



INTERIM FINANCIAL REPORT

30 June 2017

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CONTENTS

| | |
|-----------------------------------------------------------------------------------------------------------|-----------|
| SELECTED FINANCIAL INFORMATION | 3 |
| QUARTERLY REVENUE GROWTH | 3 |
| KEY FIGURES FOR THE PERIOD | 3 |
| INTERIM MANAGEMENT REPORT | 3 |
| INTERIM HIGHLIGHTS | 3 |
| REVENUE BY GEOGRAPHICAL AREA | 4 |
| RESULTS BY GEOGRAPHICAL AREA | 5 |
| ANALYSIS OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS | 5 |
| RELATED PARTIES | 7 |
| PRINCIPAL RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2017 | 7 |
| OUTLOOK FOR THE SECOND HALF OF 2017 | 7 |
| CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO 30 JUNE 2017 | 8 |
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 8 |
| CONSOLIDATED INCOME STATEMENT | 9 |
| CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME | 10 |
| CONSOLIDATED STATEMENT OF CASH FLOWS | 10 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 12 |
| NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2017 | 14 |
| STATUTORY AUDITORS' REPORT | 37 |
| STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT | 38 |

SELECTED FINANCIAL INFORMATION

QUARTERLY REVENUE GROWTH

| In millions of euros, quarterly figures unaudited | Q1 2017 restated ⁽²⁾ | Q1 2016 restated ⁽²⁾ | Var. | Q2 2017 | Q2 2016 restated ⁽²⁾ | Var. | H1 2017 | H1 2016 restated ⁽²⁾ | Var. |
|---------------------------------------------------|---------------------------------|---------------------------------|-------|---------|---------------------------------|------|---------|---------------------------------|------|
| Revenue | 131.2 | 115.1 | 14.0% | 125.3 | 123.0 | 1.9% | 256.5 | 238.1 | 7.7% |

KEY FIGURES FOR THE PERIOD

| In millions of euros ⁽¹⁾ | 30.06.2017 | 30.06.2016 restated ⁽²⁾ | 30.06.2016 presented ⁽³⁾ | Variation growth ⁽⁴⁾ | Organic growth ⁽⁵⁾ |
|-------------------------------------------|------------|------------------------------------|-------------------------------------|---------------------------------|-------------------------------|
| Revenue | 256.5 | 238.1 | 275.4 | +7.7% | +7.7% |
| Operating margin | 25.4 | 22.0 | 22.7 | +15.8% | |
| In % of the revenue | 9.9% | 9.2% | 8.2% | +0.7 pts | |
| Operating income | 21.7 | 15.8 | 16.5 | +37.4% | |
| In % of the revenue | 8.5% | 6.6% | 6.0% | +1.8 pts | |
| Net income - Group share | 11.9 | 7.6 | 7.6 | +57.1% | |
| Diluted earnings per share ⁽⁶⁾ | €1.50 | €0.98 | €0.98 | +53.8% | |
| Net cash at closing ⁽⁷⁾ | 49.0 | 39.5 | 39.5 | +€9.6m | |

⁽¹⁾The financial statements as presented were approved by the Supervisory Board on 4 September 2017.

⁽²⁾Restatement of Between: in accordance with IFRS 5 on assets held for sale, the operations of Between have been reclassified on a single line of the income statement under "Profit (loss) from discontinued operations, net of tax". As a consequence, these operations are not included in the revenue and the operating income.

⁽³⁾In the 2016 interim financial report.

⁽⁴⁾Based on H1 2016 restated.

⁽⁵⁾At comparable perimeter and exchange rates, based on H1 2016 restated.

⁽⁶⁾Based on the weighted average number of shares for the year.

⁽⁷⁾Cash position net of all financial debts.

INTERIM MANAGEMENT REPORT

INTERIM HIGHLIGHTS

The first half of 2017 once again saw significant business and earnings growth. Restated for Between, revenue in the first half of 2017 totalled €256.5 million, versus €238.1 million in the first half of 2016, up 7.7% at constant scope and exchange rates. Operating margin rose 70 basis points to €25.4 million, or 9.9% of revenue, compared with €22.0 million and 9.2% of revenue in the first half of 2016.

The Group announced two major changes in scope, enabling it to push forward in the direction envisaged in the Scale! strategic plan.

On 21 July 2017, Devoteam signed a memorandum of understanding to transfer 40% of the capital to the minority shareholders of Between, its Dutch brokerage subsidiary. The Group will retain a 35% stake in the company. The transaction is due to be finalised in September 2017. In accordance with IFRS 5, net income and expenses from this business have been restated in the Group's consolidated income statement and are now recognised under "Profit (loss) from discontinued operations, net of tax". Previous periods have been restated to keep the method unchanged from one period to another.

On 6 August 2017, the Group also signed an agreement which will lead to the acquisition of a majority stake of 80% in D2SI, a Public Cloud specialist and one of the leading French providers of Cloud solutions of Amazon Web Services. D2SI supports its customers in the fields of automation, modernisation and development of application portfolio, and the deployment of Big Data solutions. Furthermore, D2SI benefits from a significant market visibility and credibility, as the organizer of the TIAD (The Incredible Automation Day), the leading event on IT automation in France. The company employs circa 100 people and generated

revenues of €13 million in 2016. This acquisition will be consolidated as of 1 October 2017. It is fully in line with the ambitions and dynamic set out in the Scale! strategic plan. It will strengthen Devoteam's positioning with its Agile IT Platform, as well as its ability to support robust growth in the Public Cloud alongside the three market leaders (AWS, Google and Microsoft).

These two transactions are in addition to the acquisition of 80% of TMNS announced on 16 May. This will bolster the Group's position in the Benelux region, one of four key regions for the Scale! strategy. TMNS specialises in consulting and the integration of Enterprise Architect, API management and Devops solutions, which are necessary for the transformation and urbanisation of core IT to facilitate the digitalisation of operations. The ability to build a link between the existing offering – mainly on-premise IT – and third-party Cloud applications is key to enabling large organisations to leverage their assets and past investments, while benefiting from powerful new growth accelerators. TMNS has approximately 200 employees and generated revenue of around €18 million in 2016. Its profitability is in line with the Group's. This acquisition will be consolidated from 1 July 2017.

REVENUE BY GEOGRAPHICAL AREA

| In millions of euros | Q1 2017 restated | Q1 2016 restated | Q2 2017 | Q2 2016 restated | H1 2017 | H1 2016 restated |
|--------------------------------------|------------------|------------------|--------------|------------------|--------------|------------------|
| France | 67.7 | 56.2 | 64.5 | 58.6 | 132.2 | 114.8 |
| Variation | 20.5% | | 10.0% | | 15.2% | |
| L-f-l variation | 20.5% | | 10.0% | | 15.2% | |
| Northern Europe & Benelux | 32.6 | 28.4 | 29.2 | 30.0 | 61.8 | 58.4 |
| Variation | 14.6% | | -2.7% | | 5.8% | |
| L-f-l variation | 10.9% | | -6.9% | | 1.8% | |
| Central Europe | 13.7 | 11.5 | 14.1 | 11.2 | 27.8 | 22.7 |
| Variation | 18.8% | | 26.3% | | 22.5% | |
| L-f-l variation | 11.0% | | 17.4% | | 14.1% | |
| Rest of the world | 17.3 | 16.4 | 17.8 | 21.6 | 35.1 | 38.1 |
| Variation | 5.2% | | -17.8% | | -7.9% | |
| L-f-l variation | 5.4% | | -17.8% | | -7.8% | |
| Corporate | (0.1) | (0.1) | (0.4) | (0.1) | (0.4) | (0.2) |
| Divestments | - | 2.6 | - | 1.6 | - | 4.2 |
| Total | 131.2 | 115.1 | 125.3 | 123.0 | 256.5 | 238.1 |
| Variation | 14.0% | | 1.9% | | 7.7% | |
| L-f-l variation | 14.6% | | 1.3% | | 7.7% | |

Of which impact of significant acquisitions:

| In millions of euros | Q1 2017 | Q1 2016 | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|-------------------------------------------------------|------------|---------|------------|---------|------------|---------|
| Northern Europe & Benelux | 1.1 | | 1.6 | | 2.7 | |
| HNCO, consolidated as of 1 July 2016 (estimate) | 0.6 | | 1.0 | | 1.6 | |
| Globicon, consolidated as of 1 July 2016 (estimate) | 0.5 | | 0.6 | | 1.1 | |
| Central Europe | 0.9 | | 1.0 | | 1.9 | |
| Q-Partners Consulting, consolidated as of 1 July 2016 | 0.9 | | 1.0 | | 1.9 | |

Discontinued operation:

| In millions of euros | Q1 2017 | Q1 2016 | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Between | 18.7 | 18.2 | 16.4 | 19.1 | 35.1 | 37.3 |
| Variation | 2.5% | | -14.1% | | -6.0% | |
| L-f-l variation | 2.5% | | -14.1% | | -6.0% | |

RESULTS BY GEOGRAPHICAL AREA

| In millions of euros | H1 2017 | H1 2016 restated |
|--------------------------------------|---------|------------------|
| France | | |
| Contribution to revenue | 132.2 | 114.8 |
| Operating margin | 17.0 | 14.8 |
| As % of revenue | 12.9% | 12.9% |
| Northern Europe & Benelux | | |
| Contribution to revenue | 61.8 | 58.4 |
| Operating margin | 4.6 | 4.3 |
| As % of revenue | 7.4% | 7.4% |
| Central Europe | | |
| Contribution to revenue | 27.8 | 22.7 |
| Operating margin | 2.4 | 1.7 |
| As % of revenue | 8.5% | 7.5% |
| Rest of the world | | |
| Contribution to revenue | 35.1 | 38.1 |
| Operating margin | 2.1 | 2.3 |
| As % of revenue | 5.9% | 6.1% |
| Corporate | | |
| Contribution to revenue | (0.4) | (0.2) |
| Operating margin | (0.6) | (1.1) |
| Divestments | | |
| Contribution to revenue | - | 4.2 |
| Operating margin | - | (0.1) |
| As % of revenue | - | -1.9% |
| Total | | |
| Contribution to revenue | 256.5 | 238.1 |
| Operating margin | 25.4 | 22.0 |
| As % of revenue | 9.9% | 9.2% |

Discontinued operation:

| In millions of euros | H1 2017 | H1 2016 |
|-------------------------|---------|---------|
| Between | | |
| Contribution to revenue | 35.1 | 37.3 |
| Operating margin | 0.7 | 0.7 |
| As % of revenue | 2.1% | 1.8% |

ANALYSIS OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Analysis of the consolidated income statement

Consolidated **revenue** amounted to €256.5 million, up 7.7% from the prior period at constant scope and exchange rates.

Operating margin, defined as current operating result before the impact of share-based payments and the amortisation of intangible assets from acquisitions, stood at €25.4 million. As a percentage of revenue, operating margin is 9.9%, an improvement of nearly 70 basis points in the first half of 2017. The margin rate benefited from improved margins on contracts and from the relative effect of the divestment in Between.

Operating result came to €21.7 million in the first half of 2017, compared with €15.8 million in the same period of 2016. It includes non-recurring expenses in the amount of €2.6 million, share-based compensation expenses for €1.0 million and amortisation of intangible assets of acquired companies for €0.1 million. Non-recurring expenses comprised €1.6 million in restructuring costs, mainly in Spain, Germany and France, and €1.0 million in impairment losses on the Devoteam Netherlands CGU.

The **net financial loss** of -€0.9 million is a slight improvement on -€1.1 million in June 2016, mainly due to currency gains recorded on the Turkish lira.

Income tax expense came to €7.8 million, an increase of €1.9 million compared with the first half of 2016, reflecting the improvement in the Group's results. It represented 37.3% of the profit before tax, against 40.7% in the first half of 2016. The tax expense included the effect of additional local taxes (mainly CVAE in France) for €1.5 million (versus €1.2 million at 30 June 2016).

Net income totalled €13.6 million, compared with €9.2 million a year earlier, of which €1.7 million was returned to the minority shareholders of subsidiaries. Diluted earnings per share amounted to €1.50 (versus €0.98 at 30 June 2016).

