

Paris, March 3rd, 2015

2014 results above target

Revenues of € 442.8 million in FY 2014, growing 2.5% organically vs. FY 2013 and 6.0% in the last quarter

Operating margin increase: +130 bps

Reinforcement on Digital and Cloud offers

In million of euros (1)	31.12.2014	31.12.2013	Total growth	Organic growth (2)	Organic growth excluding Between (3)
Consolidated revenue	442.8	453.5	-2.4%	2.5%	0.6%
Of which France	193.5	196.8	-1.7%	1.0%	1.0%
Of which International	249.3	256.6	-2.9%	3.7%	0.3%
Operating margin (4)	22.1	17.0	+30%		
In % of the Revenues	5.0%	3.7%	+1.3 pts		
Operating income	15.0	13.1	+14%		
In % of the Revenues	3.4%	2.9%	+0.5 pts		
Net income – Group share	7.5	5.4	+40%		
Diluted earnings per share (5)	1.00 €	0.59 €	+70%		
Cash available at closing (6)	34.4	42.9	-8.5 M€		

(1) The financial statements presented in this press release have been approved by the Supervisory Board on March 2nd 2015. Consolidated accounts have been audited and auditors' report will be published after the documentation required by French authorities to publish annual report has been finalized.

(2) At comparable exchange rates and perimeter.

(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 contract they sign with their subcontractors and their client, 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 consolidated revenues.

(4) Defined as 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) 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 2014 simplified consolidated accounts are available on our website: <http://www.devoteam.com>

Devoteam (NYSE Euronext Paris: DVT) announced revenues for the year ended December 31st 2014 above previous guidance. **Full year revenues stood at € 442.8 million**, a 2.5% increase at constant exchange rates and perimeter versus 2013. The 2014 **operating margin stood at € 22.1 million**, representing 5.0% of revenues, and a 130 basis point increase compared to last year.



PRESS RELEASE

Operating profit before asset disposals and goodwill impairments jumped 148% in 2014, thanks to the previously mentioned 30% increase in volume of the operating margin, and when not taking into account the significant one-off profits recorded in 2013 (related to the closing of successful divestments).

Net income attributable to the shareholders of Devoteam S.A. amounted to € 7.5 million, versus € 5.4 million one year earlier, a 40% increase.

After two years of transformation, 2014 exceeded Group expectations in terms of revenues and profitability, combined with an acceleration of organic growth in the last quarter. Devoteam reported revenues for the fourth quarter of 2014 of € 121.6 million, a 6.0% increase, at constant exchange rate and perimeter, compared to the same period of 2013.

The "EAGLE" transformation plan, started in 2012, enabled a significant improvement of profits for the year thanks to a shift of the Group's portfolio of offers towards more Digital, Cloud and IT security – leveraged by further business model enhancement.

Also, in line with its strategic ambition, the Group successfully completed several divestments in 2014 (AuSystems Italy, CRM in Poland and Devoteam AB in Sweden), while acquiring SaaS and mobility focused companies.

Results for the year 2014

The 2014 **consolidated revenue** amounted to € 442.8 million, exceeding Group objectives and showing a 2.5% growth at constant exchange rate and perimeter versus 2013.

Over the fourth quarter, excluding the impact of the broker activity in the Netherlands (Between), revenues increased by 4.4% at constant exchange rate and perimeter compared to the same period of last year. This improvement was due to an increased average daily price as well as to the good dynamics of activities in the Middle East, Germany, and of the successes encountered by the digital project management offer in France. The effect of the number of working days was slightly positive over the quarter.

The **operating margin** – defined as the operating result before amortization of intangible assets related to acquisitions and excluding the impact of stock options – increased 130 bps, driven by higher utilization rates. It reached € 22.1 million for 2014, or 5.0% of revenues, compared to € 17.0 million and 3.7% of revenues for 2013. The improvement in operating margin was even more sizable over the second half of the year. In H2, operating margin stood at € 15.1 million, or 6.7% of revenues, an increase of 170bps compared to the second half of 2013.

The **operating income** stood at € 15.0 million against € 13.1 million a year earlier. In 2013, operating income included profits from disposals of subsidiaries for € 12.5 million. Non-current expenses significantly decreased, and stood at € 6.6 million in 2014 against € 16.0 million in 2013. They were mainly composed of restructuring costs for € 4.8 million (mainly France and Norway). Goodwill impairment losses amounted to € 1.6 million in 2014 (against losses of € 5.9 million in 2013) and were related to the Group's outsourcing activity in France and to its Turkish operations.



