2016 REGISTRATION DOCUMENT

Including the annual financial report

altran

contents

2016 Registration Document

2016 Registration Document including the Annual Financial Report filed with the AMF on March 24, 2017

This document is a free translation of the original French text. In case of discrepancies, the French version shall prevail.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

"The 2016 Registration Document was filed with the French Financial Markets Authority (AMF) on March 24, 2017, in accordance with Article 212-13 of the AMF General Regulations. This document may be used to support a financial transaction if accompanied by a prospectus approved by the AMF. This document was prepared by the issuer and engages the responsibility of its signatories".

The present Registration Document is available on the AMF website *(www.amf-france.org)* and on the issuer's website *(www.altran.com)*.

Persons responsible

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Statement by the person responsible for the 2016 Registration Document

I declare that, after taking all reasonable measures for this purpose, the information contained in the present Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to give a false representation.

I declare that, to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets and liabilities, the financial situation and the results of the Company and all entities in its scope of consolidation, and that the Management Report (section 9) presents a faithful summary of the businesses, results and financial situation, as well as a description of the main risks and uncertainties of the Company and all entities in its scope of consolidation.

I have obtained a completion letter from the Statutory Auditors stating that they have audited the information relating to the financial position and the financial statements presented in this Registration Document and in the document as a whole. This completion letter contains no observations.

Dominique CERUTTI

Chairman and Chief Executive Officer

Person responsible for financial information

Albin JACQUEMONT

Executive Vice-President and CFO

Email: comfi@altran.com

Statutory Auditors

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Statutory Auditors

The permanent Statutory Auditors are members of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale de Versailles*).

Deloitte & Associés

Represented by Philippe Battisti

185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

First appointed: June 28, 2004

Mandate expires: at the 2022 Annual General Meeting held to approve the financial statements for the fiscal year ending December 31, 2021.

Mazars

Represented by Jean-Luc Barlet

Tour Exaltis – 61, rue Henri-Regnault
92075 La Défense Cedex

First appointed: June 29, 2005

Mandate expires: at the 2020 Annual General Meeting held to approve the financial statements for the fiscal year ending December 31, 2019.

Substitute Statutory Auditors

The substitute Auditors are members of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale de Versailles*).

BEAS

195, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

First appointed: June 28, 2004

Mandate expires: at the 2022 Annual General Meeting held to approve the financial statements for the fiscal year ending December 31, 2021.

Olivier Thireau

Tour Exaltis – 61, rue Henri-Regnault
92075 La Défense Cedex

First appointed: June 28, 2013

Mandate expires: at the 2020 Annual General Meeting held to approve the financial statements for the fiscal year ending December 31, 2019.

Selected financial information

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2016 results

Excellent 2016 results, net income +22% yoy, well on track for *Altran 2020. Ignition*

- **Consolidated revenues:** €2.120bn (+9.0% yoy and +5.9% organic growth[1]);
- **Current operating income:** €220m, 10.4% of revenues (+18.2% yoy);
- **Net income:** €122m (+21.9% yoy);
- **Free Cash Flow**[2]: €84m (4.0% of revenues); €119m (5.6% of revenues) pro forma[3];
- **EPS:** €0.71 per share (+22.4% on 2015);
- **Proposed dividend**[4]**:** €0.24 per share (+26.3% on 2015).

Commenting on the Group's 2016 results, Dominique Cerutti, Altran Chairman and Chief Executive Officer, said: *"Altran posted an excellent set of results in 2016, with a 9% growth, consolidated revenues over €2.1bn and a net income increase of 22%. This performance results from the combination of the group's success across all its geographies, the encouraging turnaround of our German operations, and a balanced portfolio reflecting a higher added-value positioning. With five acquisitions announced in 2016, the Group gained new strategic assets to sustain future growth. The Group's record performance, combined with positive market trends, provides a very solid base to the deployment of our* Altran 2020. Ignition *strategic plan."*

(in millions of euros)	2016	2015	%
Revenues	**2,120.1**	**1,945.1**	**+9.0%**
Gross margin[a]	616.4	558.1	+10.4%
As a % of revenues	*29.1%*	*28.7%*	
Indirect costs	(396.7)	(372.2)	+6.6%
Current operating income	**219.7**	**185.9**	**+18.2%**
As a % of revenues	*10.4%*	*9.6%*	
Other non-recurring operating income and expenses	(22.4)	(25.5)	
Goodwill impairment losses and amortization of intangible assets	(2.6)	-	
Customer-relationship amortization	(4.3)	(5.4)	
Operating income	**190.4**	**155.0**	**+22.8%**
Cost of net financial debt	(13.4)	(10.7)	
Other financial income and expenses	(2.0)	(0.4)	
Tax expenses/income	(52.4)	(43.3)	
Equity share in net income of associates	-	0.1	
Net income	**122.6**	**100.7**	**+21.7%**
Minority interests	(0.1)	(0.2)	
Net income attributable to Group	**122.5**	**100.5**	**+21.9%**
EPS *(in euros)*	0.71	0.58	+22.4%

(a) The gross margin is made up of the difference between the operating income (revenues and other operating income) and the consultants/projects costs.

(1) Organic growth is the reported growth restated for the impact of perimeter and change effects.
(2) FCF = (EBIT + D&A + non-cash P&L) - non-recurring items +/- WCC - Tax paid - Capex.
(3) Pro forma excluding the non-recurring impact of an invoicing shift linked to an ERP project in France.
(4) Share premium distribution.

2016: solid momentum and performance across all geographies and industries

Altran continues to benefit from the trust of its major clients and to reinforce its relationship with them: the number of clients with revenues above €20m was increased by 16% in 2016 and the number of deals above €1m grew by 25%.

2016 also marked the return of organic growth to the group's operations in Germany in the second half of the year. The turnaround was reinforced by acquisitions at the end of the year, enabling Altran to comfort its competitive position with complementary know-how.