Analysis of the consolidated statement of financial position

The main items of the consolidated balance sheet changed as follows during the first half of 2017:

| In millions of euros | 30 June 2017 | Non-current assets and liabilities held for sale (see note 3.2.3) | 31 December 2016 | Variation | Main reasons for the variation |
|---------------------------------------|--------------|-------------------------------------------------------------------|------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-current assets | 96.1 | 3.4 | 100.5 | (4.3) | The decrease in non-current assets is mainly due to the reclassification in "assets held for sale" of the goodwill of Between for €(2.8) million, and the impairment tests conducted at the reporting date, as a result of which the Group recognised an impairment loss of €(1.0) million on the Devoteam Netherlands CGU. |
| Operating receivables | 199.4 | 14.5 | 209.6 | (10.2) | The decrease is mainly due to the reclassification of Between's operating receivables in "assets held for sale", partly offset by an increase in trade receivables following the Group's organic growth and by days sales outstanding (DSO), which rose from 59 days at the end of December 2016 to 64 days at the end of June. |
| Cash and cash equivalents | 81.0 | 9.8 | 91.0 | (10.0) | See below |
| Non-current assets held for sale | 27.7 | 27.7 | - | 27.7 | This consists of the Group's holding in Between, classified in assets held for sale (see note 3.2.3). |
| Equity attributable to the Group | 146.3 | - | 136.3 | 9.9 | The variation is mainly due to the recognition of income for the period of €11.9 million, net of unpaid dividends of €(4.8) million, the effects of transactions with minority shareholders for €(1.1) million, transactions relating to treasury shares for €4.7 million, and a currency impact of €(1.7) million. |
| Non-controlling interests | 9.5 | - | 9.8 | (0.2) | Non-controlling interests (see note 4.9.4 to the consolidated financial statements). |
| Non-current liabilities | 42.6 | - | 43.3 | (0.7) | The decrease in non-current liabilities is essentially due to the reversal of provisions for restructuring linked to the adjustment of resources in Germany, as well as the increase in provisions for pensions and retirement benefits, mainly in France and Austria. |
| Current liabilities | 185.0 | 20.9 | 211.7 | (26.7) | The reduction is mainly due to the reclassification of Between in liabilities held for sale, offset by the recognition of dividends payable to the Group's shareholders for €4.8 million. |
| Non-current liabilities held for sale | 20.9 | 20.9 | - | 20.9 | This consists of the Group's holding in Between, classified in liabilities held for sale (see note 3.2.3). |

Analysis of the consolidated statement of cash flows

Cash and cash equivalents (excluding financial investments recognised as "Cash management assets" for €1.7 million and net of €1.0 million in bank overdrafts) fell during the period to €81.0 million, from €91.0 million at 31 December 2016. Excluding the restatement of Between's cash position, reclassified in non-current assets held for sale for €9.8 million at 30 June 2017, cash and cash equivalents remain stable compared to 31 December 2016. The variation is due to:

- Negative **cash flow from operating activities** of €3.3 million, compared with +€5.8 million in the first half of 2016. This is primarily explained by the higher seasonal increase in working capital requirement, which was €(20.9) million, up from €(13.3) million at the end of June 2016, and by the increase in taxes paid in the first half, at €(4.5) million, partly offset by an improvement in cash flow compared with the first half of 2016, in the amount of €2.9 million.
- Negative **cash flow from investing activities** of €2.7 million during the period, including €0.5 million linked to the acquisition of financial assets, €1.8 million spent on capital assets (mainly improvements to business premises and IT equipment for the Group's operational needs) and €0.5 million corresponding to the contingent consideration due on the acquisition of subsidiaries.
- Positive **cash flow from financing activities** of €6.7 million, versus €(1.7) million in the first half of 2016. This mainly includes the positive effect of transactions on treasury shares during the period for €5.6 million, the increase in factored receivables for €4.0 million, and the impact of transactions with minority shareholders for a net amount of €(1.8) million.

The Group's financial position remains sound, as the **cash position net** of borrowings stands at €49.0 million. This breaks down as follows:

| <i>In millions of euros</i> | 30 June 2017 | 31 December 2016 |
|----------------------------------------------------------------|---------------------|-------------------------|
| Short-term investments | 10.1 | 10.3 |
| Cash at bank | 71.9 | 81.7 |
| Bank overdrafts (liability) | (1.0) | (1.0) |
| Cash and cash equivalents | 81.0 | 91.0 |
| Cash management assets | 1.7 | 1.7 |
| Bonds | (29.8) | (29.8) |
| Obligations under finance leases | (0.4) | (0.8) |
| Draw-downs on bank and similar facilities and other borrowings | (1.3) | (1.2) |
| Long-term borrowings | (31.5) | (31.8) |
| Bonds | (0.9) | (0.4) |
| Obligations under finance leases | (0.8) | (0.8) |
| Draw-downs on bank and similar facilities and other borrowings | (0.4) | (0.2) |
| Short-term borrowings | (2.2) | (1.5) |
| Total borrowings | (33.6) | (33.2) |
| Derivative instruments | - | - |
| Net cash* | 49.0 | 59.5 |
| of which net cash from discontinued operations | - | 15.2 |
| Total equity | 155.8 | 146.1 |
| Debt to equity ratio | -31.5% | -40.7% |

* In the first half of 2017, net cash included the positive impact (net of security deposits) of agreements to transfer non-recourse trade receivables amounting to €14.3 million, compared with €10.3 million in 2016.

RELATED PARTIES

Agreements between related parties have been identified in the condensed consolidated financial statements to 30 June 2017 (note 6.2). No new material transactions took place in the first half of 2017.

PRINCIPAL RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2017

The nature and degree of the risks to which the Group is exposed are unchanged from the risk factors presented on pages 18 to 21 of the 2016 annual financial report.

OUTLOOK FOR THE SECOND HALF OF 2017

Taking into account the transfer of Between to discontinued operations and the acquisition of D2SI and TMNS, the Group has updated its 2017 revenue target to €530 million (versus €595 million previously). This target includes a €10 million contribution from TMNS over six months and a contribution of just over €3 million from D2SI. The Group also updated its operating margin target from "close to 9%" to "close to 10%" to include the relative impact of the divestment of Between.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO 30 JUNE 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| ASSETS (in thousands of euros) | Note | 30 June 2017 | 31 December 2016 |
|----------------------------------|-------|----------------|------------------|
| Goodwill | 4.3 | 77,233 | 81,154 |
| Other intangible assets | 4.1 | 1,881 | 1,557 |
| Tangible assets | 4.2 | 5,532 | 5,471 |
| Non-current financial assets | 4.4 | 3,215 | 2,935 |
| Investments in associates | 4.5 | 997 | 900 |
| Investments property | 4.6 | 1,599 | 1,827 |
| Deferred tax assets | - | 5,532 | 6,353 |
| Other non-current assets | 4.12 | 154 | 272 |
| TOTAL NON-CURRENT ASSETS | | 96,144 | 100,469 |
| Trade receivables | 4.7 | 151,789 | 163,599 |
| Other receivables | 4.7 | 30,468 | 29,788 |
| Tax receivables | 4.7 | 13,639 | 11,794 |
| Other current financial assets | 4.8.1 | 1,821 | 2,762 |
| Cash management assets | 4.8.2 | 1,670 | 1,670 |
| Cash and cash equivalents | 4.8.2 | 82,024 | 92,033 |
| TOTAL CURRENT ASSETS | | 281,411 | 301,647 |
| Non-current assets held for sale | 3.2.3 | 27,725 | - |
| TOTAL ASSETS | | 405,280 | 402,117 |

| EQUITY & LIABILITIES (in thousands of euros) | Note | 30 June 2017 | 31 December 2016 |
|-----------------------------------------------------------------|-------|----------------|------------------|
| Share capital | 4.9.1 | 1,262 | 1,262 |
| Share premium | | 1,845 | 1,845 |
| Consolidated reserves | | 136,127 | 125,223 |
| Treasury shares | | (3,212) | (11,839) |
| Translation reserves | | (1,655) | 42 |
| Profit for the year | | 11,918 | 19,807 |
| TOTAL EQUITY ATTRIB. TO EQUITY HOLDERS OF PARENT COMPANY | | 146,285 | 136,341 |
| Non-controlling interests | 4.9.4 | 9,545 | 9,778 |
| TOTAL EQUITY | | 155,829 | 146,119 |
| Loans and borrowings | 4.10 | 31,477 | 31,765 |
| Provisions | 4.11 | 5,639 | 6,056 |
| Deferred tax liabilities | - | 585 | 750 |
| Other liabilities | 4.12 | 4,854 | 4,712 |
| TOTAL NON-CURRENT LIABILITIES | | 42,556 | 43,283 |
| Loans, borrowings and bank overdraft | 4.10 | 3,177 | 2,473 |
| Provisions | 4.11 | 3,069 | 3,059 |
| Trade payables | 4.7 | 31,558 | 64,646 |
| Tax and social security liabilities | 4.7 | 80,772 | 80,044 |
| Income tax payable | 4.7 | 3,159 | 3,573 |
| Other liabilities | 4.7 | 64,222 | 58,920 |
| TOTAL CURRENT LIABILITIES | | 185,957 | 212,715 |
| Non-current liabilities held for sale | 3.2.3 | 20,938 | - |
| TOTAL LIABILITIES | | 249,450 | 255,998 |
| TOTAL EQUITY & LIABILITIES | | 405,280 | 402,117 |

CONSOLIDATED INCOME STATEMENT

| In thousands of euros, except per share amounts | Note | 30 June 2017 | 30 June 2016 restated* | 31 December 2016 restated* |
|------------------------------------------------------------------|-------|------------------|------------------------|----------------------------|
| <u>Continuing operations</u> | | | | |
| NET REVENUE | 5.1 | 256,511 | 238,116 | 479,402 |
| Other income | | - | 0 | - |
| CURRENT OPERATING INCOME | | 256,511 | 238,116 | 479,402 |
| Purchase of merchandise | | (4,438) | (8,157) | (15,009) |
| Other purchase and external charges | | (74,328) | (69,235) | (143,611) |
| Taxes | | (2,087) | (1,926) | (3,613) |
| Payroll expenses | | (148,604) | (134,838) | (267,760) |
| Fixed assets depreciation | | (1,524) | (1,566) | (3,066) |
| Increase in provision from current assets | | (57) | (499) | (1,144) |
| Other expenses | | (22) | 74 | 128 |
| CURRENT OPERATING EXPENSES | | (231,061) | (216,147) | (434,075) |
| OPERATING MARGIN | | 25,450 | 21,969 | 45,327 |
| Cost of share-based payment | 5.3 | (1,028) | (633) | (1,422) |
| Amort. of customer relationships resulting from acquisitions | | (111) | (137) | (274) |
| CURRENT OPERATING PROFIT | | 24,311 | 21,199 | 43,632 |
| Other operating income | 5.4 | 119 | 680 | 999 |
| Other operating expenses | 5.4 | (2,717) | (6,073) | (8,365) |
| OPERATING PROFIT | | 21,712 | 15,806 | 36,266 |
| Financial income | 5.5 | 129 | 544 | 771 |
| Financial expenses | 5.5 | (1,073) | (1,631) | (3,169) |
| FINANCIAL RESULT | | (944) | (1,088) | (2,398) |
| Share of profit of associates | 5.5 | 111 | (121) | 135 |
| PROFIT BEFORE INCOME TAX | | 20,880 | 14,597 | 34,003 |
| Income tax expense | 5.6 | (7,797) | (5,935) | (11,859) |
| PROFIT FROM CONTINUING OPERATIONS | | 13,082 | 8,661 | 22,144 |
| <u>Discontinued operation</u> | | | | |
| Profit from discontinued operation, net of tax | 3.2.3 | 549 | 528 | 1,272 |
| PROFIT FOR THE YEAR | | 13,631 | 9,189 | 23,416 |
| <u>Attributable to:</u> | | | | |
| Equity holders of the parent company | | 11,917 | 7,585 | 19,807 |
| Non-controlling interests | 4.9.4 | 1,714 | 1,605 | 3,609 |
| Basic earnings per share (euro) | | 1.51 | 0.98 | 2.54 |
| Diluted earnings per share (euro) | | 1.50 | 0.98 | 2.54 |
| Basic earnings per share - continuing operations (euro) | | 1.44 | 0.91 | 2.38 |
| Diluted earnings per share - continuing operations (euro) | | 1.44 | 0.91 | 2.37 |

