



# 2009 Annual Figures

GROUP  
**DEVOTE**team

# Contents

- Devoteam: brief presentation
- 2009 achievements and figures
- Outlook & strategy

# Devoteam – 10+ years of international expansion

EMEA Consultancy

Devoteam Group founded in 1995

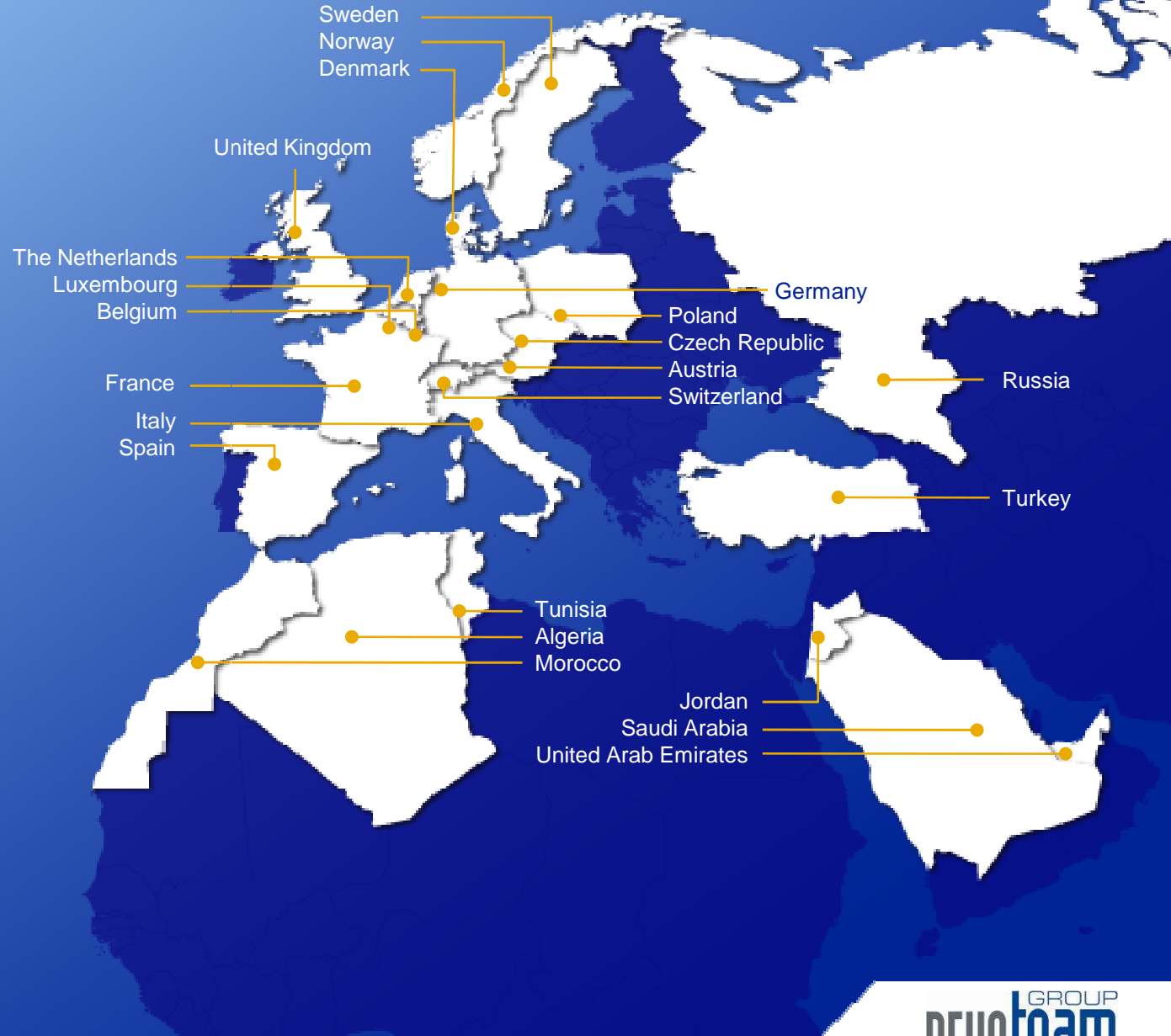
4 437 employees

Offices in 23 countries in EMEA

Long-term annual growth (>25%)

460M€ sales and 6.2% operating margin in 2009

96M€ cash position (dec. 09)



# Our mission



We help our clients improve their performance in connecting Business and Technology

