Press release

5 September 2013

Publication of H1 2013 results

Performances in line with Strategic Plan

Commenting on Altran's 2013 interim results, Group Chairman and Chief Executive Philippe Salle stated, "In a difficult economic climate, Altran has reported a good set of H1 2013 results in line with the 2015 Strategic Plan. The different measures carried out over the past few months bear out the Group's strategic objectives. Operating income was negatively impacted by weakened demand in the first quarter, as well as the reduced number of working days over the period. Further efforts were made to step up the productivity optimisation plans in H1. The positive impact of these plans already began to feed through in Q2, with the invoicing rate up to 85.3% vs. 82.9% in Q1 2013. In the short term, however, the plan has led to a slight drop in free cash flow[1] and net income compared to last year. Finally, measures taken in the past few months to reinforce the Group's financial structure bear out our external-growth objectives, enabling us, more than ever, to take an offensive stance regarding future acquisitions. The Group is looking ahead to a much brighter second half of 2013 and remains confident in its ability to achieve the financial objectives set out in its 2015 Strategic Plan."

(€m)	H1 2013	H1 2012
Revenues	**809.2**	**732.6**
Gross margin	207.7	200.4
As % of sales	***25.7%***	***27.4%***
Indirect costs	(157.6)	(144.7)
Operating income on ordinary activities	**50.1**	**55.7**
As % of sales	**6.2%**	**7.6%**
Other non-recurring operating income and expenses	(23.1)	(2.4)
Operating income	27.0	53.3
Financial expenses	(4.2)	(8.1)
Tax income/charges	(7.7)	(12.4)
Net income before discontinued operations	**15.1**	**32.8**
Net income/loss on discontinued operations	-	(2.4)
Minority interests	-	(0.1)
Net profit/(loss)	**15.1**	**30.3**

** 2012 figures are restated for the impact of revised IAS 19.*

[1] *Free cash Flow = (Ebit + depreciation & amortisation) – exceptional costs – tax– changes in WCR – Capex +/-WCR*

Results

Altran reported H1 2013 **revenues** of €809.2m, up more than 10% on H1 2012 levels (€732.6m). Excluding changes to the scope of consolidation (February 2013 acquisition of IndustrieHansa in Germany), consolidated organic growth came out at 1.1% over the period, with a sharp increase in Q2 (+3.2%). Organic growth in the first half was mainly driven by operations outside France (+5.6%).

The H1 2013 consolidated **gross margin**, at €208m (equivalent to 25.7% of sales) - vs. €200m (27.4% of sales) a year earlier - was impacted by a lower number of working days (1.7 fewer than in H1 2012). On a constant working-day basis, year-on-year gross margin rates would have been practically stable.

Thanks to tight management, **indirect costs** came out at €157.6m, and, as expected, continued to narrow in line with revenue trends (19.5% vs. 19.8% in H1 2012).

Operating income from ordinary activities came out at €50.1m, equivalent to 6.2% of H1 2013 sales, vs. 7.6 % in H1 2012. On a constant working-day basis, year-on-year margins would have remained stable.

Non-recurring expenses over the period amounted to €23.1m, vs. €2.4m in H1 2012. The sharp increase is due to the productivity optimisation measures undertaken in several of the Group's regional markets (€15.6m) and the costs associated with the acquisition of IndustrieHansa, as well as provisions for litigation.

The productivity optimisation plan began to bear fruit in the 2nd quarter with an improvement in the invoicing rate to 85.3 % vs. 82.9% in Q1 2013 and 84.8% in Q2 2012.

Thanks particularly to the early OCEANE-bond conversion in April 2013, **financial expenses** narrowed to -€4.2m in H1 2013 from -€8.1m at end-June 2012.

Net income came out at €15.1m over the period vs. €30.3m in 2012.

Cash and debt

Revenue growth of over 14% in Q2 2013, coupled with the consolidation of IndustrieHansa made for a €43m increase in Group WCR in the first half, despite a more than three-day improvement in DSO levels (89.1 days over the period vs. 92.7 at end-June 2012).

Given the high level of non-recurring charges paid out in the first half (€15m) and the above-mentioned increase in WCR, the Group generated negative free cash flow[1] of €25m over the first six months.

Consolidated net debt rose from €169m at end-December 2012 to €201m at end-June 2013 in line with the above-mentioned trends in H1 free cash flow[1] trends.

Outlook

Based on the information currently at its disposal, management has confirmed Altran's ability to deliver growth and profitability in 2013 in line with the financial objectives laid out in its Strategic Plan for 2015.

Additional information

Altran's Board of Directors met on Wednesday, 4 September 2013 to approve the H1 2013 financial statements.
The Statutory Auditors performed a limited review of half-year data at 30 June 2012 and 30 June 2013.

About Altran

As global leader in innovation and high-tech engineering consulting, Altran accompanies its clients in the creation and development of their new products and services. Altran's Innovation Makers[2] have been providing services for thirty years to key players in the Aerospace, Automotive, Energy, Railways, Finance, Healthcare and Telecoms sectors. Covering every stage of project development from strategic planning to manufacturing, Altran's offers capitalise on the Group's technological know-how in four key areas: Lifecycle Experience, Mechanical Engineering, Intelligent Systems and Information Systems.
In 2012, the Group generated revenues of €1,456m. Altran now has a staff of 20,000 employees in more than 20 countries.
http://www.altran.com

Financial Calendar

Thursday 31st October 2013	2013 3rd quarter revenues

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[2] *Employees of the Altran group*

In case of discrepancy between the French version and the English version of this press release, the French version shall prevail.