*Restated see note 3.2.3 to the financial statements.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

| In thousands of euros | 30 June 2017 | 30 June 2016 restated* | 31 December 2016 restated* |
|-----------------------------------------------------------------------------|----------------|------------------------|----------------------------|
| Net income | 13,631 | 9,189 | 23,416 |
| Defined benefit plan actuarial gains (losses) | (0) | - | (559) |
| Deferred taxes on defined benefit plan actuarial gains (losses) | 0 | 0 | 150 |
| Items that will never be reclassified to profit or loss | (0) | 0 | (409) |
| Foreign currency translation differences | (1,849) | (164) | 496 |
| Items that are or may be reclassified subsequently to profit or loss | (1,849) | (164) | 496 |
| Other comprehensive income (loss) for the year, net of income tax | (1,849) | (164) | 87 |
| Total comprehensive income for the year | 11,782 | 9,026 | 23,503 |
| <u>Attributable to:</u> | | | |
| Equity holders of the parent company | 10,242 | 7,457 | 19,824 |
| Non-controlling interests | 1,540 | 1,569 | 3,679 |

*Restated see note 3.2.3 to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

| In thousands of euros | 30 June 2017 | 30 June 2016 | 31 December 2016 |
|------------------------------------------------------------------------------|----------------|----------------|------------------|
| Profit for the year | 13,631 | 9,189 | 23,416 |
| <u>Adjustments for :</u> | | | |
| Share of profit of associates | (111) | 125 | (132) |
| Income tax expense | 7,979 | 6,094 | 12,289 |
| Amortisation and provision | 2,310 | 4,224 | 6,193 |
| Other transactions without impact on cash and cash equivalents | 696 | 484 | 1,031 |
| Income from asset disposals | (3) | 1,816 | 819 |
| Net interests income | 851 | 523 | 1,373 |
| Change in net working capital | (20,917) | (13,334) | 9,219 |
| Income tax paid | (7,783) | (3,279) | (7,217) |
| Net cash from operating activities* | (3,347) | 5,843 | 46,991 |
| Purchase of fixed assets | (1,760) | (1,449) | (3,691) |
| Purchase of financial assets | (540) | (1,064) | (966) |
| Proceed from sale of fixed assets | 7 | 9 | 41 |
| Dividends received | 14 | - | 85 |
| Proceed from sale of financial assets | 130 | 506 | 1,930 |
| Proceed of subsidiaries, net of cash divested | - | 0 | 892 |
| Acquisition of subsidiaries, net of cash acquired | (542) | (346) | (6,958) |
| Net cash from investing activities* | (2,691) | (2,345) | (8,668) |
| Proceeds from issue of share capital | 2 | 1,551 | 1,701 |
| Repayments of borrowings | (467) | (571) | (990) |
| Proceeds from borrowings | 101 | 109 | 617 |
| Change in factored receivables (net of security deposit) | 4,002 | 403 | (8,136) |
| Interests paid | (316) | (317) | (1,634) |
| Acquisition of non-controlling interests | (4,400) | (3,634) | (7,352) |
| Reduction in ownership interests while retaining control | 2,569 | 78 | 189 |
| Dividends paid | (340) | (171) | (4,531) |
| Transactions on own shares and equity instruments | 5,551 | 838 | 1,295 |
| Net cash from financing activities* | 6,703 | (1,715) | (18,841) |
| Net change in cash and cash equivalents | 665 | 1,782 | 19,483 |
| Net cash and cash equivalents at year start | 91,013 | 71,039 | 71,039 |
| Effect of non-current assets held for sale | (9,783) | (2,137) | - |
| Effect of exchange rate fluctuation on cash held | (876) | (105) | 491 |
| Net cash and cash equivalents at the end of the period | 81,018 | 70,580 | 91,013 |
| <u>Reconciliation with cash and cash equivalents in the balance sheet</u> | | | |
| Cash and cash equivalents in the balance sheet | 82,024 | 72,052 | 92,033 |
| Bank overdrafts | (1,006) | (1,473) | (1,020) |
| Cash and cash equivalents in the consolidated statement of cash flows | 81,018 | 70,580 | 91,013 |

* The contribution of non-current assets held for sale (Between) is presented in note 3.2.3 to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| In thousands of euros, except number of shares amounts | Number of shares | Share capital | Share premium | Treasury shares | Consolidated reserves | Translation reserves | Total equity - Owners of the company | Non-controlling interests | Total equity |
|-----------------------------------------------------------|------------------|---------------|---------------|-----------------|-----------------------|----------------------|--------------------------------------|---------------------------|----------------|
| Balance at 1 January 2017 | 8,327,907 | 1,262 | 1,845 | (11,839) | 145,030 | 42 | 136,341 | 9,778 | 146,119 |
| Comprehensive income for the period | | | | | | | | | |
| Net income | | | | | 11,917 | | 11,917 | 1,714 | 13,631 |
| Total other comprehensive income(1) | | | | | 22 | (1,697) | (1,675) | (174) | (1,849) |
| Total comprehensive income for the year | | | | | 11,939 | (1,697) | 10,242 | 1,540 | 11,782 |
| Transactions with owners of the Company | | | | | | | | | |
| Contributions and Distributions | | | | | | | | | |
| Dividends to equity holders for the profits of 2016 | | | | | (4,786) | | (4,786) | (659) | (5,445) |
| Valuation of payments based on shares | | | | | 680 | | 680 | | 680 |
| Operations on equity instruments | | | | - | | | - | | - |
| Adjustment related to the number and value of own shares | | | | 968 | 2,991 | | 3,960 | | 3,960 |
| Capital increase through exercise of options | - | - | - | | | | - | | - |
| Total contributions and distributions | - | - | - | 968 | (1,115) | - | (146) | (659) | (806) |
| Changes in ownership interests | | | | | | | | | |
| Acquisition and disposal of NCI without change in control | | | | | (1,071) | | (1,071) | (1,046) | (2,117) |
| NCI on the acquisition/creation/disposal of subsidiaries | | | | | - | | - | (3) | (3) |
| Total changes in ownership interests | - | - | - | - | (1,071) | - | (1,071) | (1,049) | (2,120) |
| Other movements(2) | | | | 7,658 | (6,740) | | 919 | (65) | 854 |
| Total transactions with owners of the Company | - | - | - | 8,627 | (8,925) | - | (298) | (1,773) | (2,071) |
| Balance at 30 June 2017 | 8,327,907 | 1,262 | 1,845 | (3,212) | 148,045 | (1,655) | 146,285 | 9,544 | 155,830 |

(1) See details in the statement of comprehensive income.

(2) Other movements primarily related to reclassification in own shares from previous periods from consolidated reserves to treasury shares.

| In thousands of euros, except number of shares amounts | <i>Number of shares</i> | <i>Share capital</i> | <i>Share premium</i> | <i>Treasury shares</i> | <i>Consolidated reserves</i> | <i>Translation reserves</i> | <i>Total equity – Owners of the company</i> | <i>Non-controlling interests</i> | <i>Total equity</i> |
|---------------------------------------------------------------|-------------------------|----------------------|----------------------|------------------------|------------------------------|-----------------------------|---------------------------------------------|----------------------------------|---------------------|
| Balance at 1 January 2016 | 8,196,149 | 1,243 | 164 | (12,983) | 134,198 | 557 | 123,178 | 7,990 | 131,169 |
| <i>Comprehensive income for the period</i> | | | | | | | | | |
| Net income | | | | | 7,585 | | 7,585 | 1,605 | 9,189 |
| Total other comprehensive income(1) | | | | | 0 | (128) | (128) | (36) | (164) |
| Total comprehensive income for the year | | | | | 7,585 | (128) | 7,457 | 1,569 | 9,026 |
| <i>Transactions with owners of the Company</i> | | | | | | | | | |
| <u>Contributions and Distributions</u> | | | | | | | | | |
| Dividends to equity holders for the profits of 2015 | | | | | (3,910) | | (3,910) | (545) | (4,455) |
| Valuation of payments based on shares | | | | | 468 | | 468 | | 468 |
| Operations on equity instruments | | | - | | - | | - | | - |
| Adjustment related to the number and value of own shares | | | | 637 | 132 | | 769 | | 769 |
| Capital increase through exercise of options | 124,258 | 19 | 1,532 | | | | 1,551 | | 1,551 |
| Total contributions and distributions | 124,258 | 19 | 1,532 | 637 | (3,310) | - | (1,122) | (545) | (1,667) |
| <u>Changes in ownership interests</u> | | | | | | | | | |
| Acquisition and disposal of NCI without change in control | | | | | (6,151) | | (6,151) | (1,097) | (7,248) |
| NCI on the acquisition/creation/disposal of subsidiaries | | | | | - | | - | 38 | 38 |
| Total changes in ownership interests | - | - | - | - | (6,151) | - | (6,151) | (1,059) | (7,211) |
| Other movements | | | | | 155 | (158) | (3) | (220) | (223) |
| Total transactions with owners of the Company | 124,258 | 19 | 1,532 | 637 | (9,306) | (158) | (7,276) | (1,825) | (9,101) |
| Balance at 30 June 2016 | 8,320,407 | 1,261 | 1,696 | (12,347) | 132,477 | 271 | 123,359 | 7,735 | 131,094 |

* See details in the statement of comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2017

(Amounts in thousands of euros, unless otherwise stated)

Note 1 – Nature of the business and significant events

Devoteam S.A. (the "Company"), created in 1995, is a limited liability company (société anonyme) governed by French law.

Devoteam, a European consulting and engineering group, is a major player in business consulting in the fields of innovative technologies and management. With 20 years of experience in innovative and disruptive technologies, the Group supports its clients through the digital transformation of their organisational structure and their businesses. The company's condensed interim consolidated financial statements for the six months to 30 June 2017 include the company and its subsidiaries ("the Group"), as well as the Group's share of the results of associates and jointly controlled companies.

During the six months to 30 June, the Group announced several major changes in scope enabling it to push forward in the direction envisaged in its Scale! strategic plan unveiled on 19 January. These changes in scope are detailed in the interim management report and in notes 3.2 and 7 below.

One of the changes in scope is the forthcoming partial disposal and loss of control of Between, previously identified as a separate operating segment under IFRS 8. The Group therefore applied the principles of IFRS 5 on assets held for sale and discontinued operations to its condensed interim financial statements, which required prior periods to be restated in the interim consolidated income statement (see note 3.2.3 for more details).

The condensed consolidated interim financial statements to 30 June 2017 and the notes were prepared by the Management Board and approved at its meeting of 4 September 2017.

Note 2 – Consolidation principles and methods

2.1 Statement of compliance

The condensed interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the information required for the annual financial statements and should be read in conjunction with the 2016 financial report.

The IFRS applied to the interim financial statements to 30 June 2017 are those published in the Official Journal of the European Union before 30 June 2017 and available on the website of the European Commission (https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr). They are consistent with the IFRS published by the IASB.

The main new standards, amendments, improvements and interpretations effective as of 1 January 2017 have no material impact on the consolidated financial statements to 30 June 2017. Furthermore, the Group chose not to apply any standards, amendments or interpretations early.

Regarding the implementation of IFRS 15 on revenue recognition, the Group is continuing its analysis of the potential impacts that the new standard will have on its consolidated financial statements. In the course of its activities, the Group pays particular attention to the implications of the standard concerning the distinction between agent and principal in certain transactions.

2.2 Basis of measurement and presentation currency

Unless otherwise stated, the financial statements are presented in thousands of euros (the company's functional currency), rounded to the nearest thousand. They are based on historical cost, except for the following:

- derivative financial instruments measured at fair value;
- financial instruments at fair value through profit or loss;
- available-for-sale financial assets measured at fair value;
- investment property measured at fair value;
- liabilities arising from share-based payments settled using treasury shares measured at fair value;
- net liabilities (assets) in respect of defined-benefit plans.

2.3 Use of estimates and judgements

The preparation of financial statements under IFRS requires the use of judgements, estimates and assumptions to determine the value of assets and liabilities and income and expenses for the period. These measurements are based on the experience gained by the Group and other factors considered reasonable under the prevailing circumstances. Actual amounts may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognised during the period of the change, if the change affects that period only, or during the period of the change and future periods, if the change affects both.

