

Paris, 4 March 2014

## 2013 annual results slightly above target

**Revenues of € 453.5 million**

**Operating margin at 3.7% of revenues**

**Divestment of AuSystems Italy**

In million of Euros (1)	31.12.2013	31.12.2012
<b>Revenues</b>	<b>453.5</b>	<b>515.1</b>
<b>Operating margin (2)</b>	<b>17.0</b>	<b>18.3</b>
In % of the Revenues	3.7%	3.5%
<b>Operating income</b>	<b>13.1</b>	<b>1.0</b>
In % of the Revenues	2.9%	0.2%
<b>Net income – Group share</b>	<b>5.4</b>	<b>(2.8)</b>
Diluted earnings per share (in €) (3)	0.59 €	(0.29)
<b>Cash available at year end (4)</b>	<b>42.9</b>	<b>9.7</b>

(1) The 2013 financial statements contained in this press release have been approved by the Supervisory Board on 3 March 2014 and are currently in the process of certification by the Group auditors.

(2) Defined as operating result before amortization of intangible assets related to acquisitions and excluding the impact of stock options.

(3) Based on the weighted average number of shares for the year.

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

The 2013 simplified financial statements are available on our website: <http://www.devoteam.com>

Devoteam (NYSE Euronext Paris: DVT) announced revenues of € 453.5 million and an operating margin of € 17 million for the year ended December 31<sup>st</sup> 2013. The Group share of net income stood at € 5.4 million. It rose substantially from the 2012 figure, mainly driven by the profits from divestment of subsidiaries.

Stanislas de Bentzmann, Co-CEO of Devoteam commented: "Remaining faithful to the objectives of the EAGLE strategic plan, 2013 has been a year of profound transformation for the Group, materialized by divestment of some subsidiaries, and by the renewal of our offer portfolio. In 2014, we will focus on energizing our recruitment policy, accelerating the development of our offers and further work to improve the fundamental economics of our services."

## Results for the year 2013

Devoteam posted **revenues of € 453.5 million in 2013**, slightly above the € 450 million target previously announced by the Group. On a like-for-like basis, revenues were down 3.5%, mainly impacted by the drop in the Telecom sector.

In the fourth quarter, the Group posted revenues of € 114.4 million, down 0.5% at constant exchange rates and perimeter. It is almost steady except for the negative calendar effect.

**The operating margin<sup>2</sup>** rate improved from 3.5 % of revenues in 2012 to 3.7% in 2013. For the second half of 2013, the operating margin stood at 5% of revenues, versus 4.4% one year earlier, driven by an improvement of the utilization rate<sup>1</sup> over the year.

**The operating result** rose sharply to reach € 13.1 million against € 1 million a year earlier. The strategic refocus of the Group, as illustrated by the divestment of Exaprobe ICT in France, Teligent in Russia, and the Telecom & Media division in France, was carried out at a profit of € 12.5 million. Other operating expenses were slightly reduced from € 17.3 million in 2012 to € 16 million in 2013. They were composed mainly of restructuring costs (€ 7.5 million vs. € 7.9 million in 2012) and of the remaining costs of the “Eagle” transformation project (€ 2.1 million vs. € 6.3 million in 2012). Goodwill impairment losses weighed € 5.9 million on the operating result (vs. € 1.9 million a year earlier); they concern the German, Polish and Moroccan activities.

**The financial result** dropped slightly in comparison with 2012. It stood at € -1.7 million (vs. € -1.5 million), mainly due to a negative impact of exchange rates.

**Taxes** negatively impacted the profits by € 6.4 million, representing more than 50 % of earnings before taxes. The high tax rate is explained by the impact of tax items that are calculated on an added value basis (and not on profit before tax basis) such as the “CVAE” in France or the “IRAP” in Italy.

In accordance with the commitments made by the Group, **net income (group share)** rose sharply. It stood at € 5.4 million in 2013.

**The diluted earnings per share** reached € 0.59, positively impacted by the increase in net income but also by the application of an active share repurchase policy. At the end of the share repurchase tender offer on January 17<sup>th</sup> 2014, the share capital consisted of 8.161.587 shares, 696.489 (8.53%) of which were held by the company.

