

PRESS RELEASE

Paris, September 7th 2015

Strong first half of 2015 and full-year guidance increase for Devoteam

Revenues of € 232.2 million in H1 2015, up 8.8% organically excluding the impact of the discontinued outsourcing business

Operating margin up 300 basis points

Disposal of a non-core asset

In million of euros ⁽¹⁾	30.06.2015	30.06.2014	Growth	Organic growth ⁽²⁾	Organic growth ⁽²⁾ excluding Between ⁽³⁾
Revenue	232.2	216.2	+7.4%	+4.4%	+2.7%
Of which France	101.8	90.5	+12.5%	+0.6%	+0.6%
Of which rest of the world	130.4	125.7	+3.7%	+7.1%	+4.4%
Operating margin⁽⁴⁾	14.6	7.1	+106.0%		
In % of the revenue	6.3%	3.3%	+3.0 pt		
Operating income	13.2	6.0	+121.9%		
In % of the revenue	5.7%	2.8%	+2.9 pt		
Net income - Group share	7.5	2.6	+187.3%		
Diluted earnings per share ⁽⁵⁾	0.99 €	0.35 €	+182.4%		
Net cash at closing⁽⁶⁾	20.4	2.9	+17.6 M€		

⁽¹⁾The financial statements presented in this press release have been approved by the Supervisory Board on September 3rd 2015 and are currently being certified by the Group Auditors

⁽²⁾At comparable perimeter and exchange rates

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

⁽⁵⁾Based on the weighted average number of shares for the year

⁽⁶⁾Cash position net of all financial debts

*H1 2015 consolidated financial statements are available on our website:
<http://www.devoteam.com>*



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Devoteam (NYSE Euronext Paris: DVT) reported revenues of € 232.2 million for the first half of 2015, a 7.4% increase compared to the first half of 2014. At constant perimeter and exchange rates, and when excluding the impact of the outsourcing business in France, revenues increased 8.8% compared to last year.

The operating margin stood at € 14.6 million, representing 6.3% of the revenue. It surged 300 basis points compared to the same period in 2014.

Net income attributable to the shareholders of Devoteam S.A. amounted to € 7.5 million, versus € 2.6 million one year earlier, a 187.3% increase.

Based on these encouraging financial results, which reflect the success of the EAGLE plan started in 2011, and with the willingness to further accelerate the course undertaken since then, the Group keeps focusing on its strategic offers. In H1, it materialized by the completion of another disposal of non core asset and by a significant evolution of the Group's marketing strategy.

Devoteam S.A. hence completed, in the first half of 2015, the disposal of most of the shares it owned in the capital of Exa ECS (design, build and run of cabling, safety, and electricity systems, formerly "Exaprobe ECS"), bringing the total percentage owned by the Group in Exa ECS down to 35%. As a consequence, since April 1st 2015, Exa ECS has been consolidated under the equity method in the Group's consolidated financial statements; it was fully consolidated prior to this date.

Also, the Group has redesigned its identity and communication strategy, summarized in the new baseline: "We are Digital Transformakers". This new baseline aims at clearly positioning the Group as a leading and innovative player in the Digital universe.

Results for the first half of 2015

Revenues for the first half of 2015 amounted to € 232.2 million, an 8.8% growth at comparable perimeter and exchange rates, when excluding the impact of the outsourcing business in France (DVO).

Over the second quarter of 2015, the Group generated revenues of € 116.7 million, a 9.5% rise at comparable perimeter and exchange rates, when excluding the impact of DVO. Besides the slightly positive effect of the number of working days, the growth was fostered by a good dynamic on the Cloud and Mobility offers as well as a strong demand for Project management in the Digital Transformation environment.

This impulse resulted in an increase of the productive headcount, a visible improvement of the project margins and a higher utilization of the resources. Thus, the **operating margin** of the first half – defined as the current operating result excluding the impact of stock options and the amortization of intangible assets resulting from acquisitions –

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increased by 300 basis points. It stood at € 14.6 million, representing 6.3% of the revenue, against € 7.1 million and 3.3% of the revenue over the first half of 2014.