The significant judgements made by Management to apply the Group's accounting policies in preparing the condensed interim consolidated financial statements and the principal sources of uncertainty in the estimates did not differ significantly from those affecting the consolidated financial statements for the year ended 31 December 2016.

2.4 Significant accounting policies

Basis of preparation of the interim consolidated financial statements

The accounting policies applied by the Group in the condensed consolidated interim financial statements are identical to those used and described in the consolidated financial statements for the year ended 31 December 2016. These accounting policies have been applied consistently by all Group entities.

Note 3 – Scope of consolidation

3.1 Scope of consolidation

The consolidated financial statements to 30 June 2017 include the financial statements of Devoteam S.A. and the financial statements of companies controlled directly or indirectly by the Group, as well as companies over which the Group has significant influence.

The main companies included in the scope of consolidation of the Devoteam Group are set out below. Entities without activity are not included below.

| Companies (SIREN) | % share of capital held ⁽¹⁾ | | Consolidation method | | Companies (SIREN) | % share of capital held ⁽¹⁾ | | Consolidation method | |
|------------------------------------|----------------------------------------|----------------|----------------------|----------------|------------------------------------------------------------------------|----------------------------------------|---------|----------------------|------|
| | 2017 | 2016 | 2017 | 2016 | | 2017 | 2016 | 2017 | 2016 |
| FRANCE | | | | | SPAIN | | | | |
| Devoteam S.A. | Parent company | Parent company | Parent company | Parent company | Devoteam Fringes S.A.U. | 100.00% | 100.00% | FC | FC |
| Devoteam Consulting | 80.20% ⁽²⁾ | 100.00% | FC | FC | Keivox | 35.01% | 35.01% | EM | EM |
| Devoteam Outsourcing | 100.00% | 100.00% | FC | FC | DPI | 60.00% | 60.00% | FC | FC |
| Exaprobe ECS | 35.00% | 35.00% | EM | EM | Drago Solution S.A.U. | 60.00% | 60.00% | FC | FC |
| S'team Management | 92.00% ⁽³⁾ | 78.00% | FC | FC | Softoro Development Center S.A.U. | 60.00% | 60.00% | FC | FC |
| Inflexsys | 20.00% | 20.00% | EM | EM | Devoteam Cloud Services | 80.30% | 80.30% | FC | FC |
| Axance | 54.07% | 54.07% | FC | FC | My-G work for Espana | 100.00% | 72.00% | FC | FC |
| RVR Parad | 95.00% | 95.00% | FC | FC | IRELAND | | | | |
| Shift by Steam | 65.50% ⁽⁴⁾ | 60.00% | FC | FC | Voxpilot Limited | 100.00% | 100.00% | FC | FC |
| Siticom | 65.00% | 65.00% | FC | FC | ITALY | | | | |
| Devoteam G Cloud | 100.00% | 100.00% | FC | FC | Devoteam Italy SRL | 20.00% | 20.00% | FC | FC |
| Be Team | 70.00% | 70.00% | FC | FC | MOROCCO | | | | |
| Progis | 24.89% | 24.89% | EM | EM | Devoteam SARL | 100.00% | 100.00% | FC | FC |
| Bengs | 25.00% | 25.00% | EM | EM | Devoteam Services SARL | 100.00% | 100.00% | FC | FC |
| Axance People | 45.96% | 45.96% | FC | FC | Devoteam Consulting Maroc | 56.25% | 56.25% | FC | FC |
| Devoteam Cloud Services | 90.00% | 90.00% | FC | FC | Mexico | | | | |
| Devoteam Digital Factory | 69.50% ⁽⁵⁾ | 72.50% | FC | FC | Devoteam Mexico | 99.00% | 99.00% | FC | FC |
| My-G | 100.00% ⁽⁶⁾ | 72.00% | FC | FC | Devomex Cloud Services | 98.00% ⁽¹¹⁾ | 0.00% | FC | NC |
| Marflie | 80.00% ⁽⁷⁾ | 45.00% | FC | FC | Panama | | | | |
| Technologies & Opérations | 72.47% | 72.47% | FC | FC | Drago Solutions Corp. Panama | 60.00% | 60.00% | FC | FC |
| Devoteam Customer Effectiveness | 58.97% ⁽⁸⁾ | 77.53% | FC | FC | POLAND | | | | |
| Fi-makers | 72.00% ⁽⁹⁾ | 80.00% | FC | FC | Devoteam S.A. (formerly Wola Info SA) | 61.59% | 61.59% | FC | FC |
| Myfowo.com | 96.63% ⁽¹⁰⁾ | 0.00% | FC | NC | CZECH REPUBLIC | | | | |
| ALGERIA | | | | | Devoteam s.r.o | 80.00% | 80.00% | FC | FC |
| Devoteam Consulting Algeria | 80.00% | 80.00% | FC | FC | UNITED KINGDOM | | | | |
| GERMANY | | | | | Devoteam UK Limited | 100.00% | 100.00% | FC | FC |
| Devoteam GmbH | 100.00% | 100.00% | FC | FC | RUSSIA | | | | |
| Fontanet GmbH | 100.00% | 100.00% | FC | FC | Media-Tel LLC | 25.00% | 25.00% | EM | EM |
| Q-Partners Consulting & Management | 70.00% | 70.00% | FC | FC | SCANDINAVIA | | | | |
| AUSTRIA | | | | | Devoteam A/S | 100.00% | 100.00% | FC | FC |
| Devoteam Consulting GmbH | 100.00% | 100.00% | FC | FC | HNCO International | 0% ⁽¹²⁾ | 100.00% | NC | FC |
| BENELUX | | | | | HNCO Denmark | 0% ⁽¹²⁾ | 100.00% | NC | FC |
| Devoteam N/V | 99.71% | 99.71% | FC | FC | Forretningssystemer ApS | 0% ⁽¹²⁾ | 100.00% | NC | FC |
| DFSJ | 45.00% | 45.00% | EM | EM | Globicon | 100.00% | 100.00% | FC | FC |
| Devoteam S.A. (Luxembourg) | 100.00% | 100.00% | FC | FC | Fornebu Consulting AS | 100.00% | 100.00% | FC | FC |
| Devoteam Consulting Holding | 100.00% | 100.00% | FC | FC | SWEDEN | | | | |
| Devoteam Communication | 100.00% | 100.00% | FC | FC | HNCO AB | 30.00% | 30.00% | EM | EM |
| Devoteam Nederland BV | 100.00% | 100.00% | FC | FC | TUNISIA | | | | |
| Between Holding BV | 75.00% | 75.00% | FC | FC | Devoteam Tunisia | 75.00% | 75.00% | FC | FC |
| UNITED ARAB EMIRATES | | | | | TURKEY | | | | |
| Devoteam Middle East FZ LLC | 76.00% | 76.00% | FC | FC | Devoteam Information Technology and Consultancy A.S. (formerly Secura) | 100.00% | 100.00% | FC | FC |

FC: full consolidation.
EM: equity method.
NC: not consolidated.

- (1) Represents the percentage of capital held directly or indirectly by Devoteam S.A.
- (2) Disposal of 19.80% of the capital of Devoteam Consulting. The Group's equity interest is now 80.20%.
- (3) Acquisition of an additional 14% of S'team Management via the Marflie holding company.
- (4) Acquisition of an additional 5.50% of the capital of Shift by Steam. The Group's equity interest is now 65.50%.
- (5) Disposal of 3% of the capital of Devoteam Digital Factory. The Group's equity interest is now 69.50%.
- (6) Acquisition of an additional 28% of the capital of My-G, via a reduction in the share capital by offsetting losses followed by a capital increase without pre-emption rights. The Group's equity interest is now 100%.
- (7) Acquisition of an additional 35% of the capital of Marflie. The Group's equity interest is now 80%.
- (8) Reduction of the holding in Devoteam Customer Effectiveness to 58.97% following the sale of Devoteam Consulting shares.
- (9) Disposal of 8% of the capital of Fi-makers. The Group's equity interest is now 72%.
- (10) Acquisition of 96.63% of the company Myfowo.com.
- (11) Acquisition of 98.00% of the company Devomex Cloud Services.
- (12) HNCO International, HNCO Denmark and Forretningssystemer ApS absorbed by Devoteam A/S.

3.2 Changes during the period

3.2.1 Acquisitions

On 21 March 2017, under the terms of a conciliation procedure before Nanterre Commercial Court, the Group acquired 97% of the shares of Myfowo.com, a software company that develops innovative solutions for the service sector. MyFowo.com generated revenue of €3.1 million in its last financial year ended 31 December 2016. It had 27 employees before the concomitant sale of part of its after-sales service business to an IT company.

This acquisition has been fully consolidated since 1 April 2017.

Net assets of the acquired companies

| In thousands of euros | Myfowo.com |
|------------------------------------|-------------|
| Fixed assets | 826 |
| Trade and other receivables | 1,146 |
| Cash and cash equivalents | 83 |
| Current and non-current provisions | - |
| Trade and other payables | (2,145) |
| Net assets and liabilities | (90) |

Goodwill

Goodwill arising from the acquisition was calculated as follows:

| In thousands of euros | Myfowo.com |
|--------------------------------------------------------------------------------------|------------|
| Consideration transferred as part of the takeover | 42 |
| Of which contingent consideration | - |
| Non-controlling interest measured as a share of the net identifiable assets recorded | (3) |
| Fair value of the interest previously acquired | - |
| Less fair value of net identifiable assets | 90 |
| Goodwill | 129 |

Acquisition accounting and evaluation period

Following the initial purchase price allocation for Myfowo.com, the Group recognised assets of €813 thousand relating to the backlog and €215 thousand relating to tax losses.

The purchase price allocation for companies that were consolidated for the first time in the second half of 2016 (HerbertNathan & Co, Globicon and Q-Partners GmbH) will be finalised in the second half of 2017. The Group does not expect there to be any significant changes.

The impact of the first-time consolidation carried out in the first half of 2017 and in 2016 (acquisitions and controlling interests) on the Group's financial statements is presented below:

| <i>In thousands of euros</i> | Transactions in 2017 | Transactions in 2016* |
|------------------------------|-----------------------------|------------------------------|
| Revenue | 44 | n/a |
| Current operating profit | (17) | n/a |
| Net income | (19) | n/a |
| Total assets | 2,098 | n/a |
| Changes in WCR | 28 | n/a |

(*) HerbertNathan & Co, Globicon and Q-Partners GmbH.

The impact of acquisitions made in 2016 cannot be reliably reported since the most significant entities merged on 1 January 2017 with other Group entities (see note 3.1).

3.2.2 Disposals

There were no disposals during the first half of 2017.

3.2.3 Assets held for sale

During the period, the Group received confirmed expressions of interest from minority shareholders for its subsidiary Between, which is based in the Netherlands and specialises in the sourcing of IT professionals. Between has around 30 employees and generated revenue of €76 million for its last financial year. A memorandum of understanding was signed on 21 July 2017 to transfer an additional 40% of the capital to minority shareholders (who already hold 25% of the capital), with the Group retaining a 35% stake. The transaction is due to be completed by September 2017. The Group will no longer control or fully consolidate the subsidiary.

Since Between represents a separate operating segment in the segment information disclosed by the Group under IFRS 8, the net income and expenses from this business are presented in the consolidated income statement under "Profit (loss) from discontinued operations, net of tax", in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Prior periods presented have been restated to provide comparable information.

Breakdown of Between's net income under "Profit (loss) from discontinued operations, net of tax" in the consolidated income statement:

| In thousands of euros, except earnings per share | 30 June 2017 | 30 June 2016 | 31 December 2016 |
|---------------------------------------------------------------|---------------------|---------------------|-------------------------|
| GROUP CONTRIBUTION^(*) | 35,058 | 37,299 | 76,311 |
| OPERATING MARGIN | 730 | 689 | 1,717 |
| CURRENT OPERATING PROFIT | 730 | 689 | 1,717 |
| Other operating income | - | - | - |
| Other operating expenses | - | (1) | (1) |
| OPERATING PROFIT | 730 | 688 | 1,716 |
| Financial income | 1 | 2 | 4 |
| Financial expenses | - | - | (15) |
| FINANCIAL RESULT | 1 | 2 | (11) |
| Share of profit of associates | - | (3) | (3) |
| PROFIT BEFORE INCOME TAX | 731 | 687 | 1,702 |
| Income tax expense | (182) | (159) | (430) |
| PROFIT (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX | 549 | 528 | 1,272 |
| Basic earnings per share (euro) | 0.07 | 0.07 | 0.16 |
| Diluted earnings per share (euro) | 0.07 | 0.07 | 0.16 |

(*) The group contribution is defined as the total revenue (internal and external) of an operating segment less the cost of internal subcontracting. Sales generated by the Group with Between have not been eliminated.