**Cash flow from operating activities** amounted to € 21.6 million (vs. € 2.7 million in 2012). It resulted from a net income before non-cash expenses of € 5 million and a reduction of € 16.6 million in working capital. The decrease in working capital was mainly due to the sale of client receivables to a factoring company for an amount of € 15.6 million.

**Cash flow earned in investing activities** amounted to € 14.8 million, mainly thanks to the cash proceeds related to the divestment of subsidiaries.

**The cash flow from financing activities** amounted to € -7.3 million. It included share buybacks and dividend for a total of € 4.9 million, together with € 2.5 million of loan repayments.

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

<sup>2</sup> Operating result before amortization of intangible assets related to acquisitions and excluding the impact of stock options

## Press release

Overall, **cash and cash equivalents (net of financial debt)** increased by € 34.8 million since December 31<sup>st</sup> 2012. The detailed elements of net financial debt along with the factoring impact are presented in the appendix of this press release.

### Headcount and utilization rate

On December 31<sup>st</sup> 2013, Devoteam employed a workforce of 3.900 people compared to 4.664 at the end of 2012. Divestments explained the lion's share of the decrease (540 people), while the lower headcount in the rest of the Group allowed a significant improvement of the utilization rate.

	Utilization rates, excluding Divestments *				
	Q1	Q2	Q3	Q4	FY
2013	79.6%	81.6%	82.0%	84.1%	81.7%
2012	81.0%	81.0%	81.4%	82.4%	81.5%

\* following the commitment made by the Group on February 11<sup>th</sup> 2014 to sell its Italian subsidiary (AuSystems) to Exprivia, this entity has been reclassified in "Divestments".

The ratio of billable headcount to total staff stood at 85.5% at the end of 2013, a slight decrease in comparison to that of December 31<sup>st</sup> 2012.

### 2014 Outlook

Considering the fourth quarter's performance, the Group has set the following targets in 2014:

- stabilize revenues to reach a level close to € 400 million
- improve the operating margin rate above 4.5% of revenues
- increase the net income markedly for the second consecutive year.

### Dividend

The amount proposed to next Shareholders' meeting for the dividend related to the year 2013 will be communicated in the convening notice of the meeting.

### Events occurred after December 31<sup>st</sup> 2013

Devoteam purchased 1.494.173 of its own shares (15.47% of the share capital) in a share tender offer which closed on January 13<sup>th</sup>, 2014. On January 21<sup>st</sup>, 2014 the Management Board cancelled all repurchased shares.

On February 11<sup>th</sup> 2014, the Group signed an agreement to sell its Italian AuSystems business (16 million euros turnover and 250 employees) to Exprivia. Closing of the deal is expected during the first half of 2014.

### 2014 Financial calendar

Press release after market close				Shareholders' meeting	Dividend payment
Q1	Q2	Q3	Q4		
May 13 <sup>th</sup> 2014	Septembre 1 <sup>st</sup> 2014	Novembre 6 <sup>th</sup> 2014	March 2 <sup>nd</sup> 2015	June 20 <sup>th</sup> 2014	July 2 <sup>nd</sup> 2014