# From advice to fulfilment – 3 Lines of business

We are **Trusted Advisors**

We provide **Innovation**

We are technology **Specialists**

We are **Project Managers**

We are **Change Agents**

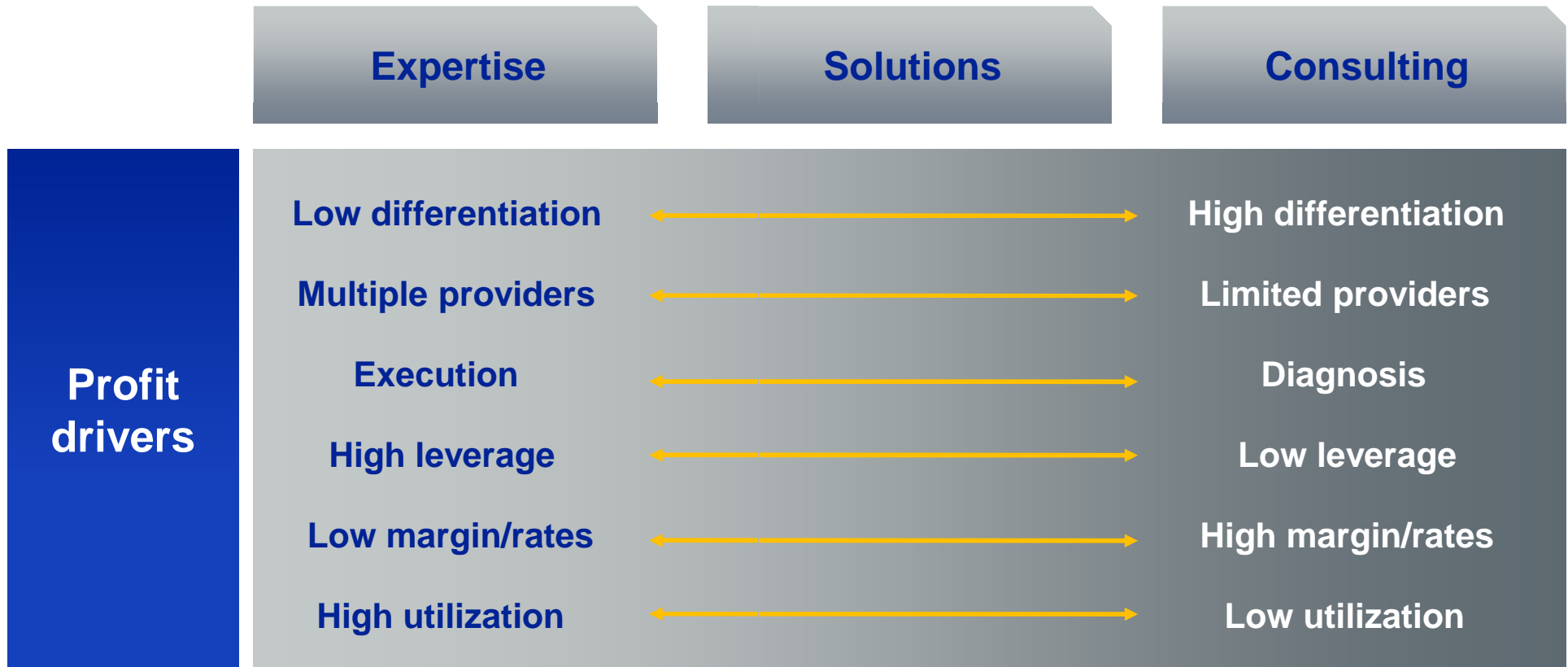
We **plan, design, deploy** technology

Expertise

Solutions

Consulting

# Different KPIs of our Business Lines



# Customer Value Proposition



Improve performance  
through technology

## Business & Process Development 30%

- Strategy & Innovation
- Business Process Optimization & Change
- Risk & Security Management

## Information Systems & Management 15%

- Enterprise Architecture
- Information Management
- IT Governance


## ICT Infrastructure 35%

- IT Service Management
- Workstations, Servers & Storage
- Enterprise Networks

## Telecom 20%

- Core Networks
- Service Platforms
- Devices

# Selected Devoteam Group clients

Finance	Industry	Services	Public	Media/Tel
   	    	    	<p>Danish Government </p> <p>Norwegian Government </p> <p>Saudi Government </p> 	    
<p>17% 19%*</p>	<p>21% 16%*</p>	<p>17% 21%*</p>	<p>13% 9%*</p>	<p>30% 35%*</p>

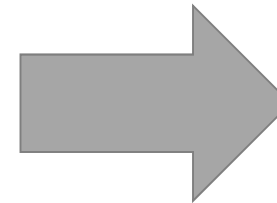
\* Q4 2009 VS FY 2008 figures



# Major customers

## Top 3

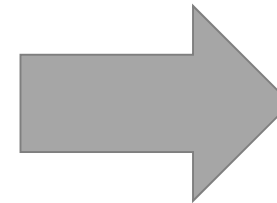
- Nokia Siemens Networks
- Orange
- Major Electricity Provider



**16% of group revenues**  
(VS 21% in 2008)

## Next 7

- Pierre Fabre
- Deutsche Telekom
- Société Générale
- Ericsson
- GDF Suez
- BNP PARIBAS
- SFR