Altran announced five strategic acquisitions during this period:

- **In the United-States,** with Synapse, Lohika and Pricol Technologies, the operations of Altran now exceed €230m on a full-year basis:
  - Synapse gives Cambridge Consultants, the group's subsidiary specialized in innovative product development, an access to the West Coast,
  - With Lohika, Altran accesses leaders in the Silicon Valley's high-tech ecosystem, strengthens its expertise in the development of agile software products and reinforces its Industrialized GlobalShore© network,
  - Finally, Pricol Technologies gives Altran a significant presence in the center of the country (Mid-West of the US), and adds a recognized and integrated delivery capability in India, serving the automotive industry;
- **In Germany,** with Swell and Benteler Engineering, Altran reinforces its market position in Germany and in the automotive sector. It now benefits from dedicated design, testing and prototyping capabilities in the Czech Republic. Germany is a priority market of the *Altran 2020. Ignition* strategic plan, with the objective of achieving more than €400m in revenues by 2020.

2016: another year of profitable growth, with excellent results

The 2016 consolidated financial statements were approved by the Board of Directors on March 8, 2017.

The Statutory Auditors' Report on the consolidated financial statements and the annual financial statements is an unqualified opinion and contains no observations.

Consolidated 2016 revenues rose to €2,120m. This represents a reported growth of 9.0% at the Group level, with revenues up +7.4% in France, +8.3% in Northern Europe, +8.2% in Southern Europe, and up +25.2% in the Americas and Asia. The Group generated a 5.9% organic growth, compared to the 4.5% organic compound annual growth rate planned in the *Altran 2020. Ignition* strategic plan and a 4.2% external growth.

The **gross margin** is up at 29.1%, with an invoicing rate of 87.3%, up 10 basis points on the 2015 levels.

Indirect costs (SG&A) as a percentage of revenues decreased to 18.7% from 19.1% in 2015, as a result of the Group's tight cost management maintained over the period. This performance is all the more impressive since it takes into account SG&A impact of acquisitions completed in 2016.

The **current operating income** rose by 18.2% year-on-year to €219.7m, corresponding to 10.4% of revenues, vs. 9.6% in 2015.

The **operating income** increased nearly by 22.8% on the 2015 levels. This includes the non-recurring costs of €22.4m booked over the period.

Overall, the **net income** came out at €122.6m, up +21.7% in 2015. EPS increased to €0.71 from €0.58 in 2015.

Maintained financial headroom

Altran generated a **free cash flow** [(1)] of €84m, corresponding to 4.0% of revenues. This performance reflects the non-recurring impact of an ERP project in France at the end of 2016, the deployment of which led to a deterioration of the average DSO levels of the Group to 83.7 days, compared to 77.5 in 2015.

Excluding this element, the pro-forma free cash flow amounts to €119m, equivalent to 5.6% of revenues. Furthermore, the management took immediate action and increased the use of non-recourse factoring to ensure there would be no cash impact.

The volatility observed on the free cash flow will be progressively reduced in 2017 and does not impact the 2020 objective of 7% for the Group's revenues, corresponding to a conversion rate of more than 50% of the current operating income.

(1) FCF = (EBIT + D&A + non-cash P&L) - non-recurring items +/- WCC - Tax paid - Capex.

At the end of 2016, Altran reported a net financial debt of €210m (vs. €144m at end-2015), implying a leverage ratio of 0.94x, well below its covenant at 2.5x of the EBITDA, even after investing a total of €139m in acquisitions (Synapse, Lohika, Swell and Benteler Engineering [(1)]), as well as financing a €33m dividend payout [(2)], and a total amount of €7m of share buybacks.

These results provide the company with a solid financial base to further implement the *Altran 2020. Ignition* strategic plan.

Proposed shareholder payout

At the General Shareholders Meeting on April 28, 2017, the Altran Board of Directors will propose the **distribution of a €0.24 per-share payout** to be financed from the share premium account. This represents a 26% increase on the 2015 payout of €0.19 per-share.

Altran 2020. Ignition "in motion"

Delivering augmented value

In 2016, Altran focused on augmenting the added value provided to its clients. Seven "World Class Centers" are already up and running, among which two were launched at the end of the year in the fields of Advanced Manufacturing and Innovation & Design respectively.

Examples of the Group's achievements also include the revenues generated by VueForge® IoT solutions, the deployment and extension to a broader ecosystem of the **CoherenSE®** electronic platform with Jaguar Land Rover, and the minority investments in Divergent 3D and H2Scan start-ups which serve our major clients like PSA or ABB.

Finally, this year, Altran created Altran Consulting, structured around three practices, and was recently selected by ENGIE for its industrial digital transformation.

Industrialized GlobalShore©

In 2016, Altran continued to develop **its Industrialized GlobalShore© model** on a large scale, with 4,500 experts in its four Global Delivery Centers in India, Morocco, Portugal and Ukraine. The Group also expanded its Global Delivery footprint with new facilities in Chennai and Pune in India, and in Portugal with Porto.

Altran had early successes in the fields of automotive and aerospace, in Morocco where the Group passed the symbolic 1,000-engineer mark, in India with semiconductors, and in Portugal in the sectors of telecoms and financial services.

Outlook for 2017

On the basis of the information currently at its disposal, the Management Board expects **2017 to be another year of profitable growth** for the Group.

(1) Pricol Technologies not included, its acquisition having been closed in February 2017.
(2) Financed from the share premium account.

Risks

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The Group reviewed the main downside risks that could impair its revenues, financial situation and results. These risks are outlined below.

4.1 Risks specific to the Group's activity

Risks linked to the Engineering and R&D Services (ER&D) market

Altran customers are mainly large European private and public accounts. The Group does not disclose the identity of its clients since this is considered strategic information.

Comparative trends in revenue contributions (as a percentage of consolidated revenues) of the Group's main clients since 2014 are given in the table below.

	2014	2015	2016
Top three clients	18.4%	17.9%	19.7%
Top five clients	23.4%	22.9%	25.3%
Top ten clients	33.2%	32.5%	33.7%
Top fifty clients	63.6%	62.9%	64.5%

The Group considers that its broad client-base and segmented offering (both in terms of region and sector) serve to limit the impact of a decline in business in any given country, market or with regard to any given client.

The Engineering and R&D Services (ER&D) market is, nevertheless, subject to rapid change, underpinned mainly by technological innovation, changing trends in customer demand, and the increasing globalization of major industrial groups, as well as changes in invoicing methods and contractual commitments. The Group's performance, therefore, depends on its ability to adapt to constant changes in the sector, master technological tools and provide services tailored to meet its clients' needs.

