

# OPERATING MARGIN UP 40% OVER THE PAST NINE MONTHS

Paris, November 12<sup>th</sup>, 2008

<i>In million Euros (m€) (1)</i>	<b>Q3 2008</b>	Q3 2007	<i>Var.</i>	<b>9 m 2008</b>	9 m 2007	<i>Var</i>
<b>Turnover</b>	<b>106.2</b>	90.6	+17%	<b>334.6</b>	257.5	+30%
<b>Operating margin (2)</b>	<b>8.0</b>	6.7	+20%	<b>26.6</b>	18.8	+42%
<i>In % of Turnover</i>	<b>7.5%</b>	7.3%		<b>8.0%</b>	7.3%	

(1) *non-audited figures*

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

Over the past nine months Devoteam posted a turnover up 30% and an operating margin up 40%. In the 3<sup>rd</sup> quarter, the Group's activity remained solid with a turnover of 106 M€, up 17%, including 15% organic growth and an operating margin up 20% to 8 M€, or 7.5% of the turnover.

With an increase of 28%, including 23% organic growth, the Group's activity abroad (51 M€ of turnover) has been driven by Benelux and Scandinavia. The turnover in France reached 55 M€, with 9% in organic growth.

The Group cash position as of September 30, 2008 was 68 M€, against 22 M€ one year before. The Group financial debt is mainly composed of the OBSAR debt, raised in 2006 and which reimbursement will start in November 2010.

## **Important facts**

Within an uncertain macroeconomic context, Devoteam has decided to slow down recruitment in H2 2008 and has stabilized its workforce at 4,250 employees.

Devoteam continues to expand in high growth potential countries, notably by opening a subsidiary in Tunisia and by purchasing the Russian subsidiary of Teligent, which provides services for the main local Telecom operators (MTS and Megafon) and has 35 engineers specialized in mobile technologies (*rating, charging, IN mobile, SDP etc.*).

Devoteam UK has had some promising developments by signing a major project for Vodafone and by re-enforcing its partnership with BMC Software by taking over certain assets of Turing SMI.

In the 3<sup>rd</sup> quarter of 2008, Devoteam increased its presence in the Industries and Services sector, while reducing its exposure in the financial sector, which now accounts for 18% of the Group's total activity compared to 22% in 2007.

In the context of its sustainable development policy, Devoteam launched a foundation dedicated to education & health; moreover it sponsored an exhibition at the Centre Pompidou on "Futurism in Paris".

### **Perspectives**

Despite current market instability, the Group remains confident that it will achieve its 2008 objectives of reaching a turnover of 450 M€ and an operating margin of nearly 9%. Devoteam will communicate its 2009 perspectives when it publishes its annual results on February 12, 2009.

### **About Devoteam:**

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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 2007 Devoteam achieved a turnover of 370M€, up 39%, and an operating margin of 8.5%. The Group counts 4,250 employees in about 20 countries across Europe, North Africa and the Middle East.

Listing: Euronext since October 28 1999

Part of the indexes: CAC MID & SMALL 190, SBF 250 of Euronext Paris

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