PRESS RELEASE

The **financial result** improved from a loss of € -1.7 million in 2013 to an almost break even position of € -0.2 million in 2014. It was driven by the positive impact of a change in the recognition of the financial profits and losses related to the leases of Devoteam Outsourcing.

Tax expenses amounted to € 6.2 million, a stable amount versus 2013, representing 42% of earnings before taxes, which includes the effect of local taxes like CVAE in France.

The **net income** reached € 8.6 million (against € 5.5 million a year earlier), of which € 7.5 million attributable to the shareholders of Devoteam S.A. The diluted earnings per share grew 70% to € 1.00.

Cash position (including capitalization contracts appearing in “other current financial assets” and adjusted for € 8.3 million of bank overdrafts and short term credit lines) reduced by € 8.5 million over 2014 to reach € 34.4 million. It included a **cash flow from operating activities** of € 20 million.

The detail of the net financial debt is presented in the appendices of this press release.

Headcount and utilization rate

As of December 31st 2014, Devoteam employed a workforce of 3.653 people compared to 3.594 at the end of September 2014, driven by an increase of billable employees in France over the last quarter of 2014.

Utilization rate of internal resources, excluding divestments ⁽¹⁾									
T1 2013 ⁽²⁾	T2 2013 ⁽²⁾	T3 2013 ⁽²⁾	T4 2013 ⁽²⁾	FY 2013 ⁽²⁾	T1 2014 ⁽²⁾	T2 2014 ⁽²⁾	T3 2014 ⁽²⁾	T4 2014	FY 2014
79.2%	81.5%	82.0%	83.8%	81.6%	82.1%	83.5%	84.3%	83.7%	83.4%

(1) In 2014, Divestments include the subsidiary AuSystems Italy as well as CRM Poland and Devoteam AB Sweden. In 2013, it also included the T&M activity sold to Ericsson and Teligent Russia.

(2) Restated compared to previous releases following a reclassification of Devoteam Algeria's business from “professional services” to “other services” in the Group reporting standards, hence not reporting on utilization rates anymore.

As of December 31st 2014, the ratio of billable headcount to total staff stood at 85.2%, a 0.2 pt improvement compared with September 30th 2014. The Group also achieved a higher utilization rate of internal resources¹ excluding divestment, at 83.4% in 2014 compared to 81.6% in 2013.

2015 Outlook

The Group aims at reaching an organic growth above 2% in 2015 when excluding the impact of its outsourcing business shut down and therefore targets revenues around € 440 million. Devoteam also aims at a further improvement in operating margin, in order to reach about 6.0% of the revenue.

Dividend

A dividend of 0.30 euro per share related to the year 2014 will be proposed to next Shareholders' meeting.

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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Financial calendar

Press release			Shareholders' meeting	Dividend payment
Revenue Q1	Results H1	Revenue Q3	June 19th 2015	July 2nd 2015
May 13th 2015*	Septembre 7th 2015	Novembre 10th 2015		

*Before opening of market

Appendix

Activity evolution by region – Revenues by quarter

In million of euros	Q1 2014	Q1 2013	Q2 2014	Q2 2013	Q3 2014	Q3 2013	Q4 2014	Q4 2013	FY 2014	FY 2013
France	45.4	60.7	45.1	45.9	47.4	42.6	55.6	47.7	193.5	196.8
Growth rate	-25.2%		-1.7%		11.2%		16.7%		-1.7%	
L-f-I growth ⁽¹⁾	-1.1%		-0.9%		0.9%		5.5%		1.0%	
International	63.6	64.6	62.0	66.1	57.7	59.2	66.0	66.7	249.3	256.6
Growth rate	-1.5%		-6.1%		-2.6%		-1.2%		-2.9%	
L-f-I growth ⁽¹⁾	2.2%		0.6%		5.6%		6.4%		3.7%	
L-f-I growth excluding Between	-0.4%		-3.7%		1.8%		3.5%		0.3%	
Total	109.0	125.3	107.2	112.0	105.0	101.8	121.6	114.4	442.8	453.5
Growth rate	-13.0%		-4.3%		3.2%		6.3%		-2.4%	
L-f-I growth ⁽¹⁾	0.6%		-0.0%		3.6%		6.0%		2.5%	
L-f-I growth excluding Between	-0.7%		-2.5%		1.4%		4.4%		0.6%	

(1) At constant perimeter and exchange rates.