At 30 June 2017, the Group presented this activity as assets held for sale in the consolidated statement of financial position. The assets and liabilities, remeasured at fair value, break down as follows:

| ASSETS In thousands of euros | Between Holding |
|----------------------------------------------|------------------------|
| Goodwill | 2,765 |
| Other intangible assets | 302 |
| Tangible assets | 325 |
| Deferred tax assets | 33 |
| Trade receivables | 14,436 |
| Current tax receivables | 81 |
| Cash and cash equivalents | 9,783 |
| Non-current assets held for sale | 27,725 |
| LIABILITIES In thousands of euros | Between Holding |
| Trade payables | 20,326 |
| Tax and social security liabilities | 603 |
| Other liabilities | 8 |
| Non-current liabilities held for sale | 20,938 |

No impairment loss was recognised from the fair value measurement of this asset.

Cash flows from Between are presented as follows:

| In thousands of euros | 30 June 2017 | 30 June 2016 | 31 December 2016 |
|-------------------------------------|---------------------|---------------------|-------------------------|
| Cash flow from operating activities | (4,557) | (2,697) | 6,602 |
| Cash flow from investing activities | (230) | (166) | (369) |
| Cash flow from financing activities | (637) | (360) | (360) |

Cash flows from operating activities mainly correspond to the change in working capital requirement, which is extremely volatile given the specific nature of the business.

Note 4 – Information on the consolidated statement of financial position

4.1 Intangible assets

In the first half, the Group recognised an intangible asset for €813 thousand relating to the MyFowo.com backlog.

4.2 Tangible assets

During the first half of 2017, the Group spent €1,488 thousand on tangible assets (versus €1,116 thousand in the first half of 2016). These mainly consist of improvements to business premises and IT equipment for the Group's operational needs.

4.3 Goodwill

At 30 June 2017, goodwill comprised:

| In thousands of euros | 30 June 2017 | | | 31 December 2016 | | |
|------------------------------------------|----------------|------------------------------|---------------|------------------|------------------------------|---------------|
| | Gross goodwill | Cumulative impairment losses | Net goodwill | Gross goodwill | Cumulative impairment losses | Net goodwill |
| Scandinavia CGU(*) | 24,795 | - | 24,795 | 24,974 | - | 24,974 |
| Devoteam GmbH | 13,634 | (2,049) | 11,585 | 13,634 | (2,049) | 11,585 |
| Devoteam Consulting France | 8,405 | - | 8,405 | 8,405 | - | 8,405 |
| Devoteam UK | 8,460 | (946) | 7,514 | 8,499 | (946) | 7,553 |
| Devoteam Netherlands | 6,468 | (1,533) | 4,935 | 6,468 | (562) | 5,907 |
| Devoteam G Cloud (France)(*) | 5,911 | - | 5,911 | 5,911 | - | 5,911 |
| Belux CGU(*) | 5,527 | - | 5,527 | 5,527 | - | 5,527 |
| Between (Netherlands) | - | - | - | 2,765 | - | 2,765 |
| Other net goodwill below €2,200 thousand | 16,050 | (7,490) | 8,560 | 15,937 | (7,409) | 8,528 |
| Total | 89,252 | (12,019) | 77,233 | 92,121 | (10,966) | 81,154 |

(*) Details of the entities are provided in note 3.2 to the 2016 financial statements.

The nature of the Group's business results in the recognition of significant goodwill. In a business combination, the Group primarily acquires human capital.

The reduction in gross goodwill from €2,869 thousand in the first half of 2017 is due to:

- reclassification in non-current assets held for sale of the goodwill of Between for €2,765 thousand;
- the increase in goodwill for €129 thousand, linked to the acquisition of Myfowo.com;
- foreign currency effects mainly recorded for the Scandinavia CGU of -€179 thousand.

The Group conducted impairment tests on CGUs where there was an indication of impairment, mainly based on a negative deviation of actual compared with budgeted results during the first half. The CGUs identified using this method were Devoteam UK, Belux, Devoteam Spain, Drago Solutions, Devoteam Consulting Africa, Devoteam Netherlands, Devoteam GmbH and Q-Partners.

At 30 June 2017, an impairment loss was recognised on the Devoteam Netherlands CGU for €972 thousand following the impairment tests. At 31 December 2016, impairment losses had been recognised on the Devoteam Morocco CGU for €606 thousand and on the Devoteam Netherlands CGU for €515 thousand, justified by lower-than-expected profitability and growth prospects.

The key assumptions used to determine the recoverable amount of the CGUs tested are detailed below:

| 2017 key assumptions | Discount rate | Long-term growth rate | Normative rate of return ⁽¹⁾ |
|--------------------------|------------------|-----------------------|-----------------------------------------|
| France | 8.10% | 2% | between 8% and 10% |
| Other European countries | 7.90% to 10.10% | 2% | between 1.75% ⁽²⁾ and 9% |
| Middle East | 8.80% to 12.40% | 2.50% | between 6% and 9% |
| North Africa | 11.20% to 11.50% | 2.50% | between 4% and 9% |

(1) Long-term EBIT.

(2) 1.75% for the Between Holding CGU specialised in the sourcing of IT professionals.

These assumptions are unchanged from 31 December 2016.

Sensitivity tests were carried out on the principal calculation parameters for the CGUs tested:

- a 0.5-point increase in the discount rate would negatively impact the Group's results by €465 thousand;
- a 0.5-point decrease in the rate of return would negatively impact the Group's results by €516 thousand;
- a 0.5-point decrease in the growth rate would negatively impact the Group's results by €335 thousand.

These potential impacts would only affect the Devoteam Netherlands CGU, since its carrying amount is equal to its value in use. In addition, the carrying amount of some CGUs is close to their estimated recoverable value. Apart from Devoteam Netherlands, this essentially applies to the Devoteam Africa and Devoteam UK CGUs.

4.4 Non-current financial assets

| In thousands of euros | 30 June 2017 | 31 December 2016 |
|-----------------------------------------|--------------|------------------|
| Loans, guarantees and other receivables | 2,140 | 2,198 |
| Other non-current financial assets | 1,075 | 737 |
| Total | 3,215 | 2,935 |

Non-current financial assets consist primarily of security deposits with a net value of €2,084 thousand (compared with €2,140 thousand at the end of 2016). Other non-current financial assets consist mainly of cash advances to associates.

4.5 Investments in associates

The financial information below covers the following associates: Keivox (Spain), DFSJ (Belgium), Media-Tel (Russia), HNCO AB (Sweden), Inflexys, Progis, Bengs and Exa ECS (France).

| In thousands of euros | 30 June 2017 | 31 December 2016 |
|---------------------------|--------------|------------------|
| Investments in associates | 997 | 900 |

Since the Group exercises a significant influence over these entities, they are accounted for under the equity method.

Selected financial information for these companies can be found below:

| Recorded amounts In thousands of euros | 30 June 2017 | 31 December 2016 |
|-------------------------------------------------------------------------|--------------|------------------|
| Non-current assets | 1,751 | 1,537 |
| Current assets | 9,986 | 7,974 |
| Non-current liabilities | 2,086 | 1,959 |
| Current liabilities | 6,692 | 5,488 |
| 100% of net assets | 2,960 | 2,064 |
| Net assets attributable to equity holders of the parent | 906 | 678 |
| Goodwill | 53 | 53 |
| Other | 39 | 169 |
| Carrying amount of interests in associates | 997 | 900 |
| Income | 8,913 | 15,071 |
| Profit after tax from continuing operations | 418 | 745 |
| 100% of other comprehensive income | - | - |
| 100% of total comprehensive income | 418 | 745 |
| Total comprehensive income attributable to equity holders of the parent | 111 | 132 |

4.6 Investment property

| Assets In thousands of euros | 30 June 2017 | 31 December 2016 |
|------------------------------------------------|--------------|------------------|
| Investment property measured at amortised cost | 1,599 | 1,827 |
| Investment property measured at fair value | - | - |
| Total | 1,599 | 1,827 |

It is depreciated on a straight-line basis over a period of 15 years.

The table below summarises the carrying amounts of the complex:

| In thousands of euros | 30 June 2017 | 31 December 2016 |
|----------------------------|--------------|------------------|
| Gross value | 5,955 | 5,955 |
| Accumulated depreciation | (4,357) | (4,128) |
| Net carrying amount | 1,599 | 1,827 |

4.7 Other current assets and liabilities

| Assets In thousands of euros | 30 June 2017 | 31 December 2016 |
|-------------------------------------|----------------|------------------|
| Trade receivables | 151,789 | 163,599 |
| Tax and social security receivables | 8,200 | 7,890 |
| Current tax receivables | 13,639 | 11,794 |
| Other receivables | 1,746 | 1,462 |
| Prepaid expenses | 20,522 | 20,436 |
| Total | 195,896 | 205,182 |

Trade receivables:

The decrease in trade receivables during the first half of 2017 for €11,810 thousand is mainly due to the reclassification of Between in "Non-current assets held for sale" (see note 3.2.3).

At 30 June 2017, the Group's settlement period (DSO) rose to 64 days, compared with 58 days (restated for Between) at 31 December 2016. Conversely, DSO has deteriorated slightly compared with the 60 days (restated for Between) at 30 June 2016.

There were no material changes in other current assets.

| Liabilities (excluding current provisions, loans and short-term borrowings – in thousands of euros) | 30 June 2017 | 31 December 2016 |
|-----------------------------------------------------------------------------------------------------|----------------|------------------|
| Trade payables | 31,557 | 64,636 |
| Tax and social security liabilities | 80,772 | 80,044 |
| Income tax payable | 3,159 | 3,573 |
| Debt on acquisition of fixed assets | 2 | 10 |
| Other current liabilities | 17,172 | 10,046 |
| Deferred income | 47,050 | 48,874 |
| Total | 179,711 | 207,183 |

Trade payables:

The decrease in trade payables during the first half of 2017 for €33,079 thousand is mainly due to the reclassification of Between in "Non-current liabilities held for sale" (see note 3.2.3).

Other current liabilities:

Other current liabilities increased by €7,126 thousand, breaking down as follows:

- advance payments from customers and credit notes to customers in the amount of €8,006 thousand (compared with €5,798 thousand in 2016), mainly on the French entities (€5,092 thousand) and Denmark (€2,761 thousand);

- current liabilities in respect of earn-outs and put options on non-controlling interests for a total of €2,537 thousand (unchanged from 31 December 2016) relating to acquisitions;
- dividends payable to Group shareholders for €4,785 thousand. The dividend was paid on 3 July 2017;
- a residual liability of €274 thousand on a European project at Devoteam GmbH Germany (identical to 31 December 2016);
- the current portion of contingent considerations in the amount of €763 thousand (versus €1,263 thousand at 31 December 2016).

Other current liabilities presented no significant variations.

4.8 Other current financial assets and net cash

4.8.1 Other current financial assets

This item mainly includes a security deposit as part of the assignment of trade receivables in the amount of €1,562 thousand (compared with €2,624 thousand at the end of 2016) and short-term loans and guarantees in the amount of €170 thousand (€121 thousand at the end of 2016).

4.8.2 Net cash

Cash in the statement of cash flows consists of cash and cash equivalents (short-term investments and cash), net of bank overdrafts.