In addition, activity trends in the Engineering and R&D Services sector are underpinned by the outsourced R&D expenditure of contractor clients. Trends in R&D budgets are exposed not only to economic fluctuations, which are essentially pegged to GDP levels in a given geographical zone, but also to production trends in industrial sectors where declines during periods of severe economic slowdown can be sharper than for GDP. R&D spending also depends on outsourcing rates which vary according to the clientele because of cultural reasons or different business models, or due to the level of maturity of a given geographical zone and industrial sector.

The Engineering and R&D Services market has undergone a significant change over the last ten years with respect to the type of contracts signed with major clients. This is particularly the case for clients who have implemented rigorous procurement policies to reduce the number of partners and service providers. This shift in strategy is an opportunity for companies capable of developing a global offering at the international level. As such, Altran has significantly strengthened its positions with many of its clients.

Conversely, however, the impact of losing a contract offering approved-supplier status with a major customer could be more damaging and longer-lasting than for the types of contracts used in the past.

In the still-fragmented, Engineering and R&D Services market there is a move towards consolidation. Certain rivals with potentially greater financial, commercial, technical and human resources than Altran could forge long-term, strategic or contractual relationships with the Group's existing or potential clients on markets where it operates or is looking to expand. Keener competition or a sharp deterioration in the outlook for the Group's markets could therefore have an impact on the Company's market share and growth prospects.

Risk of bad and doubtful debt

The risk of bad and doubtful debt has always been limited for Altran. Bills are generally prepared once the client has agreed to the terms of the contract. At the Group level, a uniform system has been set up to monitor client payments and chase up all bills that are not paid on time. The risk of bad and doubtful debt is limited by two factors: firstly, the profile of Altran clients which, for the most part, are major reputed groups and, secondly, the size of the client-base, which enables the Group to spread risk.

However, one cannot rule out the possibility that economic conditions could weaken the financial position of some of the Group's clients, which would, therefore, heighten the risk of non-payment.

Risks linked to responsibility vis-à-vis clients and contract termination

A sizeable proportion of the Group's services are contractually bound by a best-endeavor obligation. Associated activities are billed on a time-spent basis, and present limited risk. Group relationships with customers seeking this type of service may only take the form of limited-period client orders. As is often the case for activities of this kind, these contracts do not necessarily stipulate any renewal conditions and, as such, may allow for termination at short notice. For the Group, therefore, this can be an element of uncertainty which could affect its revenues, financial situation and growth prospects.

For fixed-rate contracts containing a performance clause, revenue-recognition accounting principles require a risk-upon-completion assessment. Margin recognition is only carried out once it has been established that there is no risk of margins being jeopardized because of a performance obligation clause.

Service offerings and contracts involving a certain degree of risk, either at the quantitative level (in terms of revenues) or the qualitative level (in terms of commitments or specific constraints) are reviewed once a week by the Project Appraisal Committee (PAC). The Committee is made up of representatives from the financial, legal, transformation and programs departments, as well as the Executive Managers concerned by the dossiers presented and acts on behalf of the Executive Committee. The rules of engagement implemented throughout all Altran entities foster a sense of responsibility among the Group's teams and define their duties and limits. These rules serve to optimize risk control notably related to contracts, and their application is regularly audited by the Group's Internal Audit division.

Further details concerning fixed-price contracts are given in note 5.2 "Revenues", of section 20.3.1 "Consolidated financial statements", of the present Registration Document. These contracts may refer to fixed-price contracts with a performance obligation clause or to time-based contracts where the Group is only bound by a best endeavor obligation.

Risks linked to staff management

In Engineering and R&D Services sectors, the workforce is made up almost exclusively of highly qualified engineers who are much sought after on the job market in their specialist fields. The Group's growth potential depends largely on its ability to attract, motivate and retain highly qualified consultants with the requisite skills and experience, and to adapt its resources to meet client demand.

Altran is particularly exposed to the risk of losing its employees to competitors or to clients once a consultant mission has been completed.

Altran is, therefore, particularly attentive to staff recruitment, training, and career-development. To this end, the Group's integrated recruitment-management IT system is designed to provide access to a central database and harmonize Group procedures.

The consultant turnover rate widened from 20.3% in 2015 to 22.7% in 2016 (like-for-like). Since this rate is sensitive to changes in the economic environment, it is impossible to predict future staff-turnover levels.

In addition, there is always a risk that the Group would not be able to pass on (either immediately or further out) any wage increases it may have to grant, particularly those resulting from major labor-law changes or from tighter employment-market conditions in its main sectors or regional markets.

Risk attached to indirect-cost reduction objectives

In line with the Group's previous Strategic Plan, the *Altran 2020. Ignition* plan is targeting a further reduction in overheads as a percentage of revenues which narrowed to 18.7% in 2016.

While Management will pursue efforts to reduce the weight of indirect costs relative to sales, it cannot give any guarantees given the uncertain economic environment.

Risk associated to insurance cover of Group activities

The Group has taken out an insurance cover against those major risks (detailed below) run by its businesses that can be covered, subject to the exclusion clauses, guarantee limits and deductibles usually imposed by insurance companies operating on this market.

Subject to standard market exclusions, the Group believes that its current insurance cover is reasonable, with a level of deductibles consistent with the incidence of claims. Altran cannot, however, guarantee that all third party claims made or losses incurred are, or will be, covered by its insurance, nor that its current insurance policies will always be sufficient to cover the cost and damages arising from third party claims. In the case of claims or losses that are not covered by the insurance policies or significantly exceed the insurance cover limit, or in the event of a major reimbursement by the insurer, any resulting costs and damages could affect the Group's financial position.

The Company's insurance policies are underwritten by top ranking companies, consistent with the Group's businesses and in line with market conditions. The Group does not disclose the overall cost of its risk insurance management strategy since this information is confidential.

Civil liability

- Professional liability, public indemnity, product liability and general third party liability insurance: the integrated master policy, negotiated by Altran Technologies for all Group entities, provides the insured entities with public general liability and professional indemnity coverage against bodily injury, property damage and financial loss caused to third parties in the course of their business.
- Aviation/aerospace insurance: this program covers Altran Technologies and its subsidiaries operating in the Aeronautics and Aerospace sectors having specifically requested insurance cover. This policy covers against financial loss resulting from (i) civil liability as regards products and intellectual services in all engineering sciences related to the Group's aeronautic and aerospace activities, and (ii) flight grounding in the case of its aeronautics activities.
- In addition, specific insurance policies can be underwritten to cover certain contracts, such as decennial liability policies.