The **operating result** was € 13.2 million and included non-recurring expenses up to € 1.4 million. Non recurring expenses were due to restructuring costs for € 0.7 million, mainly in France, and M&A impacts for € 0.6 million (loss on disposal and amortization of intangible assets from acquisitions).

The **financial result** remained stable from one year to another at - € 0.6 million. The share of profit from associates was negative at € 0.2 million.

Tax expenses amounted to € 4.0 million. It represented 32.1% of the profit before tax versus 46.6% over the first half of 2014, mainly thanks to the recognition of tax assets in France. The tax expenses included the effect of local taxes like CVAE in France or IRAP in Italy for € 1.1 million (versus € 1.3 million on June 30th 2014).

The **net income** was € 8.5 million, against € 2.9 million last year, of which € 7.5 million attributable to the shareholders of Devoteam S.A. The diluted earnings per share grew 182.4% to € 0.99.

On June 30th 2015, the financial situation of the Group is strong, with **net cash** standing at € 20.4 million, a € 17.5 million increase compared to that of June 30th 2014.

The net cash variation in the first half of the year was - € 9.1 million and is explained by the seasonal increase in the working capital.

The Group also completed in July 2015 a 6-year debt private placement (Euro PP) of € 30 million, bearing interest at a rate of 3.25%. The debt was subscribed by institutional investors.

The detail of the net cash is presented in the appendix of this press release.

Analysis by region

When excluding the outsourcing business in France and the divestments, all regions within the Group grew and improved their margin over the first half-year.

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Evolution by region of the quarterly revenue:

In million of euros	Q1 2015	Q1 2014	Q2 2015	Q2 2014	H1 2015	H1 2014
New Mediterranean (Solutions France, Consulting France, Tunisia)	37.6	36.2	37.6	35.7	75.2	71.9
Variation	3.8%		5.5%		4.7%	
L-f-l variation ⁽¹⁾	3.8%		5.4%		4.6%	
Northern Europe & Belux (United-Kingdom, Norway, Denmark, Belgium, Luxembourg)	26.2	25.7	27.0	25.2	53.3	50.9
Variation	1.9%		7.4%		4.6%	
L-f-l variation ⁽¹⁾	1.7%		6.6%		4.1%	
Central Europe (Germany, Switzerland, Czech Rep., Poland, Austria)	13.0	11.4	12.3	11.6	25.3	22.9
Variation	14.6%		6.0%		10.2%	
L-f-l variation ⁽¹⁾	13.0%		4.0%		8.5%	
Single entities (S'team, Middle East, Netherlands excl. Between, Spain)	16.6	13.1	16.8	13.3	33.4	26.4
Variation	26.9%		26.2%		26.5%	
L-f-l variation ⁽¹⁾	19.4%		18.2%		18.8%	
Others	21.0 (2)	15.8	23.0 (2)	17.9	44.0 (2)	33.7
Variation	32.9%		28.7%		30.7%	
L-f-l variation ⁽¹⁾	-5.6%		-7.1%		-6.4%	
L-f-l variation ⁽¹⁾ excl. Between ⁽³⁾	-33.3%		-34.9%		-34.1%	
L-f-l variation ⁽¹⁾ excl. DVO ⁽⁴⁾	30.8%		24.5%		27.4%	
Divestments⁽⁵⁾	1.1	6.8	-	3.6	1.1	10.4
Total	115.5	109.0	116.7	107.2	232.2	216.2
Variation	5.9%		8.9%		7.4%	
L-f-l variation ⁽¹⁾	3.9%		4.9%		4.4%	
L-f-l variation ⁽¹⁾ excl. Between ⁽³⁾	2.1%		3.2%		2.7%	
L-f-l variation ⁽¹⁾ excl. DVO ⁽⁴⁾	8.2%		9.5%		8.8%	

⁽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

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Evolution by region of the revenue and the operating margin of the first half-year:

In million of euros	Group contribution	Operating margin	In % of Group contribution	Group contribution	Operating margin	In % of Group contribution
	H1 2015	H1 2015	H1 2015	H1 2014	H1 2014	H1 2014
New Mediterranean (Solutions France, Consulting France, Tunisia)	75.2	6.3	8.3%	71.9	4.2	5.9%
Variation	4.7%	48.4%				
L-f-l variation ⁽¹⁾	4.6%					
Northern Europe & Belux (United-Kingdom, Norway, Denmark, Belgium, Luxembourg)	53.3	3.2	6.0%	50.9	1.9	3.7%
Variation	4.6%	69.0%				
L-f-l variation ⁽¹⁾	4.1%					
Central Europe (Germany, Switzerland, Czech Rep., Poland, Austria)	25.3	0.7	2.8%	22.9	0.2	0.7%
Variation	10.2%	329.5%				
L-f-l variation ⁽¹⁾	8.5%					
Single entities (S'team, Middle East, Netherlands excl. Between, Spain)	33.4	3.3	9.9%	26.4	1.7	6.5%
Variation	26.5%	91.3%				
L-f-l variation ⁽¹⁾	18.8%					
Others	44.0	0.9	2.0%	33.7	(0.3)	-1.0%
Variation	30.7%	-364.5%				
L-f-l variation ⁽¹⁾	-6.4%					
L-f-l variation ⁽¹⁾ excl. Between ⁽²⁾	-34.1%					
L-f-l variation ⁽¹⁾ excl. DVO ⁽³⁾	27.4%					
Divestments⁽⁴⁾	1.1	0.2	18.6%	10.4	(0.6)	-5.7%
Total	232.2	14.6	6.3%	216.2	7.1	3.3%
Variation	7.4%	106.0%				
L-f-l variation ⁽¹⁾	4.4%					
L-f-l variation ⁽¹⁾ excl. Between ⁽²⁾	2.7%					
L-f-l variation ⁽¹⁾ excl. DVO ⁽³⁾	8.8%					

⁽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

⁽⁴⁾In 2015, Divestments include Exa ECS. In 2014, it also includes AuSystems Italy, CRM Poland and Devoteam Sweden

Headcount and utilization rate

On June 30th 2015, the Group employed 3 568 people compared to 3 573 people on March 31st 2015. Excluding the impact of DVO and the disposal of Exa ECS (37 people), the headcount increased by 36 people over the second quarter of 2015, strengthening the growth trend recorded since the fourth quarter of 2014.

The ratio of billable headcount to total headcount improved during the quarter and stood at 84.7%, against 84.6% on March 31st 2015, mainly thanks to the disposal of Exa ECS.

On the second quarter, the Group showed a strong improvement of the utilization rate of internal resources¹ excluding divestments which improved 1.4 point at 84.3% compared to 82.9% on the previous quarter.

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

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

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



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2015 outlook

Taking into account the strong performance of the first half-year, the Group increased its annual targets of revenue and operating margin. The revenue is expected at € 460 million and the operating margin at 6.5% of the revenue, representing the top of the previously communicated range.

2015 financial calendar and press releases

Press release after market closed

Q3 2015

November 10th 2015

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Appendix

Evolution of the activity by geography – Quarterly revenue

In million of euros	Q1 2015	Q1 2014	Q2 2015	Q2 2014	H1 2015	H1 2014
France	51.1	45.4	50.8	45.1	101.8	90.5
Variation	12.6%		12.5%		12.5%	
L-f-l variation ⁽¹⁾	-0.4%		1.7%		0.6%	
L-f-l variation ⁽¹⁾ excl. DVO ⁽³⁾	10.2%		13.0%		11.6%	
Rest of the world	64.4	63.6	66.0	62.0	130.4	125.7
Variation	1.2%		6.3%		3.7%	
L-f-l variation ⁽¹⁾	7.0%		7.2%		7.1%	
L-f-l variation ⁽¹⁾ excl. Between ⁽²⁾	4.2%		4.6%		4.4%	
Total	115.5	109.0	116.7	107.2	232.2	216.2
Variation	5.9%		8.9%		7.4%	
L-f-l variation ⁽¹⁾	3.9%		4.9%		4.4%	
L-f-l variation ⁽¹⁾ excl. Between ⁽²⁾	2.1%		3.2%		2.7%	
L-f-l variation ⁽¹⁾ excl. DVO ⁽³⁾	8.2%		9.5%		8.8%	

