

PRESS RELEASE

Paris, April 28, 2017

**SMILE ANNOUNCES ITS 2021 OPEN ARROW STRATEGIC PLAN AND
WELCOMES EURAZEO PME, ITS NEW MAJORITY SHAREHOLDER, REPLACING
KEENSIGHT CAPITAL**

Smile, a leading integrator and outsourcer of open source solutions, welcomes its new majority shareholder and new resources for the roll-out of its OPEN ARROW 2021 strategic plan. Its aim is to create a new European IT champion generating over €200 million in revenue. The investment company Eurazeo PME, a subsidiary of the listed group Eurazeo, has been granted an exclusivity to purchase a stake in the French open source leader alongside the management team headed by Marc Palazon, replacing Keensight Capital, Smile's majority shareholder and Edmond de Rothschild Investment Partners (Cabestan). The transaction, scheduled for the end of May 2017, must first be approved by the French competition authority.

Created over 25 years ago, Smile has become a pivotal player in its market, thanks to a unique service range combining technical and business expertise in the areas of digital technology, E-business, embedded systems, the Internet of things, infrastructures, and business apps. Relying on the best open source solutions, Smile's ambition is to free up IT to release the innovation potential that lies in all companies.

With nearly 1,100 employees, of which approximately 900 in France, Smile has set a 2017 revenue target of €83 million. Reporting significant annual growth of 20% since 2007 and expanding internationally with 15 agencies in 7 countries, Smile is managed by an experienced and dedicated team led by Marc Palazon, Chairman of the Executive Board since 2007.

Eurazeo PME, a specialist in intermediate-sized businesses, will support Smile with the roll-out of its OPEN ARROW 2021 strategic plan combining Leadership, Innovation, Transformation and Passion. Based on the great surge in open source technology and digital business transformation, OPEN ARROW 2021 is intended to triple the company's revenue, through both strong organic growth and major acquisitions, and boost the international share of its activities to 20%. To reach this goal, Smile's management has set 5 priorities: promote the convergence of its offerings (such as digital technology and embedded systems), expand internationally, accelerate its consulting offering, develop its presence with key clients and do its utmost to work as a team. In the midst of rapid business growth, Smile will be able to count on the corporate expertise of Eurazeo PME and its international reach.

According to Marc Palazon, Chairman of the Smile Executive Board: *"This is a significant new phase for Smile, which I'm sure will provide great value to our clients and many opportunities to all our professionals who each day contribute to the company's success. We have never been so strong, and the successful cooperation with the teams of Keensight Capital and Edmond de Rothschild Investment Partners (Cabestan) was a tremendous experience that brought us a great deal. Backed by the power and ambition of Eurazeo PME, our new long-term shareholder, Smile can now take on a new development phase with both peace of mind and enthusiasm. France deserves a European champion*

in open digital technology, which is why we plan to triple our revenue by expanding our expertise and geographical positions. OPEN ARROW 2021 is based on three firm convictions that will drive success: collective intelligence, open innovation and shared satisfaction as a key drive to success.”

Philippe Crochet, Keensight Capital partner, added: *“We are proud to have helped the Smile managers and their teams with their many successes. In the last four years, Smile has reached a major milestone by combining sustained organic growth and build-ups with the acquisition of Open Wide, enabling it to boost its growth and bolster its leading position, and its presence with key French and international clients. In today’s increasingly dynamic market, Smile’s development prospects are excellent.”*

Pierre Meignen, a Eurazeo PME Managing Director, stated: *“We are very pleased to participate in the Smile project. Working with management, Eurazeo PME hopes to escalate the company’s performance over the long term through steady international development and external growth transactions. Eurazeo PME will contribute its resources, corporate expertise (CSR, HR, etc.) and its international business network to support the company’s lasting growth. Our ambition is to transform Smile into a new European IT champion with revenue exceeding €200 million.”*

About SMILE

Founded in 1991, Smile is the leading integrator and outsourcer of open source solutions.

Every year, nearly 1,100 employees spread across 7 countries contribute to several hundred strategic projects based on free and open source software for major French and European clients.

Mastering a wide range of open source products, components and frameworks, Smile offers four vertical ranges that complement its services, combining superior technical and business expertise: Digital and E-Business, Business Apps, Embedded Systems and the Internet of things, and Infrastructure. In 2016, Smile generated over €75 million in revenue.

www.smile.eu

About Eurazeo PME

Eurazeo PME is an investment firm and subsidiary of Eurazeo dedicated to majority investments in French SMEs with a value of less than €200 million. Eurazeo PME acts as a long-term shareholder, providing its portfolio companies with all the financial, organizational, and human resources they need for a sustained transformation. The group guides its portfolio companies in creating sustained and, hence, responsible growth. This commitment is formalized and deployed through a CSR (Corporate Social Responsibility) policy.

In 2016, Eurazeo PME generated €965 million in consolidated revenues and accompanied the development of the following companies: Dessange International, Léon de Bruxelles, Péters Surgical, Colisée, Vignal Lighting Group, Flash Europe, MK Direct Group, Orolia and AssurCopro. These companies are solidly positioned on their market and led by experienced management teams.

www.eurazeo-pme.com

About Keensight Capital

Keensight Capital, one of the leading European Growth Private Equity firms, is committed to supporting entrepreneurs as they implement their growth strategies. For almost 20 years now, our team of seasoned professionals have leveraged their knowledge in investment and growth industries to invest for the long term in profitable companies with high growth potential and revenues in the range of €15 million to €250 million.

Drawing on our expertise in a variety of sectors including Internet/Media, Information Technology, Healthcare and Services, we identify the best investment opportunities in Europe and work closely with management teams to develop and achieve their strategic vision.

www.keensightcapital.com

About Edmond de Rothschild Investment Partners

Edmond de Rothschild Investment Partners is a top unlisted private equity and venture capital player. Based in France, the company has investment teams in Paris, Lyon, Shanghai and Milan (via the exclusive partnership with Mast Capital). The management company has 41 employees, including 29 investment professionals, and manages over €1.2 billion.

In Small Cap development capital and transfer operations, Edmond de Rothschild Investment Partners has a fund of €113 million, Cabestan Capital, raised at the end of 2011, and several innovation mutual funds for a total of €150 million. The investment strategy is based on operations involving capital strengthening, reclassification of securities or transfer to profitable growth companies, generating between €10 million and €100 million in all sectors of the French economy.

Edmond de Rothschild Investment Partners is an Edmond de Rothschild group company.

www.edrip.fr

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