In million of euros	Q1 2014	Q1 2013	Q2 2014	Q2 2013	Q3 2014	Q3 2013	Q4 2014	Q4 2013	FY 2014	FY 2013
New Mediterranean	37.6	38.0	37.3	38.3	34.7	35.4	40.1	39.9	149.6	151.7
Growth rate	-1.0%		-2.8%		-2.1%		0.3%		-1.4%	
L-f-I growth ⁽¹⁾	-1.0%		-2.8%		-2.1%		0.2%		-1.4%	
Northern Europe	13.9	14.7	13.1	14.9	11.3	11.5	12.8	14.0	51.1	55.2
Growth rate	-5.5%		-12.4%		-1.7%		-8.8%		-7.4%	
L-f-I growth ⁽¹⁾	-2.2%		-11.2%		-3.8%		-9.5%		-6.8%	
Central Europe	11.4	11.3	11.6	11.6	11.7	10.7	13.3	12.4	48.0	46.0
Growth rate	0.4%		-0.0%		9.3%		7.2%		4.2%	
L-f-I growth ⁽¹⁾	0.6%		-0.0%		9.2%		7.1%		4.2%	
Middle East & Turkey	4.9	4.5	4.9	4.9	4.7	4.9	7.3	5.3	21.8	19.6
Growth rate	9.4%		1.4%		-5.0%		36.8%		11.2%	
L-f-I growth ⁽¹⁾	18.3%		9.9%		-3.8%		31.6%		14.3%	
Single entities	14.2	15.5	14.5	15.6	13.5	14.2	14.7	14.9	57.0	60.3
Growth rate	-8.5%		-7.1%		-4.8%		-1.1%		-5.4%	
L-f-I growth ⁽¹⁾	-8.5%		-7.1%		-4.8%		-1.1%		-5.4%	
Others	21.9	20.1	23.7	20.6	28.6	19.5	33.4	22.4	107.6	82.6
Growth rate	9.2%		15.2%		46.2%		48.9%		30.2%	
L-f-I growth ⁽¹⁾	11.3%		16.7%		24.3%		25.8%		19.6%	
L-f-I growth excluding Between	4.4%		5.6%		18.1%		23.7%		12.9%	
Divestments⁽²⁾	5.1	21.2	2.1	6.1	0.5	5.4	-	5.4	7.7	38.1
Growth rate	-76.0%		-65.2%		-90.1%		-100.0%		-79.7%	
L-f-I growth ⁽¹⁾	-1.8%		-1.6%		-0.2%		-0.3%		-1.3%	
Total	109.0	125.3	107.2	112.0	105.0	101.8	121.6	114.4	442.8	453.5
Growth rate	-13.0%		-4.3%		3.2%		6.3%		-2.4%	
L-f-I growth ⁽¹⁾	0.6%		-0.0%		3.6%		6.0%		2.5%	
L-f-I growth excluding Between	-0.7%		-2.5%		1.4%		4.4%		0.6%	

(1) At constant perimeter and exchange rate.

(2) For 2014, Divestments include the subsidiary AuSystems Italy, CRM Poland and Devoteam AB Sweden. For 2013, it also included the T&M activity sold to Ericsson and Teligent Russia.

Activity evolution by region – Revenues and Operating margin

In million of euros	Group contribution 2014	Operating margin 2014	In % of Group contribution 2014	Group contribution 2013	Operating margin 2013	In % of Group contribution 2013
France	193.5	12.1	6.2%	196.8	10.8	5.5%
Growth rate	-1.7%	12.1%				
L-f-I growth ⁽¹⁾	1.0%					
International	249.3	10.1	4.0%	256.6	6.2	2.4%
Growth rate	-2.9%	62.0%				
L-f-I growth ⁽¹⁾	3.7%					
L-f-I growth excluding Between	0.3%					
Total	442.8	22.1	5.0%	453.5	17.0	3.7%
Growth rate	-2.4%	30.3%				
L-f-I growth ⁽¹⁾	2.5%					
L-f-I growth excluding Between	0.6%					

(1) At constant perimeter and exchange rates.