### Appendix

#### Activity evolution by region

In million of euros	Q1 2013	Q1 2012	Q2 2013	Q2 2012	Q3 2013	Q3 2012	Q4 2013	Q4 2012	FY 2013	FY 2012
<b>France</b>	<b>60.7</b>	<b>60.4</b>	<b>45.9</b>	<b>59.9</b>	<b>42.6</b>	<b>55.1</b>	<b>47.7</b>	<b>66.4</b>	<b>196.8</b>	<b>241.8</b>
Growth rate	0.4%		-23.2%		-22.7%		-28.3%		-18.6%	
L-f-I growth <sup>(1)</sup>	-3.2%		-4.4%		-0.9%		-2.1%		-2.7%	
<b>Rest of the world</b>	<b>64.6</b>	<b>72.2</b>	<b>66.1</b>	<b>69.8</b>	<b>59.2</b>	<b>62.5</b>	<b>66.7</b>	<b>68.7</b>	<b>256.6</b>	<b>273.3</b>
Growth rate	-10.5%		-5.4%		-5.2%		-2.9%		-6.1%	
L-f-I growth <sup>(1)</sup>	-10.5%		-4.8%		-2.5%		1.1%		-4.3%	
<b>Total</b>	<b>125.3</b>	<b>132.6</b>	<b>112.0</b>	<b>129.7</b>	<b>101.8</b>	<b>117.6</b>	<b>114.4</b>	<b>135.2</b>	<b>453.5</b>	<b>515.1</b>
Growth rate	-5.5%		-13.6%		-13.4%		-15.4%		-12.0%	
L-f-I growth <sup>(1)</sup>	-7.2%		-4.6%		-1.7%		-0.5%		-3.5%	

(1) At constant exchange rates and perimeter

In million of euros	Q1 2013	Q1 2012	Q2 2013	Q2 2012	Q3 2013	Q3 2012	Q4 2013	Q4 2012	FY 2013	FY 2012
<b>Western Europe</b>	<b>28.2</b>	<b>29.2</b>	<b>27.0</b>	<b>26.2</b>	<b>25.8</b>	<b>25.1</b>	<b>28.4</b>	<b>29.0</b>	<b>109.4</b>	<b>109.5</b>
Growth rate	-3.2%		3.1%		2.8%		-2.1%		-0.0%	
L-f-I growth <sup>(1)</sup>	-3.2%		3.1%		2.8%		-2.1%		-0.0%	
<b>Mediterranean area</b>	<b>17.8</b>	<b>21.1</b>	<b>18.2</b>	<b>22.7</b>	<b>16.3</b>	<b>17.7</b>	<b>19.0</b>	<b>20.4</b>	<b>71.2</b>	<b>81.9</b>
Growth rate	-15.9%		-19.7%		-8.3%		-6.9%		-13.1%	
L-f-I growth <sup>(1)</sup>	-15.9%		-19.6%		-8.1%		-6.8%		-13.0%	
<b>Northern Europe</b>	<b>15.6</b>	<b>20.1</b>	<b>15.7</b>	<b>17.3</b>	<b>12.1</b>	<b>14.7</b>	<b>14.7</b>	<b>16.4</b>	<b>58.1</b>	<b>68.6</b>
Growth rate	-22.5%		-9.6%		-17.9%		-10.2%		-15.3%	
L-f-I growth <sup>(1)</sup>	-22.9%		-8.4%		-13.0%		-5.3%		-12.9%	
<b>Central Europe</b>	<b>11.6</b>	<b>13.4</b>	<b>11.9</b>	<b>13.6</b>	<b>11.1</b>	<b>12.6</b>	<b>12.9</b>	<b>13.7</b>	<b>47.4</b>	<b>53.2</b>
Growth rate	-13.3%		-12.2%		-12.0%		-5.9%		-10.8%	
L-f-I growth <sup>(1)</sup>	-13.3%		-12.1%		-11.4%		-5.3%		-10.5%	
<b>Middle East &amp; Turkey</b>	<b>4.5</b>	<b>4.7</b>	<b>4.9</b>	<b>5.6</b>	<b>4.9</b>	<b>5.8</b>	<b>5.3</b>	<b>5.2</b>	<b>19.6</b>	<b>21.2</b>
Growth rate	-3.4%		-13.2%		-14.5%		1.9%		-7.7%	
L-f-I growth <sup>(1)</sup>	-2.7%		-11.6%		-7.6%		9.6%		-3.3%	
<b>Single entities</b>	<b>7.5</b>	<b>8.7</b>	<b>7.8</b>	<b>8.2</b>	<b>7.2</b>	<b>7.7</b>	<b>7.3</b>	<b>8.3</b>	<b>29.8</b>	<b>32.9</b>
Growth rate	-13.7%		-4.1%		-6.8%		-12.4%		-9.4%	
L-f-I growth <sup>(1)</sup>	-13.7%		-4.1%		-6.8%		-12.4%		-9.4%	
<b>Others</b>	<b>20.1</b>	<b>16.3</b>	<b>21.5</b>	<b>17.2</b>	<b>19.9</b>	<b>16.1</b>	<b>22.7</b>	<b>19.4</b>	<b>84.2</b>	<b>68.9</b>
Growth rate	23.9%		25.0%		23.6%		17.2%		22.2%	
L-f-I growth <sup>(1)</sup>	23.5%		25.1%		25.1%		19.2%		23.1%	
<b>Divestments <sup>(2)</sup></b>	<b>20.0</b>	<b>19.3</b>	<b>5.0</b>	<b>18.9</b>	<b>4.5</b>	<b>17.8</b>	<b>4.2</b>	<b>22.9</b>	<b>33.8</b>	<b>78.9</b>
<b>Total</b>	<b>125.3</b>	<b>132.6</b>	<b>112.0</b>	<b>129.7</b>	<b>101.8</b>	<b>117.6</b>	<b>114.4</b>	<b>135.2</b>	<b>453.5</b>	<b>515.1</b>
Growth rate	-5.5%		-13.6%		-13.4%		-15.4%		-12.0%	
L-f-I growth <sup>(1)</sup>	-7.2%		-4.6%		-1.7%		-0.5%		-3.5%	