Car fleet insurance

The use of motor vehicles by employees for business purposes is covered by the Group's local policies which provide standard market cover.

Office insurance

The Group's multi-risk office insurance policies cover losses arising from damage to goods, furniture and fixtures, and the insured parties against fire, theft, water damage, machinery breakdown, etc.

Welfare, complementary health and personal assistance insurance

Company employees benefit from standard market cover including welfare insurance and complementary health insurance, as well as personal assistance insurance when travelling abroad on business, in line with market standards.

In addition, specific insurance policies can be underwritten to cover certain fixed-time contracts.

4.2 Liquidity risk

Net financial debt

At December 31, 2016, the Group's net debt came out at €209.5m, up €65.8m on end-2015 levels.

The bulk of net financial debt comprised 1/ €250m in bonds (of which €135m at a fixed interest rate of 3.75%, redeemable on July 16, 2019; €10m at a fixed interest rate of 2.81%, redeemable on July 17, 2020, and €105m at a fixed interest rate of 3.00%, redeemable on July 16, 2021); 2/ €54m on the Capex loan, repayable on a half-yearly basis until January 2018; 3/ a revolving credit facility in the amount of €70m until July 29, 2020; 4/ factoring lines for €60m; 5/ €243m in commercial paper issues; 6/ cash of €193m and 7/ cash equivalents totaling €285m, remunerated at variable interest rates.

All information pertaining to the Group's net financial debt is given in note 4.11 of section 20.3.1 "Consolidated Financial Statements", of the present Registration Document.

At end-December 2016, Altran had respected all of its banking covenant obligations. Nevertheless, given persisting uncertainty in the economic environment, it is possible that the Group may not be able to respect this ratio in the future. If Altran failed to respect this ratio, it would have to renegotiate the conditions, terms and borrowing costs with its banks. The Group is currently unable to assess the possible impact of such an eventuality.

Management has carried out a specific review of the liquidity risk and believes that the Company will be able to respect its debt repayments at maturity.

Cash management

Altran has set up a centralized cash-management system to reduce liquidity risk.

This mechanism regulates the use of cash flows at subsidiary and Group levels and is based on two main principles, namely:

- all subsidiary cash surpluses are invested exclusively in the Group's centralized cash-management subsidiary GMTS (Global Management Treasury Services), a company incorporated in France;
- GMTS invests these cash surpluses in money market instruments with sensitivity and volatility rates of less than 1% per annum.

The Group also issues commercial paper (maximum 1-year maturity) within the framework of a program registered with Banque de France. The level of borrowings attached to this program is capped at €500m.

According to management, Altran still has the financial resources to guarantee its development.

Liquidity risk management is ensured by the Group's financial management team.

4.3 Interest rate risk

At December 31, 2016, the Group's net financial debt amounted to €209.5m. The bulk of this comprised 1/ €250m in bonds (of which €135m at a fixed interest rate of 3.75%, redeemable on July 16, 2019; €10m at a fixed interest rate of 2.81%, redeemable on July 17, 2020, and €105m at a fixed interest rate of 3.00%, redeemable on July 16, 2021); 2/ €54m on the Capex loan, repayable on a half-yearly basis until January 2018; 3/ a revolving credit facility in the amount of €70m until July 29, 2020; 4/ factoring lines for €60m; 5/ €243m in commercial paper issues; 6/ cash of €193m, and 7/ cash equivalents totaling €285m, remunerated at variable interest rates. The impact of interest rate swings is therefore not significant, with the exception of the hedging positions detailed below.

The repayment schedule of the Group's bank debt and financial liabilities is given in the table below:

(in millions of euros)	< 1 yr	1 - 5 yrs	> 5 yrs
Financial liabilities	(419)	(268)	(1)
Financial assets	478	-	-
Net position before hedging contracts	59	(268)	(1)
Interest-rate hedging contracts	50	150	100

At December 31, 2016, the main characteristics of the Group's hedging contracts were as follows:

	Start date	Maturity	Type	Fixed rate	Nominal	Initial rate	Currency
BNP	01/29/2016	01/29/2017	*Progressive-rate* swap maturing at 01/29/2018	1.50%	37,500,000	Euribor3M	EUR
BNP	01/29/2017	01/29/2018	*Progressive-rate* swap maturing at 01/29/2018	1.95%	37,500,000	Euribor3M	EUR
SG	01/29/2016	01/29/2017	*Progressive-rate* swap maturing at 01/29/2018	1.46%	37,500,000	Euribor3M	EUR
SG	01/29/2017	01/29/2018	*Progressive-rate* swap maturing at 01/29/2018	1.95%	37,500,000	Euribor3M	EUR
Natixis	08/01/2012	02/01/2017	*Swap*	0.00%	50,000,000	Euribor 6M+11bps	EUR
Natixis	01/29/2016	01/29/2017	*Progressive-rate* swap maturing at 01/29/2018	1.30%	37,500,000	Euribor3M	EUR
Natixis	01/29/2017	01/29/2018	*Progressive-rate* swap maturing at 01/29/2018	1.80%	37,500,000	Euribor3M	EUR
CA	01/29/2016	01/29/2017	*Progressive-rate* swap maturing at 01/29/2018	1.15%	37,500,000	Euribor3M	EUR
CA	01/29/2017	01/29/2018	*Progressive-rate* swap maturing at 01/29/2018	1.80%	37,500,000	Euribor3M	EUR
CA	04/16/2015	04/16/2025	*Tunnel cap*	2.00%	25,000,000	Euribor3M	EUR
CA	04/16/2015	04/16/2025	*Tunnel floor*	-0.12%	25,000,000	Euribor3M	EUR
Commerzbank	07/21/2015	04/21/2025	*Tunnel cap*	2.00%	25,000,000	Euribor3M	EUR
Commerzbank	07/21/2015	04/21/2025	*Tunnel floor*	-0.15%	25,000,000	Euribor3M	EUR
Commerzbank	04/21/2016	04/21/2025	*Tunnel cap*	2.00%	50,000,000	Euribor3M	EUR
Commerzbank	04/21/2016	04/21/2025	*Tunnel floor*	-0.26%	50,000,000	Euribor3M	EUR

Interest risk management is ensured by the Group's financial management team.