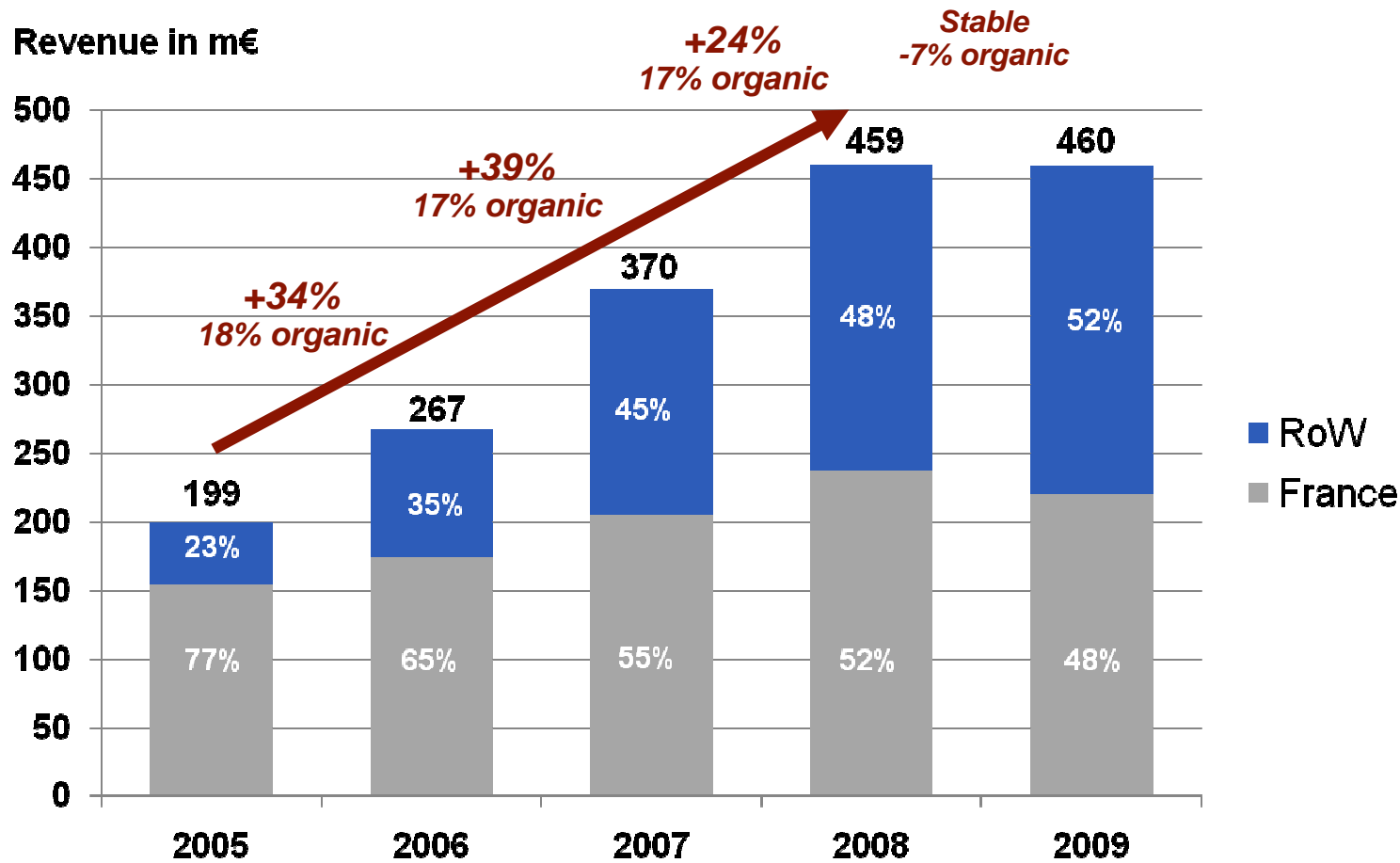


**21% of group revenues**  
(flat vs 2008)

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# Revenues - Trend over the last 5 years