(1) At constant exchange rates and perimeter

(2) Discontinued operations are consolidated in the "Divestments" segment, following the commitment made by the Group on February 12th 2014 to sell its Italian participation in Devoteam AuSystems. This entity was reclassified in "Divestments", and was previously accounted for in "Single entities." Detail of the impact of this reclassification is presented in appendix to facilitate comparison with previous quarters.

## Press release

In million of euros	Contribution to revenue 2013	Operating margin 2013	In % of Group contribution 2013	Contribution to revenue 2012	Operating margin 2012	In % of Group contribution 2012
<b>Western Europe</b>	<b>109.4</b>	<b>7.8</b>	<b>7.1%</b>	<b>109.5</b>	<b>5.9</b>	<b>5.4%</b>
Growth rate	-0.0%	32.3%				
L-f-I growth <sup>(1)</sup>	-0.0%					
<b>Mediterranean area</b>	<b>71.2</b>	<b>1.8</b>	<b>2.5%</b>	<b>81.9</b>	<b>2.6</b>	<b>3.2%</b>
Growth rate	-13.1%	-31.8%				
L-f-I growth <sup>(1)</sup>	-13.0%					
<b>Northern Europe</b>	<b>58.1</b>	<b>0.8</b>	<b>1.4%</b>	<b>68.6</b>	<b>1.9</b>	<b>2.7%</b>
Growth rate	-15.3%	-55.7%				
L-f-I growth <sup>(1)</sup>	-12.9%					
<b>Central Europe</b>	<b>47.4</b>	<b>-1.0</b>	<b>-2.1%</b>	<b>53.2</b>	<b>-0.1</b>	<b>-0.1%</b>
Growth rate	-10.8%	N/A				
L-f-I growth <sup>(1)</sup>	-10.5%					
<b>Middle East &amp; Turkey</b>	<b>19.6</b>	<b>1.0</b>	<b>4.9%</b>	<b>21.2</b>	<b>1.7</b>	<b>8.0%</b>
Growth rate	-7.7%	-43.6%				
L-f-I growth <sup>(1)</sup>	-3.3%					
<b>Single entities (2)</b>	<b>29.8</b>	<b>1.5</b>	<b>5.2%</b>	<b>32.9</b>	<b>2.1</b>	<b>6.4%</b>
Growth rate	-9.4%	-27.0%				
L-f-I growth <sup>(1)</sup>	-9.4%					
<b>Others</b>	<b>84.2</b>	<b>4.3</b>	<b>5.1%</b>	<b>68.9</b>	<b>2.6</b>	<b>3.7%</b>
Growth rate	22.2%	69.0%				
L-f-I growth <sup>(1)</sup>	23.1%					
<b>Divestments (3)</b>	<b>33.8</b>	<b>0.7</b>	<b>2.2%</b>	<b>78.9</b>	<b>1.6</b>	<b>2.0%</b>
<b>Total</b>	<b>453.5</b>	<b>17.0</b>	<b>3.7%</b>	<b>515.1</b>	<b>18.3</b>	<b>3.5%</b>
Growth rate	-12.0%	-7.1%				
L-f-I growth <sup>(1)</sup>	-3.5%					