Net cash includes cash, as defined above, as well as cash management assets (assets presented separately in the statement of financial position due to their characteristics), less short- and long-term financial liabilities. It also takes into account, where appropriate, the impact of hedging instruments as they relate to borrowings and treasury shares.

| In thousands of euros | 30 June 2017 | 31 December 2016 |
|----------------------------------------------------------------|-----------------|------------------|
| Short-term investments | 10,082 | 10,287 |
| Cash at bank | 71,943 | 81,747 |
| Bank overdrafts (liability) | (1,006) | (1,020) |
| Cash and cash equivalents | 81,018 | 91,013 |
| Cash management assets⁽¹⁾ | 1,670 | 1,670 |
| Bonds | (29,786) | (29,762) |
| Obligations under finance leases | (441) | (848) |
| Draw-downs on bank and similar facilities and other borrowings | (1,250) | (1,155) |
| Long-term borrowings | (31,477) | (31,765) |
| Bonds | (930) | (446) |
| Obligations under finance leases | (828) | (836) |
| Draw-downs on bank and similar facilities and other borrowings | (414) | (171) |
| Short-term borrowings | (2,172) | (1,453) |
| Total borrowings⁽²⁾ | (33,649) | (33,217) |
| Derivative instruments | - | - |
| Net cash | 49,040 | 59,466 |
| of which cash from discontinued operations | - | 15,207 |

(1) Cash management assets include:

- term bank deposits with initial maturity of more than three months in the amount of €1,330 thousand (unchanged from the end of 2016);
- a euro-denominated capitalisation contract signed in 2006 with a leading insurer, which fulfils the characteristics enabling the Group to use the fair value option through profit or loss (IAS 39.9). The carrying amount was €340 thousand at 30 June 2017 (unchanged from 31 December 2016).

(2) Details of financial liabilities are disclosed in note 4.10.

Cash held in countries subject to foreign exchange control mechanisms amounts to €730 thousand (versus €1,490 thousand at the end of 2016).

At 30 June 2017, the above position no longer included net cash from discontinued operations (Between) for €9,783 thousand. However, the position at 31 December 2016 included €15,207 thousand for Between.

The main changes in the Group's cash are described below.

Cash flow from operating activities

Operating cash flows

Reflecting the improvement in results, cash flow increased 12.9% from €22,455 thousand at 30 June 2016 to €25,353 thousand at 30 June 2017.

Change in net working capital

The change in net working capital amounted to €(20,917) thousand at 30 June 2017, compared with €(13,334) thousand at the end of June 2016, mainly due to a seasonal effect. DSO remained under control at 64 days at the end of June 2017 (versus 60 days at the end of June 2016, restated for Between).

Income tax paid

Income tax paid rose over the period to €7,783 thousand, against €3,279 thousand at 30 June 2016. This reflects the improvement in the Group's results, particularly for its French operations, in the amount of €2,068 thousand.

Cash flow from investing activities

Cash flow from investing activities for the period represented a negative amount of €2,691 thousand. This mainly concerned acquisitions of financial assets for €540 thousand and capital assets for €1,760 thousand, mostly consisting of improvements to business premises and IT equipment for the Group's operational needs.

Cash flow from financing activities

Cash flow from financing activities was positive at €6,703 thousand. The main changes relate to:

- net cash inflows corresponding to the proceeds from the sale of treasury shares or exercise of stock options by employees for €5,551 thousand, the increase in amounts outstanding with the factor at the end of the period for €4,002 thousand, and the reduction in ownership interests while retaining control of Group subsidiaries for €2,569 thousand (see note 3);
- cash outflows of €4,440 thousand corresponding to the buyout of non-controlling interests in the Group.

4.9 Equity

4.9.1. Share capital

At 30 June 2017, the share capital of Devoteam S.A. amounted to €1,262,340, divided into 8,327,907 ordinary shares.

4.9.2. Dividends

A dividend of €0.60 per share for 2016 was proposed at the General meeting on 16 June 2017. The dividend was paid on 3 July 2017.

4.9.3. Treasury shares

Taking into account the 18,000 stock options exercised by employees and the 80,000 shares sold by Devoteam S.A., the Group holds 352,259 treasury shares, or 4.23% of the share capital at 30 June 2017, compared with 450,259 shares, or 5.41% of the share capital, at 31 December 2016.

4.9.4. Non-controlling interests

At 30 June 2017, the main non-controlling interests relate to minority interests held in Devoteam Middle East, S'Team Management, Devoteam Consulting, Axance, Devoteam Italy and Between Holding BV.

The following table summarises disclosures relating to subsidiaries with significant non-controlling interests, before intragroup eliminations.

| In thousands of euros | 30 June 2017 | 31 December 2016 |
|-------------------------------------------------------------------|-----------------|------------------|
| Non-current assets | 25,581 | 17,917 |
| Non-current assets held for sale | 25,275 | - |
| Current assets | 100,309 | 118,228 |
| Non-current liabilities | (16,437) | (15,090) |
| Non-current liabilities held for sale | (21,020) | - |
| Current liabilities | (69,486) | (82,294) |
| Net assets | 44,223 | 38,761 |
| Reclassification of non-controlling interests | 2,559 | 2,365 |
| Carrying amount of non-controlling interests | 9,545 | 9,778 |
| Income | 106,036 | 230,863 |
| Net income | 7,820 | 13,655 |
| Other comprehensive income | - | - |
| Total comprehensive income | 7,820 | 13,655 |
| Net income allocated to non-controlling interests | 1,714 | 3,609 |
| Other comprehensive income allocated to non-controlling interests | - | - |
| Cash flow from operating activities | (8,881) | 17,303 |
| Cash flow from investing activities | (1,332) | (476) |
| Cash flow from financing activities | (1,287) | (670) |
| Effect of non-current assets held for sale | (9,783) | - |
| Effect of exchange rate fluctuation on cash held | (513) | 360 |
| Net increase (decrease) in cash and cash equivalents | (21,796) | 16,517 |

4.10 Loans and borrowings

The various loans and borrowings comprise:

| In thousands of euros | 30 June 2017 | Portion due in less than 1 year | Portion due in 1 to 5 years | Portion due in more than 5 years |
|-----------------------------------|---------------|---------------------------------|-----------------------------|----------------------------------|
| Bonds | 30,716 | 930 | 29,786 | - |
| Loans from credit institutions | 1,664 | 414 | 1,250 | - |
| Finance lease liabilities | 1,269 | 828 | 441 | - |
| Bank overdrafts | 1,006 | 1,006 | - | - |
| Total loans and borrowings | 34,655 | 3,177 | 31,477 | - |

| In thousands of euros | 31 December 2016 | Portion due in less than 1 year | Portion due in 1 to 5 years | Portion due in more than 5 years |
|-----------------------------------|------------------|---------------------------------|-----------------------------|----------------------------------|
| Bonds | 30,208 | 446 | - | 29,762 |
| Loans from credit institutions | 1,326 | 171 | 1,155 | - |
| Finance lease liabilities | 1,684 | 836 | 848 | - |
| Bank overdrafts | 1,020 | 1,020 | - | - |
| Total loans and borrowings | 34,238 | 2,473 | 2,003 | 29,762 |

4.11 Current and non-current provisions

Current and non-current provisions, excluding provisions for retirement benefits, amounting to €4,726 thousand at the end of June (compared with €5,342 thousand at the end of December 2016), chiefly consist of the following:

- provisions for restructuring in the amount of €2,144 thousand (€2,231 thousand at 31 December 2016), which mainly correspond to the restructuring carried out in Germany in the first half of 2017 for €1,738 thousand.
The decrease recorded over the period was due to:
 - the reversal of provisions for restructuring in Germany for €679 thousand and in Poland for €89 thousand,
 - the increase in provisions for restructuring in Germany (€453 thousand), Belgium (€120 thousand) and Morocco (€93 thousand),
- provisions for employee disputes in the amount of €1,307 thousand (versus €1,426 thousand at 31 December 2016), mainly recognised in France for €1,303 thousand;
- provisions for liabilities and charges in the amount of €1,276 thousand (against €1,685 thousand at 31 December 2016), mainly covering France (€717 thousand) and Germany (€362 thousand). They cover various risks, such as provisions for customer warranties and commercial disputes.

Provisions for retirement benefits totalled €3,981 thousand (versus €3,773 thousand at 31 December 2016). These mainly concern the French entities. The key assumptions for the calculation of provisions for retirement benefits are identical to those adopted at 31 December 2016. The Group's service cost for the period totalled €230 thousand and the financial cost amounted to €37 thousand.

4.12 Other non-current assets and liabilities

| Assets In thousands of euros | 30 June 2017 | 31 December 2016 |
|---------------------------------|--------------|------------------|
| Other | 154 | 272 |
| Total | 154 | 272 |

Other non-current assets consist primarily of non-current prepaid expenses recognised by Devoteam Belgium in the amount of €137 thousand.

| Liabilities In thousands of euros | 30 June 2017 | 31 December 2016 |
|--------------------------------------|--------------|------------------|
| Other non-current liabilities | 4,854 | 4,712 |
| Deferred income | - | - |
| Total | 4,854 | 4,712 |

Other non-current liabilities mainly break down as follows:

- earn-out liabilities in the amount of €3,455 thousand, of which €1,839 thousand for HNCO group and €1,010 thousand for Devoteam G Cloud;
- non-current liabilities related to mandatory severance pay in the event of departures of employees in Italy in the amount of €638 thousand;
- non-current liabilities related to the deferred portion of the Globicon acquisition price in the amount of €436 thousand.

Note 5 – Information on the income statement

5.1 Comparative information

Pursuant to AMF Instruction No. 2007-05 dated 2 October 2007, pro-forma financial statements must be prepared if the scope of consolidation varies by more than 25% during the period. As the impact was less than 25%, the Group has no obligation to prepare pro-forma financial statements. The impact of changes in scope for the period is summarised in note 3.

However, in accordance with IFRS 5, the Group has restated the comparative periods of activity of Between, the effects of which are presented in note 3.2.3.

5.2 Operating segments

Under IFRS 8, operating segments must be based on internal reporting regularly reviewed by the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing the performance of the various operating segments, are the co-CEOs, who are responsible for taking strategic decisions within the Executive Committee.

These “geographical splits” were established in accordance with various criteria to ensure consistency:

- revenue in the region: each region is the sum of countries that generate a certain volume of revenue;
- a natural central point for the region (e.g. a “large” country plus a number of “smaller” countries) or an appropriate split between entities (a number of “small” countries);
- geographical, linguistic and cultural proximity between countries of the same region;
- synergy between offers: capturing growth opportunities by developing synergy between offers (e.g. by extending an offer from one country to another country within the same region).

The regions thus created are as follows:

- “**France**”, which includes the French entities, as well as service centres in Morocco and Spain;
- “**Northern Europe & Benelux**”, which consolidates entities in the United Kingdom, the Scandinavian countries excluding discontinued operations, Luxembourg, Belgium and the Netherlands excluding Between;
- “**Central Europe**”, which consists of Germany, Austria, Poland and the Czech Republic;
- “**Rest of the world**”, which consists of the Middle East, Algeria, Spain (excluding service centres), Italy, Morocco (excluding service centres), Mexico, Tunisia, Turkey and Panama;
- the “**Corporate & other**” sector covers head office activities that cannot be directly allocated to operational regions, and residual elements of discontinued operations (mainly outsourcing);
- the “**Divestments**” sector, which in 2017 includes activities held for sale (Between). In 2016, this sector included the activities of Grimstad in Norway, deconsolidated on 1 May 2016, and Devoteam Genesis, deconsolidated on 1 July 2016;
- in 2016, the “**Between**” region only included the activities of the Dutch entity Between.