En millions d'euros	Group contribution 2014	Operating margin 2014	In % of Group contribution 2014	Group contribution 2013	Operating margin 2013	In % of Group contribution 2013
New Mediterranean	149.6	11.4	7.6%	151.7	8.7	5.7%
Growth rate	-1.4%	31.4%				
L-f-I growth ⁽¹⁾	-1.4%					
Northern Europe	51.1	1.8	3.5%	55.2	1.0	1.9%
Growth rate	-7.4%	73.2%				
L-f-I growth ⁽¹⁾	-6.8%					
Central Europe	48.0	1.7	3.6%	46.0	(0.7)	-1.6%
Growth rate	4.2%	-332.8%				
L-f-I growth ⁽¹⁾	4.2%					
Middle East & Turkey	21.8	1.6	7.5%	19.6	1.0	4.9%
Growth rate	11.2%	70.4%				
L-f-I growth ⁽¹⁾	14.3%					
Single entities	57.0	1.8	3.2%	60.3	2.4	3.9%
Growth rate	-5.4%	-24.1%				
L-f-I growth ⁽¹⁾	-5.4%					
Others	107.6	4.1	3.8%	82.6	4.4	5.3%
Growth rate	30.2%	-5.0%				
L-f-I growth ⁽¹⁾	19.6%					
L-f-I growth excluding Between	12.9%					
Divestments⁽²⁾	7.7	(0.4)	-4.9%	38.1	0.3	0.8%
Growth rate	-79.7%	-218.3%				
L-f-I growth ⁽¹⁾	-1.3%					
Total	442.8	22.1	5.0%	453.5	17.0	3.7%
Growth rate	-2.4%	30.3%				
L-f-I growth ⁽¹⁾	2.5%					
L-f-I growth excluding Between	0.6%					

(1) At constant perimeter and exchange rate.

(2) For 2014, Divestments include the subsidiary AuSystems Italy, CRM Poland and Devoteam AB Sweden. For 2013, it also included the T&M activity sold to Ericsson and Teligent Russia.

Net debt

In million of euros	31.12.2014	31.12.2013
Financial investments (included in "Other current financial assets" in balance sheet)	2.2	0.3
Cash and cash equivalents *	40.5	77.2**
Bank overdrafts and credit Revolving (included in current "Loans, borrowings and bank overdraft" in balance sheet)	(8.3)	(34.7)
Cash Balance	34.4	42.9
Current financial debts (excluding bank overdrafts, which are already included above)	(2.1)	(2.2)
Non-current financial debts	(2.8)	(4.3)
Cash net of financial debt	29.5	36.4
Total consolidated equity	115.6	126.5
Net debt-to-equity ratio	-25.5%	-28.8%

* Including a positive impact from factoring contract of € 17.5 million as of Dec. 31st 2014 (vs. € 13.5 million as of Dec. 31st 2013)

** FY 2013: including € 26.1 million for pledging of the tender offer. € 20.2 million were finally cashed out in January 2014

Pro forma information on revenue

In million of euros	FY 2013 pro-forma*	FY 2013 published**
New Mediterranean	151.7	180.6
Northern Europe	55.2	58.1
Central Europe	46.0	47.4
Middle East & Turkey	19.6	19.6
Single entities	60.3	29.8
Others	82.6	84.2
Divestments	38.1	33.8

* Reclassification of Devoteam Belgium and Devoteam Luxembourg from "New Mediterranean" region to "Single Entities" region
 Reclassification of Devoteam AB Sweden from "Northern Europe" region to "Divestments" region
 Reclassification of CRM Poland from "Central Europe" region to "Divestments" region
 Reclassification of DVS Morocco from "Others" region to "New Mediterranean" region

** In the FY 2013 results press release

Pro forma information on operating margin

In million of euros	FY 2013 pro-forma*	FY 2013 published**
New Mediterranean	8.7	9.6
Northern Europe	1.0	0.8
Central Europe	(0.7)	(1.0)
Middle East & Turkey	1.0	1.0
Single entities	2.4	1.5
Others	4.4	4.3
Divestments	0.3	0.7

* Reclassification of Devoteam Belgium and Devoteam Luxembourg from "New Mediterranean" region to "Single Entities" region
 Reclassification of Devoteam AB Sweden from "Northern Europe" region to "Divestments" region
 Reclassification of CRM Poland from "Central Europe" region to "Divestments" region
 Reclassification of DVS Morocco from "Others" region to "New Mediterranean" region

** In the FY 2013 results press release



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About Devoteam

Devoteam (ISIN: FR 0000073793. Reuters: DVTM.PA. Bloomberg: DEVO FP) is a European leader, created in 1995, in consulting and cloud solutions and puts the new digital practices at the heart of the digital business transformation of its clients.

In 2014, Devoteam achieved revenues of € 443 million and an operating margin of 5.0%. The Group has a workforce of 3 600 employees in 20 countries across Europe North Africa and Middle East.

ISIN : FR 0000073793, Reuters : DVTM.PA, Bloomberg : DEVO FP

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