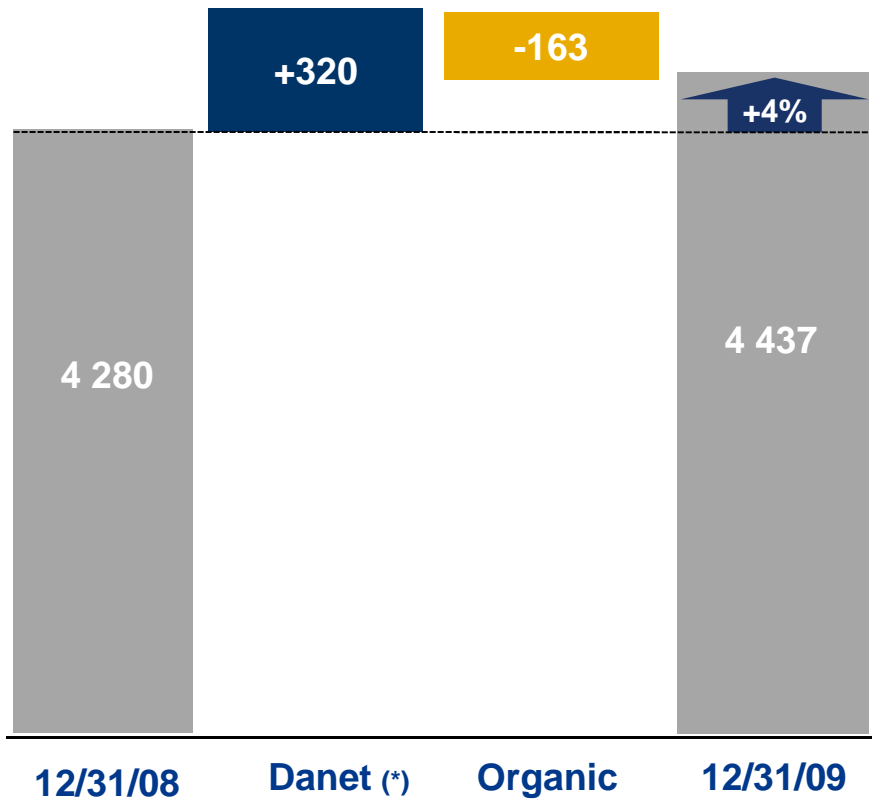


**CAGR:**  
23%

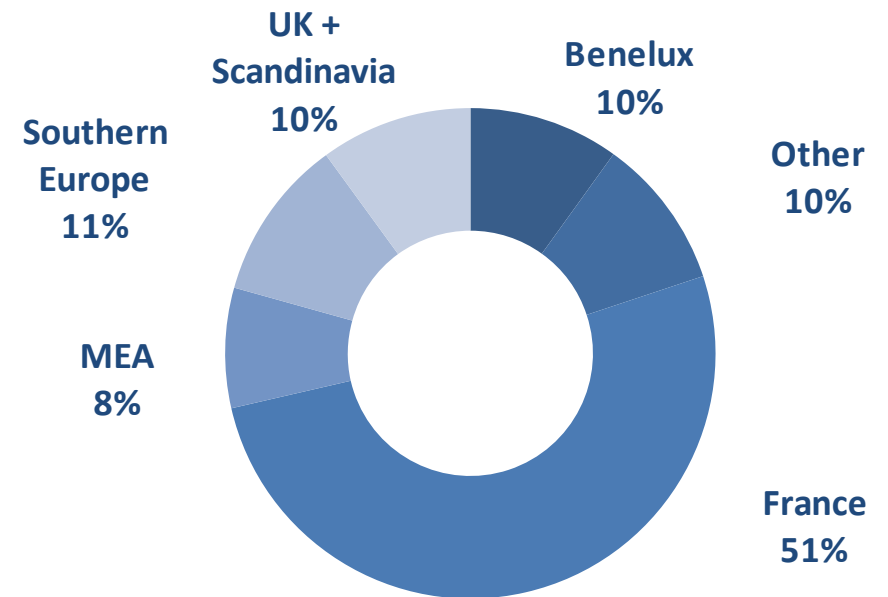
**Average Organic growth:**  
11%

# Employees

## Evolution of employees in 2009



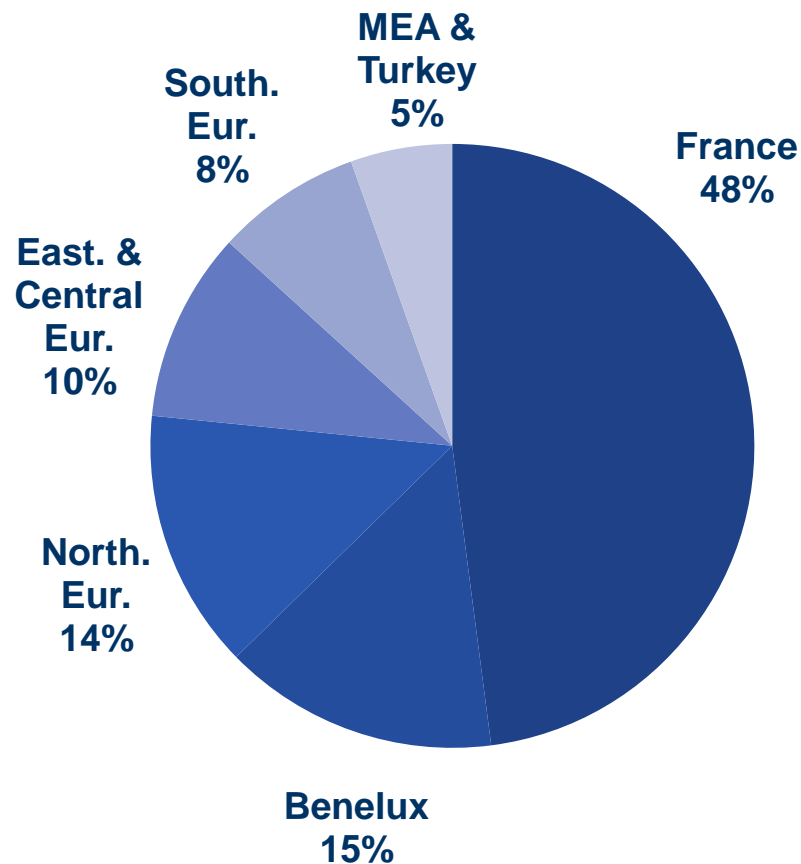
## Employees by region at year end 2009



(\*) : net at YE 2009

# 2009 achievements by region

## Split of 2009 revenues



## 2009 offer expansion

- **Strong activity in Northern Europe thanks to public sector**
- **Improvement in the financial sector in Benelux as of H2 09**
- **First step in Germany with the acquisition of Danet**
- **Activity drop in Southern Europe due to telecom exposure**
- **40% growth in emerging countries**

# Geographical analysis

2009 (in m€)	Turnover	%Growth	Margin *	Margin (%)
France	220	-7%	12.5	5.7%
RoW	239	7%	16.0	6.7%
<hr/>				
Group 2009	460	0%	28.5	6.2%

2008 (in m€)	Turnover	%Growth	Margin *	Margin (%)
France	237	15%	13	5.5%
RoW	223	35%	27	12.2%
<hr/>				
Group 2008	459	24%	40	8.8%

(\*) : current operating income excluding the impact of stock-options & intangible assets amortization resulting from acquisitions

# Business Line analysis

2009 (in m€)	Turnover	%Growth	Margin *	Margin (%)
<b>Techno. Consulting</b>	379	1%	22.8	6.0%
<b>Bus. Consulting</b>	81	-6%	5.7	7.0%
<b>Group 2009</b>	460	0%	28.5	6.2%