4.4 Exchange-rate risk

The bulk of Group assets denominated in foreign currencies concern investments in countries outside the euro zone (mainly the US, the UK, and India).

At end-2016, the Group had contracted no significant financial debt in foreign currencies.

Commitments denominated in foreign currencies and whose degree of sensitivity are calculated in the table below concern intra-group loans.

Commitments denominated in foreign currencies at December 31, 2016

(in millions of euros) Currency	Assets	Liabilities	Net position	Exchange rate at 12/31/2016	Net position *(in euros)*	Sensitivity [(a)]
USD	137.5	0.0	137.5	0.9487	130.4	13.0
GBP	62.2	(30.5)	31.7	1.1680	37.0	3.7
CHF	0.0	(8.3)	(8.3)	0.9312	(7.7)	(0.8)
SEK	0.0	(7.7)	(7.7)	0.1047	(0.8)	(0.1)
SGD	0.5	0.0	0.5	0.6564	0.3	0.0
MXN	0.6	0.0	0.6	0.0459	0.0	0.0
NOK	6.4	0.0	6.4	0.1101	0.7	0.1
CAD	4.7	0.0	4.7	0.7048	3.3	0.3
CZK	334.0	0.0	334.0	0.0370	12.4	1.2
MAD	33.7	0.0	33.7	0.0938	3.2	0.3
TRY	0.8	0.0	0.8	0.2697	0.2	0.0
INR	1,452.9	0.0	1,452.9	0.0140	20.3	2.0
CNY		(1.0)	(1.0)	0.1366	(0.1)	0.0

(a) Sensitivity of net position to a 10% change in exchange rates.

In 2016, Altran generated revenues of €458.5m outside the euro zone. The Group has no systematic foreign-exchange hedging policy since the income generated, and the expenses incurred on the intellectual services it provides are denominated in the same currency.

4.5 Intangible asset risk

Goodwill is not amortized but is subject to at least one impairment test at December 31 of every year and at the interim stage if there are any indications of loss in value.

The impairment test methodology is detailed in notes 1.8, "Goodwill", and 4.1 "Net goodwill" of the appendix to the consolidated financial statements (section 20.3.1) in the present Registration Document.

Goodwill impairment tests carried out at December 31, 2016 were based on individual after-tax discount rates (WACC) for each CGU concerned and on revenue growth to infinity of 2%.

No impairment was recognized as a result of these tests.

The results of sensitivity tests carried out in terms of goodwill depreciation concerning the US/Canada CGU with a net value of €135m are summarized in the following table (in thousands of euros):

WACC		-1.00%	WACC	+1.00%
Growth rate to infinity	2.00%	0	0	15,993
	1.00%	0	7,715	26,706

In addition, an analysis of the sensitivity to a likely variation in EBIT rates in business plans shows that a decline of 3% in EBIT would make for goodwill impairment of €102.5m, and €29.4m, respectively for the Germany/Austria and the US/Canada CGUs.

Losses in value totaling €2.6m booked in the income statement at December 31, 2016 concern goodwill and the cessation of activity in India and Canada.

4.6 Environment risk

Since Altran provides intellectual services direct environmental risks are limited.

4.7 Legal and fiscal risks

Legal risk

In the course of its business, Altran may face legal action, concerning employment issues or other types of claims.

When a risk is identified, the Group may book a provision on the advice of counsel. Altran organizes a circularization of its outside counsel at the close of each fiscal period.

The Group is currently involved in criminal proceedings for fraud and disseminating false information susceptible to influence the share price (detailed in section 20.8 “Legal and arbitration proceedings” of the present Registration Document). Although Altran has no information concerning any other legal action taken out against the Group to date, the possibility of further legal proceedings, complaints or claims cannot be ruled out.

To the best of the Group’s knowledge, no pending or threatening state, legal or arbitration proceedings (including all disputes that the Company is aware of), had a major impact (or are likely to do so in the future) on the financial situation or profitability of the Company and/or Group over the last 12 months other than those described in section 20.8 “Legal and arbitration proceedings” of the present Registration Document.

Fiscal risk

Altran operates in many countries throughout the world which use different tax regimes. Fiscal risk is therefore associated to changes in legislation (which can be applied retroactively), the interpretation of tax legislation and regulations, as well as trends in jurisprudence governing the application of fiscal legislation.

Fiscal regulations in the countries where Altran operates change constantly and, as such, may be subject to interpretations. The Group cannot offer any solid guarantee that its interpretations will not be called into question. Such an eventuality could have a negative impact on its financial situation and results. In addition, the Group is subject to regular fiscal controls and benefits from the right of appeal at the local level.

In an effort to comply with the local tax legislation and regulations in force, the Group relies on a network of tax experts to ensure that all tax obligations are respected and that fiscal risk is limited to a reasonable and normal level.

4.8 Investment risk

Most of the Group’s cash reserves are invested in:

- SICAV money-market funds;
- Tradeable debt securities;
- Investment growth bonds;
- Dedicated investment funds.

All investments yield returns based on day-to-day monetary rates, variable rates or the LIBOR benchmark rate in the case of foreign currency investments. The sensitivity of these investments, based on a 10% fluctuation in the benchmark index (EONIA or LIBOR), is 0.01%.

The market value of the Group’s marketable securities totaled €285.1m at December 31, 2016.

4.9 Brexit risk

The result of the June 23, 2016 Brexit referendum whereby the majority of the British people voted in favor of leaving the European Union had no major impact on the business levels of our UK subsidiaries. The main impact on the Group's 2016 financial statements was the depreciation of the pound sterling (2016 average exchange rate down 11% on 2015) which penalized the UK contribution to Group results.

Prime Minister Theresa May's announcement on October 2, 2016 to activate Article 50 of the EU "by the end of March 2017" only partially removed uncertainty with regard to the consequences of Brexit, given that UK exit negotiations could last two years. In addition, it is still too early to say what kind of commercial agreements that will, or will not, be agreed upon, notably with the countries remaining within the Union, and whether or not the UK tax policy will be sufficiently "aggressive" to retain and continue to attract investors.

At this stage, therefore, it is difficult to say what risks or opportunities Brexit could represent for the Altran group.

While regional business will depend on the sound financial health of our clients, some of whom may suffer the negative impact of Brexit, we believe that our positioning in the strategic R&D sector offers a certain degree of protection.