The definition of the “geographical splits” in 2016 and 2017 is presented below for the entire scope.

| Entity | Country | 30 June 2017 | 30 June 2016 | Entity | Country | 30 June 2017 | 30 June 2016 |
|---------------------------------|----------------------|---------------------------|---------------------------------------------|------------------------------------------------------|---------------|---------------------------|---------------------------------------------|
| Devoteam Middle East FZ LLC | United Arab Emirates | Rest of the world | Rest of the world | MyFowo.com | France | Corporate & other | Not applicable |
| Devoteam Consulting GmbH | Austria | Central Europe | Central Europe | Devoteam N/V | Belgium | Northern Europe & Benelux | Northern Europe & Benelux excluding Between |
| Devoteam s.r.o | Czech Republic | Central Europe | Central Europe | DFSJ | Belgium | Corporate & other | Not applicable |
| Devoteam A/S | Denmark | Northern Europe & Benelux | Northern Europe & Benelux excluding Between | Devoteam Genesis AG | Switzerland | Not applicable | Divested entities |
| HNCO International* | Denmark | Not applicable | Not applicable | Devoteam GmbH | Germany | Central Europe | Central Europe |
| HNCO Denmark* | Denmark | Not applicable | Not applicable | Fontanet GmbH | Germany | Corporate & other | Corporate & other |
| Forretningsystemer ApS* | Denmark | Not applicable | Not applicable | Q-Partners Consulting & Management | Germany | Central Europe | Central Europe |
| Globicon | Denmark | Northern Europe & Benelux | Not applicable | Devoteam Fringes S.A.U. | Spain | Rest of the world | Rest of the world |
| Devoteam Consulting Algeria | Algeria | Rest of the world | Rest of the world | Keivox | Spain | Corporate & other | Corporate & other |
| Devoteam Consulting AS | Norway | Northern Europe & Benelux | Northern Europe & Benelux excluding Between | DPI | Spain | Rest of the world | Rest of the world |
| Fornebu Consulting AS | Norway | Northern Europe & Benelux | Northern Europe & Benelux excluding Between | Drago Solution S.A.U. | Spain | Rest of the world | Rest of the world |
| Devoteam Consulting | France | France | France | Softoro Development Center S.A.U. | Spain | Rest of the world | Rest of the world |
| Devoteam S.A. | France | France | France | Devoteam Cloud Services | Spain | Rest of the world | Rest of the world |
| Devoteam Outsourcing | France | Corporate & other | Corporate & other | MyG for work Espana | Spain | Rest of the world | Rest of the world |
| Exa ECS | France | Corporate & other | Corporate & other | Devoteam UK Limited | Great Britain | Northern Europe & Benelux | Northern Europe & Benelux excluding Between |
| S'team Management | France | France | France | Devoteam Italy SRL | Italy | Rest of the world | Rest of the world |
| Shift by Steam | France | France | France | Voxpilot Limited | Ireland | Corporate & other | Corporate & other |
| Inflexys | France | Corporate & other | Corporate & other | Devoteam S.A. | Luxembourg | Northern Europe & Benelux | Northern Europe & Benelux excluding Between |
| Axance | France | France | France | Devoteam Consulting Holding | Luxembourg | Corporate & other | Corporate & other |
| RVR Parad | France | France | France | Devoteam Communication SARL | Luxembourg | Corporate & other | Corporate & other |
| Siticom | France | France | France | Devoteam SARL | Morocco | Rest of the world | Rest of the world |
| Devoteam G Cloud | France | France | France | Devoteam Services SARL | Morocco | Rest of the world | France |
| Be Team | France | France | France | Devoteam Consulting Maroc | Morocco | Rest of the world | Rest of the world |
| Progis | France | Corporate & other | Corporate & other | Devoteam Mexico | Mexico | Rest of the world | Rest of the world |
| Inflexys | France | Corporate & other | Corporate & other | Devomex Cloud Services | Mexico | Rest of the world | Not applicable |
| Axance People | France | France | France | Devoteam Nederland BV | Netherlands | Northern Europe & Benelux | Northern Europe & Benelux excluding Between |
| Devoteam Cloud Services | France | France | France | Between Holding BV | Netherlands | Between | Between |
| Devoteam Digital Factory | France | France | France | Drago Solutions Corp. | Panama | Rest of the world | Rest of the world |
| My-G SAS | France | France | France | Devoteam S.A. | Poland | Central Europe | Central Europe |
| Marflie | France | Corporate & other | Not applicable | Media-Tel LLC | Russia | Rest of the world | Not applicable |
| Technologies & Opérations | France | France | Not applicable | Devoteam SARL | Tunisia | Rest of the world | Rest of the world |
| Devoteam Customer Effectiveness | France | France | Not applicable | Devoteam Information Technology and Consultancy A.S. | Turkey | Rest of the world | Rest of the world |
| Fi-makers | France | France | Not applicable | | | | |

* Entities merged into Devoteam A/S Denmark.

Comparative segment information in respect of 2016 has been restated to match the new structure of operating segments.

The key performance indicators set out below are used by the Group in its internal reporting and are identical to those applied at the 2016 reporting date (see note 3.19 to the 2016 financial statements):

- first, operating margin is defined as current operating result before the impact of share-based compensation and the amortisation of business relationships acquired in business combinations;
- second, the group contribution is defined as the total revenue (internal and external) of an operating segment less the cost of internal subcontracting acquired from other Group entities. This indicator reflects the segment's contribution to consolidated revenue from its own resources. The sum of group contributions of the operating segments is the Group's consolidated revenue.

The results and assets of the various operating segments are presented below:

| In thousands of euros | France | | Northern Europe & Benelux | | Central Europe | | Rest of the world | | Corporate & other | | Divested entities | | Total Group | |
|-----------------------------------------------------------------|--------------|--------------------------------------|---------------------------|--------------------------------------|----------------|--------------------------------------|-------------------|--------------------------------------|-------------------|--------------------------------------|-------------------|--------------------------------------|----------------|--------------------------------------|
| | 30 June 2017 | 30 June 2016 restated ⁽²⁾ | 30 June 2017 | 30 June 2016 restated ⁽²⁾ | 30 June 2017 | 30 June 2016 restated ⁽²⁾ | 30 June 2017 | 30 June 2016 restated ⁽²⁾ | 30 June 2017 | 30 June 2016 restated ⁽²⁾ | 30 June 2017 | 30 June 2016 restated ⁽²⁾ | 30 June 2017 | 30 June 2016 restated ⁽²⁾ |
| Group contribution ⁽¹⁾ | 132,246 | 114,838 | 61,800 | 58,436 | 27,823 | 22,711 | 35,071 | 38,064 | (428) | (155) | 0 | 4,222 | 256,511 | 238,116 |
| Depreciation and amortisation of tangible and intangible assets | (615) | (629) | (280) | (242) | (194) | (208) | (196) | (204) | (239) | (238) | 0 | (45) | (1,524) | (1,566) |
| Operating margin ⁽¹⁾ | 17,048 | 14,781 | 4,551 | 4,324 | 2,371 | 1,708 | 2,061 | 2,318 | (581) | (1,082) | 0 | (81) | 25,450 | 21,969 |
| Operating income | 15,306 | 14,216 | 4,311 | 4,063 | 2,114 | (537) | 1,459 | 2,210 | (1,478) | (4,064) | 0 | (83) | 21,712 | 15,806 |

(1) See definition in note 3.19 to the 2016 financial report.

(2) These are the geographical splits following the 2017 reallocations.

| | | |
|-------------------------------------------------------|---------------|--------------|
| Net financial income/(loss) | (944) | (1,088) |
| Income from associates | 111 | (121) |
| Income tax expense | (7,797) | (5,935) |
| Net income from continuing operations | 13,082 | 8,661 |
| Profit (loss) from discontinued operation, net of tax | 549 | 528 |
| Net income | 13,631 | 9,189 |

Impairment losses on goodwill and other assets (see note 4.3) are allocated to the "Corporate" operating segment.

| In thousands of euros | France | | Northern Europe & Benelux | | Central Europe | | Rest of the world | | Corporate & other | | Divested entities | | Total consolidated assets | |
|-----------------------|--------------|---------------------------|---------------------------|---------------------------|----------------|---------------------------|-------------------|---------------------------|-------------------|---------------------------|-------------------|---------------------------|---------------------------|---------------------------|
| | 30 June 2017 | 31 December 2016 restated | 30 June 2017 | 31 December 2016 restated | 30 June 2017 | 31 December 2016 restated | 30 June 2017 | 31 December 2016 restated | 30 June 2017 | 31 December 2016 restated | 30 June 2017 | 31 December 2016 restated | 30 June 2017 | 31 December 2016 restated |
| Segment assets* | 159,822 | 140,839 | 90,316 | 91,983 | 37,840 | 37,697 | 55,027 | 62,922 | 34,551 | 32,094 | 27,725 | 36,581 | 405,280 | 402,117 |

* Assets shared by two segments are broken down in proportion to the "group contribution" generated during the period.

The results and assets of the various operating segments are presented below in comparison with restated information for 2016.

| In thousands of euros | France | | Northern Europe & Benelux | | Central Europe | | Between | | Rest of the world | | Corporate & other | | Divested entities | | Total Group | |
|-----------------------------------------------------------------|-----------------------|---------------------------------------|---------------------------|---------------------------------------|-----------------------|---------------------------------------|-----------------------|---------------------------------------|-----------------------|---------------------------------------|-----------------------|---------------------------------------|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
| | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ | 30 June 2016 restated | 30 June 2016 presented ⁽¹⁾ |
| Group contribution ⁽²⁾ | 114,838 | 115,249 | 58,436 | 58,436 | 22,711 | 22,711 | 0 | 0 | 38,064 | 37,653 | (159) | (159) | 4,222 | 4,222 | 238,112 | 238,112 |
| Depreciation and amortisation of tangible and intangible assets | (629) | (632) | (242) | (242) | (208) | (208) | 0 | 0 | (204) | (201) | (238) | (238) | (45) | (45) | (1,566) | (1,626) |
| Operating margin ⁽²⁾ | 14,781 | 14,804 | 4,324 | 4,324 | 1,708 | 1,708 | 0 | 0 | 2,318 | 2,295 | (1,082) | (1,082) | (81) | (81) | 21,969 | 22,658 |
| Operating income | 14,216 | 14,239 | 4,063 | 4,063 | (537) | (536) | 0 | 0 | 2,210 | 2,187 | (4,064) | (4,064) | (83) | (83) | 15,806 | 16,495 |

(1) Data restated for Between (see note 3.2.3).

(2) See definition in note 3.19 of the 2016 financial report.

| | | |
|-------------------------------------------------------|--------------|--------------|
| Net financial income/(loss) | (1,088) | (1,088) |
| Income from associates | (121) | (121) |
| Income tax expense | (5,935) | (5,935) |
| Net income from continuing operations | 8,661 | 8,661 |
| Profit (loss) from discontinued operation, net of tax | 528 | 528 |
| Net income | 9,189 | 9,189 |

| In thousands of euros | France | | Northern Europe & Benelux | | Central Europe | | Between | | Rest of the world | | Corporate & other | | Divested entities | | Total consolidated assets | |
|-----------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
| | 31 December 2016 restated | 31 December 2016 presented | 31 December 2016 restated | 31 December 2016 presented | 31 December 2016 restated | 31 December 2016 presented | 31 December 2016 restated | 31 December 2016 presented | 31 December 2016 restated | 31 December 2016 presented | 31 December 2016 restated | 31 December 2016 presented | 31 December 2016 restated | 31 December 2016 presented | 31 December 2016 restated | 31 December 2016 presented |
| Segment assets* | 140,839 | 141,530 | 91,983 | 91,983 | 37,697 | 37,692 | 0 | 36,081 | 62,922 | 62,231 | 32,094 | 32,099 | 36,581 | 500 | 402,117 | 402,117 |

* Assets shared by two segments are broken down in proportion to the group contribution generated during the period.

5.3 Share-based payment

The impact of stock option plans and the free share plan, classified in operating margin and current operating profit at 30 June 2017, totalled €(11) thousand (versus €(28) thousand at 30 June 2016) and €(997) thousand (versus €(534) thousand at 30 June 2016) respectively.

The terms and conditions of existing option plans are described in the 2016 financial statements.

5.4 Other operating income and expenses

The main components of other operating income and expenses are as follows:

| In thousands of euros | | | | | |
|-------------------------------------------|----------------|--------------------------------------|-----------------------------------------------------------------|--------------|--------------------------------------|
| Other operating expenses | 30 June 2017 | 30 June 2016 restated ⁽¹⁾ | Other operating income | 30 June 2017 | 30 June 2016 restated ⁽¹⁾ |
| Restructuring expenses | (1,443) | (3,479) | Income from the reversal of unused provisions for restructuring | - | 534 |
| Net value of fixed assets sold | - | - | Net value of fixed assets sold | 1 | 15 |
| Net loss on disposals of subsidiaries | - | (1,333) | Net gain on disposal of subsidiaries | - | - |
| Impairment of goodwill ⁽²⁾ | (972) | - | | - | - |
| Impairment of other assets ⁽³⁾ | - | (1,228) | Gains on acquisitions | - | - |
| Vesting period of securities | - | (30) | | - | - |
| Miscellaneous | (303) | (4) | Miscellaneous | 118 | 131 |
| Total | (2,717) | (6,073) | Total | 119 | 680 |

(1) See note 3.2.3, assets held for sale.