2008 (in m€)	Turnover	%Growth	Margin *	Margin (%)
Techno. Consulting	374	-	31	8.4%
Bus. Consulting	86	-	9	10.5%
<b>Group 2008</b>	459	24%	40	8.8%

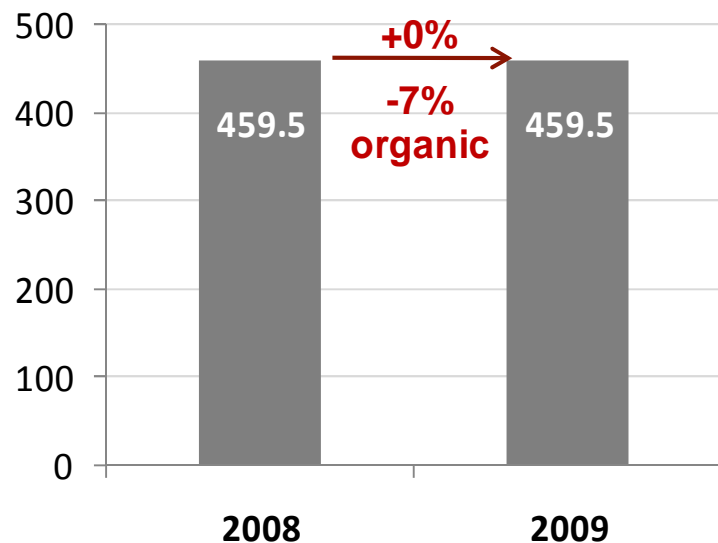
The 2008 split between Business Consulting and Technology Consulting has been restated to better fit with the 2009 perimeter.

(\*) : current operating income excluding the impact of stock-options & intangible assets amortization resulting from acquisitions

# 2009 financials

## YoY evolution of revenue

In m€ and % of growth

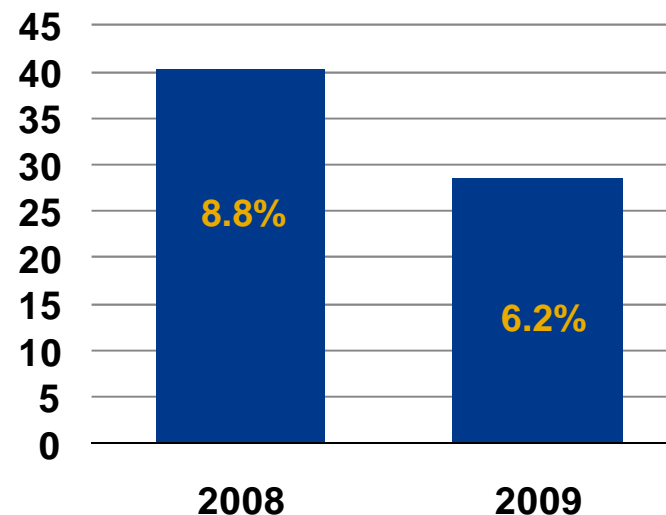


## Q4 trends

- Excluding the impact of Danet & seasonality, Q4 is following the same trend as previous quarters

## YoY evolution of operating margin\*

In m€ and % of growth



## Q4 trends

- Lower utilization rate
- Dilutive effect of Danet
- Negative impact of prices

(\*) : current operating income excluding the impact of stock-options & intangible assets amortization resulting from acquisitions



# Profit & Loss account 2009

	FY 2009		FY 2008		YoY var.	
	M€	%	M€	%	%	
<b>Turnover</b>	<b>460</b>	<b>100%</b>	<b>459</b>	<b>100%</b>	<b>0.0%</b>	
<b>Operating margin</b>	<b>28.5</b>	<b>6.2%</b>	<b>40.3</b>	<b>8.8%</b>	<b>-29.3%</b>	■ Good resistance of current operating profit
Cost of stock options	(0.2)		(0.0)			
Impact of acquisitions (amortization of intangibles)	(1.1)		(0.7)			
<b>Current operating profit</b>	<b>27.2</b>	<b>5.9%</b>	<b>39.5</b>	<b>8.6%</b>	<b>-31.1%</b>	■ Restructuring costs (Danet & Telecom in France)
Non current operating income (expense)	(6.9)		(6.8)			
<b>Operating profit</b>	<b>20.3</b>	<b>4.4%</b>	<b>32.7</b>	<b>7.1%</b>	<b>-38.0%</b>	■ Stable financial result
Financial result	(2.5)		(2.3)			
Unconsolidated subsidiaries	0.0		(0.3)			
<b>Profit before tax</b>	<b>17.8</b>	<b>3.9%</b>	<b>30.2</b>	<b>6.6%</b>	<b>-41.1%</b>	■ Tax rate @ 33%
Income tax	(5.8)		(10.2)			
<b>Profit After Tax</b>	<b>11.9</b>	<b>2.6%</b>	<b>20.0</b>	<b>4.4%</b>	<b>-40.3%</b>	
Group share	10.9		19.2			
Minority interests	1.0		0.8			

# Balance sheet 2009

ASSETS (M€)	12/31/09	12/31/08
Fixed assets	100	85
Current assets	163	176
Cash & ST fin. assets	101	94
<b>TOTAL</b>	<b>364</b>	<b>355</b>