In monetary terms, a depreciated pound will continue to weigh negatively on the Group's aggregates but could also provide opportunities notably for Cambridge Consultants' clients based outside the UK.

Company information

05

5.1 Company background information and development

5.1.1 Company name

Altran Technologies.

5.1.2 Place of registration and registration number

Trade and Companies Register number: 702 012 956 RCS Nanterre.

Company registration number (Siren): 702 012 956.

Company registration number (Siret): 702 012 956 00653.

Business activity code: 7112 B.

5.1.3 Date of incorporation and lifetime

Altran Technologies was created on February 14, 1970 until February 14, 2045, unless the Company is dissolved before this date or its life is extended beyond this date by law and the Company's Articles of Association.

5.1.4 Domicile, legal form and governing legislation

Head office: 96, avenue Charles de Gaulle – 92200 Neuilly-Sur-Seine.

Legal form: Public Limited Company governed by a Board of Directors.

Governing legislation: French law including the French Commercial Code and subsequent legislation governing commercial businesses.

5.2 Main investments

Companies acquired over the past three fiscal years

2014		2015		2016	
Company	Country	Company	Country	Company	Country
Foliage Group	USA/India	Nspyre Group	The Netherlands/ Romania	Swell	Czech Republic
Tass Group	The Netherlands/ Belgium	OXO	France		
Scalae	Sweden	SiConTech (asset)	India	Synapse (asset)	USA/Hong Kong
Tigerline	Germany	Tessella Group	UK/USA/The Netherlands	Lohika	USA/Ukraine
Concept Tech Group	Austria/Canada Germany/Slovakia	IJS consultants	UK		
Altran Connected Solutions (ex-Treizelec)	France	Ingenieurbüro Otte (IBO)	Germany		

The amounts paid (initial payments plus earn-outs) for these acquisitions over the last three years are listed in the table below (in millions of euros):

2014	2015	2016
102.5	179.7	141.0*

* Including payments relative to 2017 acquisitions.

06

Information about the Group's businesses

6.1 Core activities

As global leader in Engineering and R&D Services (ER&D), Altran accompanies its clients in the creation and development of their new products and services.

The Group has been providing services for over thirty years to key players in almost every industry; the Aerospace, Defense, Railways, Automotive, Energy, Industry, Electronics, Healthcare, Telecoms and Finance sectors. The Group's services offerings span every phase of the R&D cycle, from innovation, design and development, through to prototyping and trials. In addition, Altran lends support during the manufacturing, production and after-sales stages. The Group capitalizes on its technological know-how in four specific domains:

- product and systems engineering;
- manufacturing and operations;
- digitization;
- industrial enterprise.

The Group's innovation skills and the unique expertise of its consultants, all of whom are graduates from the most prestigious schools and universities worldwide, have enabled Altran to consolidate its positions of excellence by developing modes of engagement tailored to meet the specific requirements of its clients throughout its different markets. The Group's Engineering and R&D Services offering takes the form of expert counseling, projects, service centers, and product-prototype creation.

As an international player, Altran is present in more than twenty countries, spread for the most part across Europe, Asia and the USA. In its role as a strategic partner, the Group offers global support for client projects, while ensuring a consistently high level of service. Altran also strives to maintain a local presence in order to provide client-specific support in dedicated and local markets.

Altran has also set up a technology department whose mission is to define the Group's technological strategy and roadmap, as well as to oversee its R&D programs and dedicated World Class Centers.

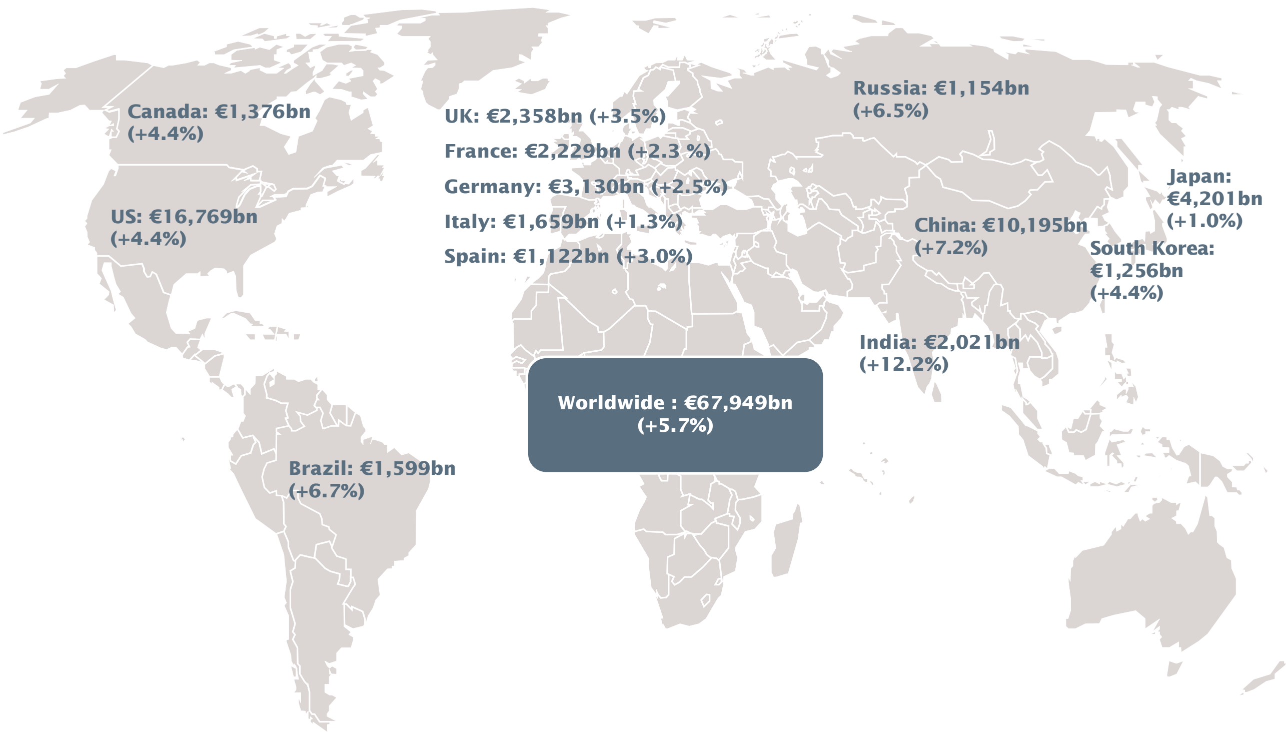
In addition, Altran is seeking to further strengthen its Innovative Product Development offering by investing in its premium brand, Cambridge Consultants. With laboratories in Cambridge (UK) and Boston (US), this company creates functional prototypes for its clients, ranging from small start-ups to major groups. Cambridge Consultants' services offering covers all the stages of product development, from concept creation through to production, thus enabling company clients to benefit from reduced time-to-market, enhanced return on investment and limited risk at the product-design level.

