

DEVOTEAM REPORTS 10.5% REVENUE GROWTH IN Q3 2010

Paris, 8th November 2010

<i>In million Euros (m€) (1)</i>	Q3 2010	Q3 2009	Var.	YTD 2010	YTD 2009	Var.
Revenues	118.2	107.0	+11%	358.4	335.4	+7%
Operating Margin (2)	6.3	5.9	+7%	19.3	18.9	+2%
<i>in % of revenues</i>	5.3%	5.5%		5.4%	5.6%	

(1) *Non-audited figures*

(2) *Defined as current operating profit excluding the impact of stock options and amortization of intangible assets resulting from acquisitions. It takes into account the changes in business tax legislation in France, hence excluding the corresponding charge of € 0.6 million in the third quarter.*

For the first nine months of 2010, Devoteam achieved revenues of € 358.4 million, up 7%, with an operating margin of 5.4%. The gradually improving market conditions have allowed for a higher utilization rate and active recruitment has resumed. At the end of September, the Group's workforce stood at 4,526 employees (including Fornebu Consulting in Norway) and was almost stable over the last quarter due to rising attrition.

Q3 Financial summary

In the third quarter, revenues increased by 10.5% to € 118.2 million, of which 6% came from acquired companies (Tieto and Fornebu) and 2% from favorable currency impact. Dynamism in Russia, in the financial sector and in the IT security domain offset the effect of cyclical difficulties in Northern Europe.

Operating margin stood at 5.3%, down 0.2 points compared with Q3 2009. The investments to transform Devoteam from a combination of local entities to a well-integrated Group, lowering daily margins due to salary increases and the increased use of sub-contractors have not been fully compensated by the higher utilization rate, the positive effect of business tax reclassification in France and the improved performance of Devoteam Danet in Germany.

The Group cash position stood at € 71 million on September 30, 2010. The reduction comes notably from the financing of acquisitions and a significant share buyback program as well as an increase in working capital notably due to seasonality effect and a change in scope and in the geographic mix.

Performance analysis by sector and geographical area

Q3 2010	France	International	Business Consulting	Technology Consulting
Revenues (1)	54	64	20	98
Growth y/y	7%	14%	15%	10%
Like for like growth	-2%	+7%	-1%	+3%

(1) Non-audited figures, in million Euros

In France, (46% of the Group revenues), the financial sector, the IT security offering and businesses in the provinces are dynamic, while the telecoms sector is slowly recovering.

Business outside France is still driven by activity in Southern Europe (Spain and Italy), Turkey and predominately Russia, where the Group recently expanded its presence through a new entity located in Saint Petersburg. However, Devoteam has experienced a weaker quarter in Northern Europe (Denmark, Norway and the United Kingdom).

Business Consulting (17% of the Group revenues) enjoyed a favorable currency effect, but suffered from its exposure to the public sector.

Technology Consulting regained growth progressively with projects around transformation of ICT infrastructure, allowing cost reduction for customers but benefiting our ITSM, service centers and Cloud Computing offerings.

Recent Highlights

This October, Devoteam received the 2010 EthiFinance Award for Corporate Governance.

The Group also became the majority shareholder of Wola Info in Poland, following a mandatory buyout offer and a capital increase, raising its ownership of the company to 62%. Wola Info has been consolidated as of 1st October 2010.

Perspectives

Devoteam confirms its annual targets and expects to reach € 485-490m revenues (excluding Wola Info) and an operating margin of around 6% in 2010.

The Group will publish its 2010 annual results and 2011 guidance on 28th February, 2011.

About Devoteam

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 2009, Devoteam achieved a turnover of 459.5 M€ and an operating margin of 6.2%. The Group consists of 4 500 employees in 23 countries across Europe, North Africa and the Middle East.

Listing: NYSE Euronext since October 28, 1999

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

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