- **81 M€ of goodwill** spread over 17 entities, of which 14 M€ comes from Danet
- Decrease of current assets due to lower working capital
- Improvement of 5.7 M€ in net cash position

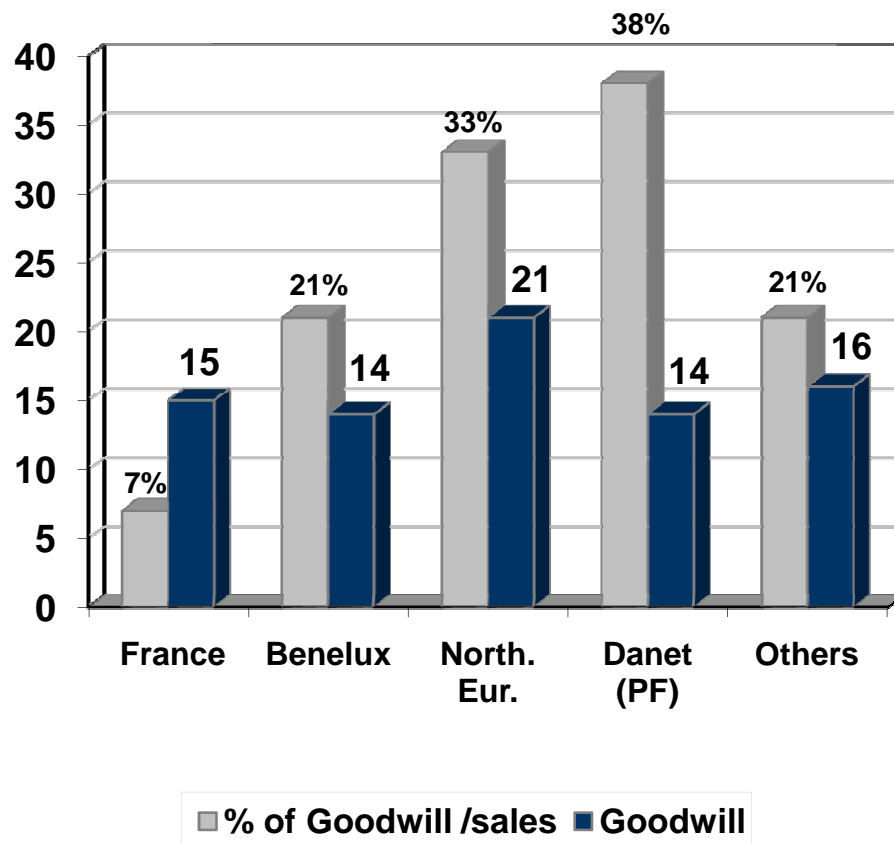
- **LT fin. debt (39 M€)** mainly composed of OBSAR:
  - Due by third between Nov. 2010 & Nov. 2012
  - Rate: Euribor + 0.07% (Exposure to interest rates variation is covered => 3.6% interest rate)
  - Covenants:
    - Net debt < Shareholders equity
    - Net debt < 2 x EBITDA
- **ST financial debt: 23 M€** (of which 19 M€ is the part of the OBSAR due in November 2010)

LIABILITIES (M€)	12/31/09	12/31/08
Shareholders equity	127	114
Long term liabilities	53	73
Current liabilities	184	168
<b>TOTAL</b>	<b>364</b>	<b>355</b>

# Focus on Goodwill split and impairment assumptions

## Split of goodwill by area as of 12/31/09

In M€ & % of sales



## Impairment tests assumptions

- Long term growth: 2.5% to 3%
- WACC: 10% - 11% (depending on geography)
- Normalised LT EBIT margin: 5% - 9%
- Sensitivity: Wacc increase of 0.5% does not generate any negative impact on Group results

⇒ No Goodwill depreciation in 2009  
(vs 0.5 M€ in 2008)

# 2009 Cash flow statement

	2009	2008	
Cash Flow from Operations	18.2	50.7	
<i>of which delta working capital</i>	6.0	24.0	■ Lower working capital due to improved DSO
<i>of which self-financing capacity</i>	12.1	26.7	
Cash Flow from Investment (*)	(12.7)	(14.5)	■ Cash flow from investments mainly related to Danet
Cash Flow from Financing	(0.9)	(4.0)	
<b>Net change in cash</b>	<b>4.6</b>	<b>32.2</b>	
Effect of FX rates	1.1	(1.5)	
<u>Beginning cash balance</u>	<u>90.5</u>	<u>59.8</u>	■ <b>Dividend</b> proposal for 2010 @ 0.28€/share (-7%)
<b>Ending cash balance</b>	<b>96.2</b>	<b>90.5</b>	

\* excluding capitalisation contracts, considered as cash equivalents for financial analysis