⁽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

Evolution of the activity by geography – Revenue and operating margin of the first half-year

In million of euros	Group contribution	Operating margin	In % of Group contribution	Group contribution	Operating margin	In % of Group contribution
	H1 2015	H1 2015	H1 2015	H1 2014	H1 2014	H1 2014
France	101.8	8.4	8.2%	90.5	3.9	4.3%
Variation	12.5%	113.0%				
L-f-l variation ⁽¹⁾	0.6%					
L-f-l variation ⁽¹⁾ excl. DVO ⁽³⁾	11.6%					
Rest of the world	130.4	6.2	4.7%	125.7	3.1	2.5%
Variation	3.7%	97.3%				
L-f-l variation ⁽¹⁾	7.1%					
L-f-l variation ⁽¹⁾ excl. Between ⁽²⁾	4.4%					
Total	232.2	14.6	6.3%	216.2	7.1	3.3%
Variation	7.4%	106.0%				
L-f-l variation ⁽¹⁾	4.4%					
L-f-l variation ⁽¹⁾ excl. Between ⁽²⁾	2.7%					
L-f-l variation ⁽¹⁾ excl. DVO ⁽³⁾	8.8%					

⁽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

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Net debt

In million of euros	30.06.2015	31.12.2014	30.06.2014
Short-term investments	0.0	0.0	0.0
Cash at bank*	28.0	40.4	22.3
Bank overdrafts (liability)	(2.3)	(5.8)	(7.9)
Cash and cash equivalents	25.8	34.7	14.4
Cash management assets	3.2	2.2	0.3
Bonds	-	-	-
Obligations under finance leases	(2.1)	(2.7)	(4.0)
Draw-downs on bank and similar facilities and other borrowings	(0.2)	(0.1)	(0.1)
Long-term borrowings	(2.3)	(2.8)	(4.1)
Bonds	-	-	-
Obligations under finance leases	(1.1)	(1.7)	(1.9)
Draw-downs on bank and similar facilities and other borrowings	(5.1)	(2.9)	(5.8)
Short-term borrowings	(6.3)	(4.6)	(7.8)
Total borrowings	(8.5)	(7.4)	(11.9)
Derivative instruments	-	-	-
Net cash	20.4	29.5	2.9
Total Equity	123.2	115.6	108.0
Debt to Equity Ratio	16.6%	25.5%	2.7%

*Including factoring position (net of deposit) for € 11.0 million on June 30th 2015, € 17.9 million on December 31st 2014 and € 12.3 million on June 30th 2014

Pro forma information on revenue

In million of euros	H1 2014 restated ⁽¹⁾	H1 2014 presented ⁽²⁾
New Mediterranean	71.9	74.9
Northern Europe & Belux⁽³⁾	50.9	27.0
Central Europe	22.9	22.9
Middle East & Turkey	-	9.8
Single entities	26.4	28.7
Others	33.7	45.6
Divestments	10.4	7.2

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

Reclassification of Devoteam Belgium and Devoteam Luxembourg from the segment "Single entities" to the segment "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

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Pro forma information on operating margin

In million of euros	H1 2014 restated ⁽¹⁾	H1 2014 presented ⁽²⁾
New Mediterranean	4.2	4.1
Northern Europe & Belux⁽³⁾	1.9	0.9
Central Europe	0.2	0.2
Middle East & Turkey	-	0.7
Single entities	1.7	0.5
Others	(0.3)	1.2
Divestments	(0.6)	(0.4)

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

Reclassification of Devoteam Belgium and Devoteam Luxembourg from the segment "Single entities" to the segment "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 operating margin of the FY 2014 press release

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

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

<http://www.devoteam.com>

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