(1) At constant exchange rate and perimeter

(2) Devoteam Netherlands and Devoteam Spain

(3) T&M operations France, Exaprobe ICT, AuSystems Italy, Teligent Russia.

## Net debt

In million of euros	31.12.2013	31.12.2012
Financial investments (included in « Other current financial assets” in balance sheet)	0.3	0.3
Cash and cash equivalents (as in balance sheet)*	77.2	32.9
Bank overdrafts and credit Revolving (included in «Loans, borrowings and bank overdraft” in balance sheet)	(34.7)	(23.5)
<b>Cash balance</b>	<b>42.9</b>	<b>9.7</b>
Current financial debts (excluding bank overdrafts ? which are already included above)	(2.2)	(2.3)
Non-current financial debt (as in balance sheet)	(4.3)	(5.7)
<b>Cash net of financial debt</b>	<b>36.4</b>	<b>1.6</b>
<b>Total consolidated equity</b>	<b>126.5</b>	<b>127.9</b>
<b>Net debt-to-equity ratio</b>	<b>-28.8%</b>	<b>-1.3%</b>

\*\* Of which 26.1M€ pledged to the bank handling the share repurchase tender offer (OPRA) & positive impact of the Factoring effect for 13.5M€



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## Press release

### Pro forma information on revenue figures

In million of euros	Q1 2013 pro forma *	Q1 2013 published	Q2 2013 pro forma *	Q2 2013 published	Q3 2013 pro forma **	Q3 2013 published
<b>Single entities</b>	<b>7.5</b>	<b>11.8</b>	<b>7.8</b>	<b>11.5</b>	<b>7.2</b>	<b>10.6</b>
Growth rate	-13.7%	-17.4%	-4.1%	-15.8%	-6.8%	-14.5%
L-f-I growth <sup>(1)</sup>	-13.7%	-17.4%	-4.1%	-15.8%	-6.8%	-14.5%
<b>Others</b>	<b>20.1</b>	<b>21.1</b>	<b>21.5</b>	<b>22.5</b>	<b>19.9</b>	<b>19.9</b>
Growth rate	23.9%	24.6%	25.0%	20.4%	23.6%	23.6%
L-f-I growth <sup>(1)</sup>	23.5%	24.3%	25.1%	20.7%	25.1%	25.1%
<b>Divestments</b>	<b>20.0</b>	<b>14.7</b>	<b>5.0</b>	<b>0.4</b>	<b>4.5</b>	<b>1.2</b>

\*Reclassification of Devoteam AuSystems Italy to the "Divestments" segment from the "single entities" segment & Teligent Russia from "Others" to "Divestments"

\*\* Reclassification of Devoteam AuSystems Italy to the "Divestments" segment from the "single entities" segment

### Pro forma information on operating margin

In million of euros	H1 2013 pro forma *	H1 2013 published
<b>Single entities</b>	<b>0.6</b>	<b>0.3</b>
In % of Group contribution	4.1%	1.5%
<b>Others</b>	<b>2.7</b>	<b>2.5</b>
In % of Group contribution	6.5%	5.8%
<b>Divestments</b>	<b>0.7</b>	<b>1.2</b>
In % of Group contribution	0.3%	7.8%

\*Reclassification of Devoteam AuSystems Italy to the segment "Divestments" from the "single entities" segment & Teligent Russia from "Others" to "Divestments"

### About Devoteam

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

In 2013, Devoteam achieved revenues of € 453 million and an operating margin of 3.7%. The Group has a workforce of 3 900 employees in 21 countries across Europe North Africa and Middle East.

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

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