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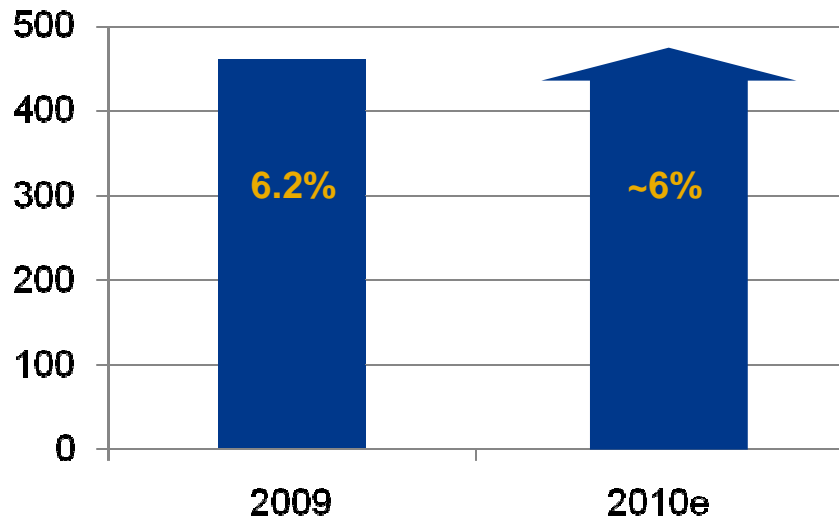
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# Prospects for Devoteam in 2010

## 2010 Guidance

- Slight increase in revenues (around 470 M€)
- Operating margin around 6%

Revenues (in m€) & margin (in %)

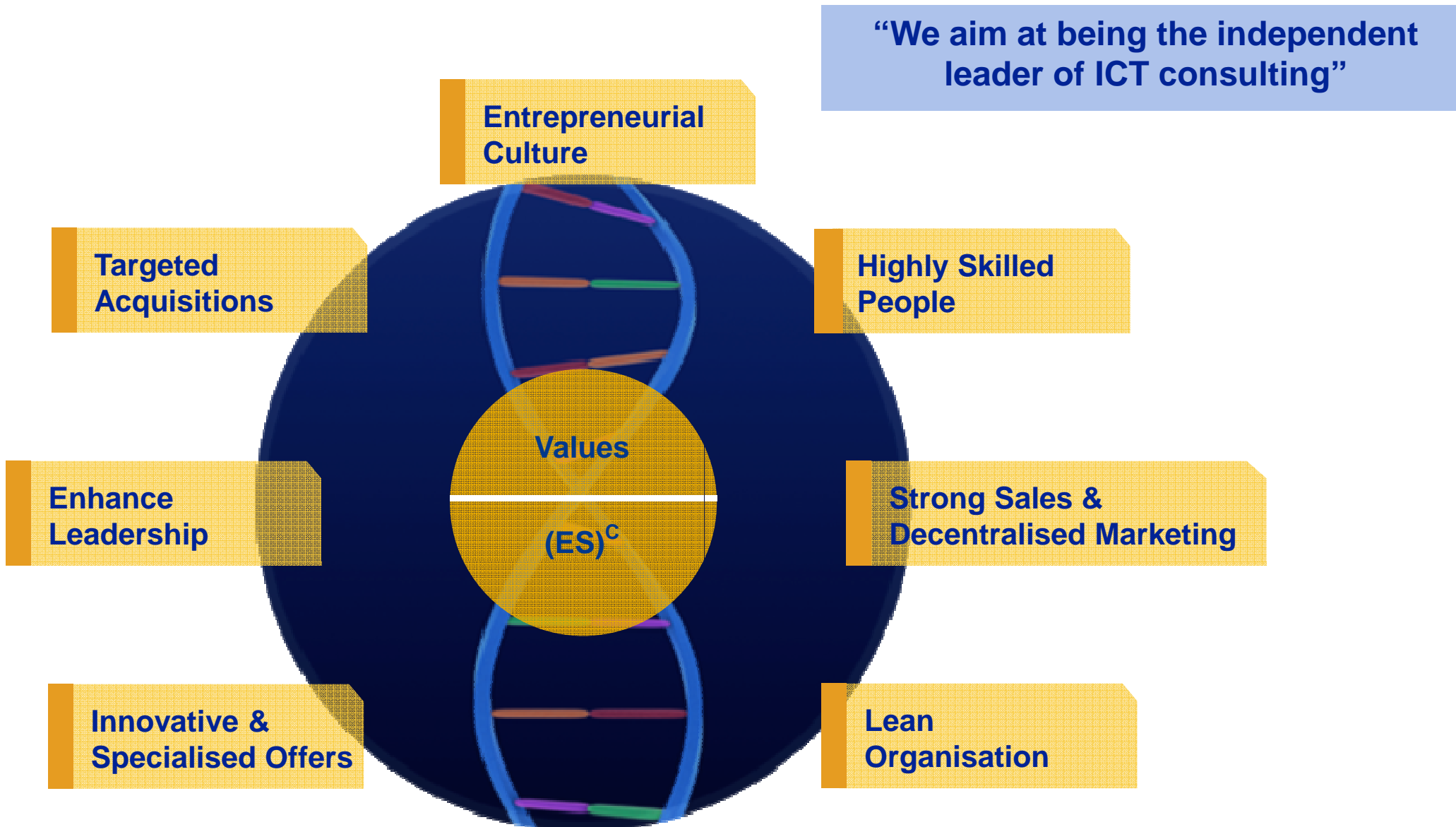


- Decrease of revenues in H1 2010 due to lower headcount than H1 2009 & Return to growth in H2.
- Investments required for future growth will put pressure on margins

## 2010 Strategy

- Re-invest on sales
- Grow our presence in emerging markets
- Focus on new trends of the sector (Cloud computing, M2M, SaaS, green, etc..)