6.2 The Engineering and R&D Services market

Despite weak growth at the macroeconomic level, global R&D budgets should continue to increase by around 6% in euro terms in 2017. The US, the EU and Asia remain the biggest spenders in terms of Research and Development and together account for 90% of global R&D expenditure.

The US still accounts for the bulk of R&D volumes, followed by China and Japan. The European trio comprising Germany, France and the UK, are now being rivaled by the upcoming powers, such as South Korea and Brazil.

Macro-economic context: GDP 2016 trends and growth forecasts for 2017 *(current euro rates)*



Source: FMI (World Economic Outlook – October 2016).

In the Information and Communications Technology (ICT) market, expected strong growth in R&D expenditure will be fuelled by (i) demand for increasingly more sophisticated electronic components that are faster, miniaturized, mobile and, above all, more energy-efficient, (ii) developments made in the field of connectivity (notably to accommodate growth in Big Data flows and the Internet of Things), and (iii) Cloud Computing.

In the Automotive sector, sustained growth in R&D expenditure will be underpinned by ecological challenges (energy efficiency, electric vehicles), the development of connectivity and embedded systems, as well as increasingly stricter safety issues and progress being made with regard to the autonomous vehicle.

In the Energy, Chemicals and Advanced Materials sectors, strong growth trends in R&D expenditure will be driven by production-cost reduction strategies, the development of innovative materials, and the emergence of new energy sources. In the Oil and Gas segment, however, uncertainty surrounding fuel price prevails. If these trends persist, sector majors could be prompted to adapt their R&D budgets accordingly.

In the Pharmaceuticals industry, the complex process involved in developing drugs and the need to produce new molecules when older drug patents expire should offset the impact of cost reduction strategies adopted by the pharmaceutical majors. The outlook in this sector is becoming more uncertain due to the increasingly complex legislation involved in marketing new drugs, especially in the US.

Cuts in the US and European defense budgets, coupled with the completion of certain large-scale R&D programs focused on incremental developments in the Civil Aviation sector, should dent Research and Development spending in the Aerospace and Defense industries, where growth in R&D investment budgets is expected to stagnate, or even decline.

Activity in the Engineering and R&D Services market (which covers production and after-sales, as well as scientific, technical and industrial-IT activities) is also sensitive to trends in R&D expenditure. With an estimated value of €130bn in 2015, this market depends largely on R&D outsourcing rates, which vary by industry and by country, as well as on the percentage of R&D volumes carried out by private-sector companies relative to the portion treated by the public sector (which is less accessible). Favorable growth trends expected in this market in the next few years will be underpinned by increases in R&D spending and externalization levels, particularly in Northern America and Asia, as well as the development of transformational outsourcing. In view of these factors, Altran looks set to benefit from sustained growth in the years to come.

6.3 Competition

Altran is the global leader in the Engineering and R&D Services market. Group rivals in this market vary depending on the type of project and the geographical zone in which they operate.

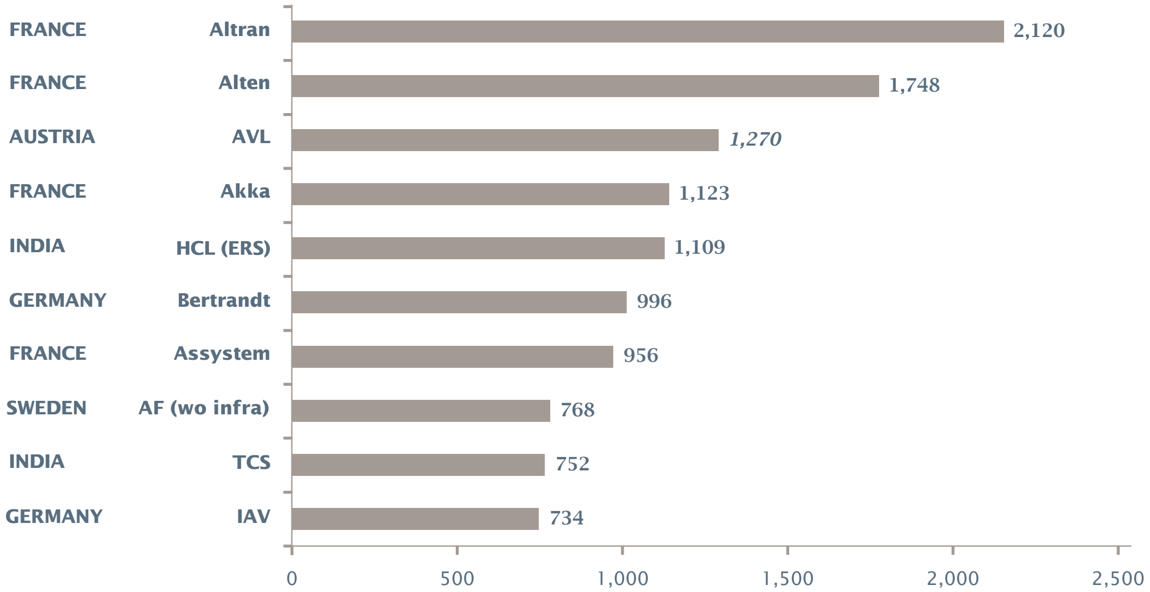
The Group's competitors may thus include:

- innovation and technological consulting agencies;
- certain IT-services providers operating in the scientific, technical and industrial IT segments;
- players offering low-cost outsourcing services in Asia, North Africa and Eastern Europe;
- specialized research departments which operate in a specific technological field and offer prototyping and testing services, as well as product development.