(2) Corresponds to impairment of goodwill for Devoteam Netherlands.

(3) Corresponds to impairment losses for Switzerland (IFRS 5).

At 30 June 2017, income and expenses linked to restructuring mainly related to the adjustment of resources and the costs of downsizing. These costs primarily concern the Spanish entities (€463 thousand), the German entity (€357 thousand) and the French entities (€330 thousand).

Impairment of goodwill relates to impairment losses on the Devoteam Netherlands CGU in the amount of €972 thousand (see note 4.3).

5.5 Financial income and expenses

At 30 June 2017, the main components of financial income were as follows:

| In thousands of euros | | | | | |
|--------------------------------------------------------------------|----------------|------------------------|-----------------------------------------------------------|--------------|------------------------|
| Financial expenses | 30 June 2017 | 30 June 2016 restated* | Financial income | 30 June 2017 | 30 June 2016 restated* |
| Negative exchange rate differences | - | (679) | Positive exchange rate differences | 68 | - |
| Interest on bonds measured at the effective interest rate | (508) | (508) | Interest on bonds measured at the effective interest rate | - | - |
| Interest on finance leases measured at the effective interest rate | (8) | (16) | | - | - |
| Discounting of long-term financial liabilities | (89) | (73) | | - | - |
| Provisions on financial assets | (80) | - | Provisions on financial assets | - | 173 |
| Other financial expenses | (389) | (355) | Other financial income | 61 | 371 |
| Total | (1,073) | (1,631) | Total | 129 | 544 |

(*) See note 3.2.3, assets held for sale.

Net financial income for the period was up by €144 thousand from 30 June 2016, mainly due to:

- positive exchange rate differences over the period for €68 thousand, whereas at 30 June 2016 exchange rate differences linked mainly to intra-group receivables and loans in currencies not hedged by the Group weighed negatively on the Group's consolidated financial statements;
- a reduction in other financial income compared with 30 June 2016. The latter mainly corresponded to changes in assumptions related to earn-out clauses;
- accrued interest for the period on the bond issued in July 2015 remained stable at €508 thousand.

The Group's net borrowing costs break down as follows:

| In thousands of euros | 30 June 2017 | 30 June 2016 restated |
|-------------------------------------------------------------------------|--------------|-----------------------|
| Interest expense on financing operations at the effective interest rate | (904) | (879) |
| Income and expense from interest rate hedges on financial debt | - | - |
| Gross borrowing costs | (904) | (879) |
| Interest income from cash and cash equivalents | 22 | 67 |
| Capital gains on assets at fair value through profit or loss | - | - |
| Net borrowing costs | (882) | (812) |

5.6 Income tax expense

The income tax expense recognised is determined on the basis of the Management's best estimate of the weighted average annual tax rate expected for the full year, applied to interim pre-tax profit, in accordance with IAS 34.

At 30 June 2017, the increase in tax expense from continuing operations is mainly due to the improvement in the Group's earnings and amounted to €7,797 thousand, compared with €5,935 thousand at 30 June 2016. It also includes additional local taxes (CVAE in France and IRAP in Italy) of €1,501 thousand at 30 June 2017, compared with €1,192 thousand at 30 June 2016.

The effective tax rate is therefore 37.3%, versus 40.7% at 30 June 2016. Excluding the impact of gains or losses on disposal of subsidiaries and impairment with no tax effect (€972 thousand at 30 June 2017 and €2,561 thousand at 30 June 2016), the effective tax rate is 35.7%, versus 34.7% at 30 June 2016.

The balance of unrecognised tax loss carryforwards stood at €14,403 thousand at 30 June 2017, compared with €12,645 thousand at 31 December 2016. The difference is mainly due to €2,929 thousand in unrecognised losses of the acquired entity Myfowo.com.

The expiration dates of the tax loss carryforwards did not change significantly in the first half of 2017. These tax loss carryforwards have no expiration date, except at Devoteam Poland, where most of them expire in 2018 and 2019. These have not been recognised as there is not sufficient probability that taxable profit will allow them to be used within a three-year period.

Note 6 – Miscellaneous information

6.1 Breakdown of the workforce

The Group's workforce totalled 4,422 employees at 30 June 2017, compared with 4,229 at 31 December 2016 and 4,002 at 30 June 2016, and consists almost entirely of managers.

6.2 Related parties

6.2.1 Information on remuneration and benefits allocated to management bodies

The remuneration of the members of the Management board is as follows:

| In thousands of euros | 30 June 2017 | 30 June 2016 |
|------------------------------------------|--------------|--------------|
| Short-term employee benefits | 555 | 525 |
| Post-employment benefits | - | - |
| Employment contract termination benefits | - | - |
| Directors' fees | 100 | 100 |
| Share-based payments | - | - |
| Total | 655 | 625 |

These amounts include total gross remuneration, including benefits in kind and the value of stock options granted during the period. Executive corporate officers are not eligible for any long-term benefits.

6.2.2 Information on associates and other related parties

Sales and purchases with related parties are made at market prices. The following table gives a breakdown of the total amount of related party transactions:

| In thousands of euros Recorded amounts | 30 June 2017 | | | 30 June 2016 | | |
|-------------------------------------------|--------------|----------------|-------------------------|--------------|----------------|-------------------------|
| | Associates* | Joint ventures | Other related parties** | Associates | Joint ventures | Other related parties** |
| Sales to related parties | 73 | - | - | 156 | - | 22 |
| Purchases from related parties | 483 | - | 1,036 | 238 | - | 1,793 |
| Dividends and other investment income | 14 | - | - | - | - | - |
| Interest and financial expense | 8 | - | - | 10 | - | - |
| Other operating income | - | - | - | - | - | - |
| Other operating expenses | - | - | - | - | - | 569 |
| Receivables from related parties | 1,822 | - | 537 | 1,084 | - | 1,854 |
| Payables to related parties | 202 | - | 716 | 74 | - | 828 |

* Includes Keivox, Inflexsys, Exa ECS, Progis, DFSJ, Media-Tel, HNCO AB and Bengs for the 2017 financial year.

** Includes SCI 73 rue Anatole France, Myfowo.com and Accytime for the 2016 financial year.

Under the memorandum of understanding of 21 March 2017 relating to the acquisition of Myfowo.com, members of Devoteam's Management Board sold all their shares for a nominal €1 and waived their current accounts. Consequently, Devoteam no longer has a direct interest in either Myfowo.com or Accytime. The nature of other related-party transactions is essentially unchanged from 31 December 2016.

6.3 The Group's exposure to financial risks

The Group's exposure to financial risks, as described in its financial statements to 31 December 2016, has not significantly changed. The accounting policies and calculation methods (e.g. fair value measurement) have not been modified.

6.3.1 Credit risk

The Group has not identified any new credit risk on trade receivables or investments of its cash surplus.

6.3.2 Interest rate risk

Interest rate risk is managed by the Group's Finance Department in connection with its main bank counterparties. The Group's policy is to hedge against an increase in its future repayments when its

exposure is significant. To this end, it uses financial derivative instruments contracted with leading banks. At 30 June 2017, since most of the Group's financial debt was fixed rate, no hedging instruments were in place.

6.3.3 Liquidity risk

Liquidity risk is the risk of the Group failing to meet its financial obligations. The Group's approach to managing this risk is to ensure that it at all times has sufficient funds to meet its liabilities as they fall due.

The Finance Department has established a prospective cash flow monitoring system (monthly and annual) for each Group operating entity, which gives it sufficient visibility to manage its liquidity risk.

The Group has conducted a specific review of its liquidity risk, and considers itself able to meet its future payments. At 30 June 2017, cash and cash equivalents including cash management assets and net of bank overdrafts of €82.7 million exceeded the €33.6 million in financial liabilities.

In 2015, the Group had renewed a number of revolving credit facilities (RCF) with leading banks, amounting to €30 million over a three-year period.

Draws on such facilities are subject to covenants and compliance with classic annual financial ratios for loans of this type. At the end of the period, the Group had not drawn down any sums on these credit facilities.

Lastly, the factoring agreement established in 2013 was still in effect at the closing date. The maximum amount allowed is €33 million, of which €16 million had been used at 30 June 2017.

6.4 Off-balance sheet commitments

There has been no material change in either the nature or amount of other off-balance sheet commitments presented in note 9.3 of the 2016 financial statements.

6.4.1 Other commitments

In January 2013, the Group was accused by an industry player of unfair competition, with the claim amount standing at €9.55 million. More than one year later, the opposing party produced a private report by an independent expert and significantly increased its initial demands. In addition to the fact that the Group has not committed any act of unfair competition, the intrinsic approach taken by the external expert is tainted by gross errors – as demonstrated by the report of another external expert commissioned by the Group. In December 2016, the Paris Commercial Court, while finding that it was possible to qualify certain of the Group's acts as representing unfair competition, was unable to determine the existence of a tort, and ordered a report by a court-appointed expert. The Group appealed against this decision. The assessment by the court-appointed expert was still ongoing at 30 June 2017.

In this context, the Group has not changed its initial position, and still considers the claim to be without merit. As such, it has not recorded a provision.

Note 7 – Subsequent events

On 7 July 2017, the Group finalised the acquisition of 80% of Technology Management and Network Services BV (TMNS), a Dutch consulting and integration company (integration, devops, data analytics, managed services). TMNS has approximately 200 employees and generated around €18 million in consolidated revenue in its last financial year. This acquisition will be consolidated from 1 July 2017.

On 21 July 2017, a memorandum of understanding was signed with the minority shareholders of Between, who already held 25% of the capital and voting rights, providing for the transfer of an additional 40% of the company's capital. The transaction is due to be finalised in September 2017 and will result in loss of control of the subsidiary. The Group will retain 35% of the capital and voting rights. This subsidiary was classified in assets held for sale in the financial statements to 30 June 2017 (see note 3.2.3).

On 6 August 2017, the Group signed a memorandum for the acquisition of 80% of D2SI, a French Cloud service and integration company (mainly Amazon Web Services). D2SI has approximately 100 employees and generated €13 million in consolidated revenue in its last financial year. This acquisition is expected to be consolidated from 1 October.

STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Dear Shareholders,

In compliance with the assignment entrusted to us by your General meeting and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we hereby report to you on:

- our limited review of the accompanying condensed interim consolidated financial statements of Devoteam S.A. for the period 1 January 2017 to 30 June 2017;
- the verification of information disclosed in the interim management report.

The interim consolidated financial statements were prepared by the Management Board. Our responsibility is to express an opinion on those financial statements on the basis of our limited review.

I - Opinion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review essentially consists of making inquiries of members of the management responsible for financial and accounting matters and applying analytical procedures. A review is substantially less extensive than an audit conducted in accordance with professional standards applicable in France. Consequently, unlike a full audit, a review only provides moderate assurance that the financial statements, taken as a whole, are free from material misstatement.

On the basis of our limited review, we identified no material misstatement likely to call into question, according to IFRS as adopted in the European Union, the accuracy and fairness of the condensed interim consolidated financial statements, and the true and fair view they present of the assets and financial position at 30 June 2017 and the results for the period then ended of the organisation consisting of the persons and entities included in the consolidation.

II – Specific verification

We also verified the information disclosed in the interim management report accompanying the condensed interim consolidated financial statements subject to our limited review. We have no comments to make as to its fairness and consistency with the condensed interim consolidated financial statements.

Paris La Défense, 22 September 2017

Neuilly-sur-Seine, 22 September 2017

KPMG Audit IS

Grant Thornton

Jean-Pierre Valensi
Partner

Vincent Papazian
Partner

STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the past six-month period have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of the company and of all the companies in the consolidated group, and that the accompanying interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the accounts, a description of the main related party transactions and a discussion of the principal risks and uncertainties for the remaining six months of the year. The Statutory Auditors' report on the condensed interim consolidated financial statements presented in this document can be found on page 37.

Stanislas de Bentzmann
Co-CEO