# 7 pillars supporting our strategy



# The Devoteam Formula – our Genetic Code

(ES)C



As **E**ntrepreneurs, we stay flexible and close to our clients, bringing the best value thanks to the unique **C**ollaboration of our 4,500 **S**pecialists

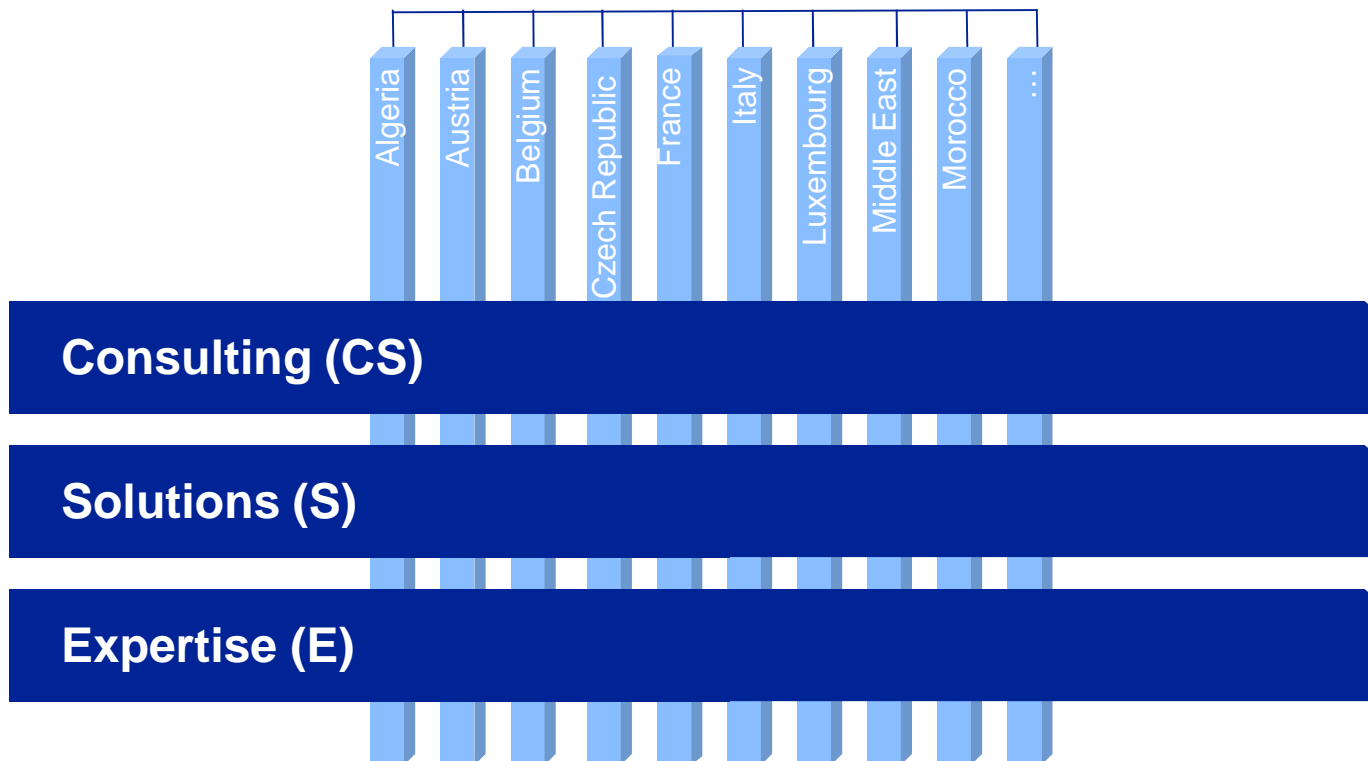




# Lean organisation

Country based organisation with “overlay structure” for each Business Line to:

- Capitalize on Group know-how
- Share innovative offers
- Optimize and share best practices



# Innovative & Specialised offers

## How we make sure we have the most skilled people at the right place

### Boards & Centers of Excellence

- eGovernment
  - Energy
  - ITSM
  - Telecom
  - Enterprise Architecture
  - Security
- => Increased knowledge sharing on key offers**

### HR & IT Tools

- Group wide inventory system for skills and skills evolution
  - Great Place to Work survey
- => Increased knowledge sharing**
- => Increased attractiveness of Devoteam as an employer**

### Standardized process, code name DYNAMIC

- Group wide set of standards for assigning consultants on cross-border missions including both the HR aspects and commercial aspects
- => Increased international collaboration**

# Devoteam – next phase of international expansion

## **Gain market share in high growth countries by combining:**

- Local presence in emerging areas
- Strong know-how in mature countries
- Group know how on cross-border transfer of experts and know-how

## **Gain market share in mature countries by following clients in emerging countries**

# Market recognition of our positioning

- Devoteam is granted the prize for “Best European growth” by La Tribune, HEC & Roland Berger.
- Three subsidiaries (Norway, Denmark and Netherlands) are ranked in the TOP 25 of their countries’ Great Place To Work.
- Devoteam received the prize for first EMEA partner from BMC and signed 3 major contracts in ITSM (UK, France and Czech Republic).
- Devoteam has been awarded the best telecom “project management” award category by the Telecom World Middle East Forum.
- Devoteam is one of the two French companies selected by Microsoft to help in the testing phase of Windows 7.





## QUESTIONS