Taking into account the strong performance of the third quarter, the Group revised upwards its full year targets again. Revenues are now expected to land around € 475 million excluding the impact of myG and Drago. These companies are consolidated as of October 1st 2015 and should bring an extra € 4 million to the revenues of the Group in the fourth quarter. The operating margin should also end a bit higher than the previously announced 6.5%. The two acquisitions will have no significant impact on the percentage of operating margin of the Group.

2016 financial calendar

Press release after market closed	
Full-year 2015	Q1 2016
March 9 th 2016	May 18 th 2016

Pro forma information on revenue

In millions of euros	Q3 2014 restated ⁽¹⁾	Q3 2014 presented ⁽²⁾
New Mediterranea	32.8	34.7
Northern Europe & Belux⁽³⁾	22.9	11.3
Central Europe	11.7	11.7
Middle East & Turkey	-	4.7
Single entities	13.1	13.5
Others	22.7	28.6
Divestments	1.8	0.5

⁽¹⁾Reclassification of Devoteam Morocco from the segment "New Mediterranea" to the segment "Others"

Reclassification of Devoteam Belgium and Devoteam Luxembourg from the segment "Single entities" to "Northern Europe & Belux"

Reclassification of Fornebu from the segment "Others" to the segment "Northern Europe & Belux"

Reclassification of Devoteam Middle East from the segment "Middle East & Turkey" to the segment "Single entities"

Reclassification of Devoteam Turkey from the segment "Middle East & Turkey" to the segment "Others"

Reclassification of S'team from the segment "Others" to the segment "Single entities"

Reclassification of Exa ECS from the segment "Others" to the segment "Divestments"

⁽²⁾In the FY 2014 press release

⁽³⁾"Northern Europe" in the FY 2014 press release

¹ Utilization rate measures the percentage of working hours (excluding paid holidays) of billable employees that were billed to a client

ABOUT DEVOTEAM

At Devoteam, we deliver **innovative technology consulting** for business. We are 3,600 professionals dedicated to ensuring our clients win their digital battles.

Present in 20 countries and drawing on 20 years of experience, we improve **business performance** making their companies truly digital. We build IT infrastructure for digital, and make sure people are along for the ride.

In 2014, Devoteam achieved revenues of 443M€.

At Devoteam, we are **Digital Transformakers**.

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

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