Unlike its rivals, who often operate in a single sector and/or country, the Group's activity profile has taken on a unique international dimension. As such, Altran benefits from its well garnished portfolio in terms of sectors of activities, expertise and technologies. The Group's ability to leverage its international network of World-Class Centers and to provide solutions by setting up working consortia to pool its cutting-edge skills in several countries is a key differentiating factor that enables Altran to address the challenges of its clients which are becoming increasingly global in nature.

Altran: leader on a market dominated by European players

Top ten industry players: 2016 revenues *(in millions of euros)*



2015 figures in italics.

Sources: corporate financial releases/Altran data.

6.4 Altran on its markets

As announced in the new *Altran 2020. Ignition* strategic plan, the Group's aim is to reinforce its leadership position on the still highly-fragmented Engineering and R&D Services market.

Altran has opted to:

- position the Group on its markets by delivering augmented value to its clients. To achieve this, Altran is adapting its value-creation models notably via the implementation of World-Class Centers;
- deploy an industrialized GlobalShore© model;
- further the Group's international expansion, notably in the US, India and Germany;
- pursue its quest for operational excellence.

In keeping with this strategy, Altran carried out several acquisitions in 2016 and the beginning of 2017 which served to reinforce our:

- expertise in innovative product development (Synapse, a company based on the West coast of the USA);
- presence in the USA and our Industrialized GlobalShore© model (Lohika and Pricol Technologies);
- operations in Germany (Swell and Benteler Engineering Services).

Weak growth trends at the macroeconomic level in 2017 warrants a certain degree of caution, without implying any substantial risk for the Group's business.

Globally, strong growth is expected in the coming years in the Healthcare, Automotive and High-Tech sectors.

In the Energy, Telecoms and Finance industries, persistent uncertainty and pricing pressure on players operating in our markets could dampen the Company's ambitions in these sectors.

In the Aeronautics industry, Altran is adapting its strategy to the shift in focus from R&D activities towards addressing challenges related to assembly-line ramp up and logistics optimization. Given the Group's expertise in production and logistics optimization acquired in the Automotive, Energy and Healthcare sectors, Altran is, more than ever, being regarded as a key partner for major Aeronautics players. Activity in the Aerospace & Defense industry continues to be penalized by uncertainties stemming from pressure on national budgets.

Overall, market concentration is expected to continue to the benefit of the sector majors, given pressure from clients seeking industrial partnerships. As such, trends over the last five years show that customers are tending to standardize their procurement processes and reduce the number of suppliers, a strategy which is pushing out small specialist players. Furthermore, client globalization is stimulating customer preference for players, like the Altran group, with extensive market reach.

In addition, the constant demand for increasingly higher levels of expertise has prompted the Group to enhance the high-tech profile of its solutions. With this in mind, Altran is setting up a global network of dedicated World-Class Centers equipped to master new technologies and processes and to address the challenges of its clients' markets and business ecosystems.

In its quest to become the preferred partner in Engineering and R&D Services for its clients, Altran provides guidance to major players whose goal is to imagine and innovate tomorrow's world. To this end, Altran draws on its cutting-edge expertise, as well as its ability to anticipate and react to address the strategic challenges and issues of its clients.

Organizational chart

07

The companies making up the Altran group's scope of consolidation are listed in note 2 "Scope of consolidation", of the appendix to the consolidated financial statements (section 20.3.1 of the present Registration Document).

All information regarding changes in the Group's scope of consolidation is given in section 5.2 "Main investments" of the present Registration Document.

The main cash flows between the parent company and its subsidiaries are described below.

Management fees, administration subcontracting and trademark royalties

As the parent company, Altran Technologies bears the costs of various support functions (management and strategy, marketing and technical departments, communications, information systems, human resources, legal services and accounting, etc.). The Company then bills the costs of these services to its subsidiaries in the form of services fees. Billing is calculated on a cost-plus basis and divided between the subsidiaries according to their operating revenues and use of resources.

The parent company also charges a royalty fee for the use of the Altran trademark. These royalties are calculated as a percentage of revenues.

In fiscal year 2016, the Altran Technologies corporate holding billed its subsidiaries a total of €57.2m for support functions provided. Recurring costs related to support functions borne by the parent company and not billed to its subsidiaries amounted to €7.4m over the full year.

Centralized cash management

The parent company, like the Group's other entities, uses GMTS, its centralized cash management subsidiary, for the day-to-day coverage of overdrafts or investment of cash surpluses. On a day-to-day basis, GMTS remunerates cash surpluses received from Group entities or, on the contrary, covers the overdrafts from these companies and charges them an interest expense.

Dividends

As the parent company, Altran Technologies receives dividends from its directly-owned subsidiaries.

Simplified organizational chart

PARENT COMPANY (FRANCE)

Altran Technologies

EUROPE

AUSTRIA

Altran Concept Tech

BELGIUM

Altran Belgium

CZECH REPUBLIC

Altran Technologies Czech Republic / Kon / Swell

FRANCE

Altran Allemagne / Altran Connected Solutions / Altran Education Services / Altran Lab / Altran Participations / Altran Participations 1 / Altran Participations 2 / Altran Prototypes Automobiles / Global Management Treasury Services / Logiqual / Oxo

GERMANY

Altran Aviation Consulting / Altran Deutschland / Altran Management / Altran Service

ITALY

Altran Italia / Altran Innovation

LUXEMBOURG

Altran Luxembourg

NETHERLANDS

Altran International / Altran Netherlands

NORWAY

Altran Norge

PORTUGAL

AltranPortugal

ROMANIA

Altran Romania

SLOVAK REPUBLIC

Altran Slovakia

SPAIN

Altran Innovacion / Agencia de Certification en Innovacion Espanola

SWEDEN

Altran Sverige

SWITZERLAND

Altran

UK

Altran UK Holding / Altran UK / Cambridge Consultants / IJS Consultants / Tessella Holding / Tessella

UKRAINE

Lohika

THE AMERICAS

CANADA

Altran Solutions / Microsys Technologies

MEXICO

Altran Solutions de Mexico

US

Altran US / Cambridge Consultants / Foliage / Lohika Systems / Synapse Product Development / Tessella / Vignani

ASIA

CHINA

Altran China / Altran Shanghai / Altran Automotive Technology *(51% owned)* / Altran-Beyondsoft (Beijing) Technologies *(70% owned)* / Altran-Beyondsoft (Shanghai) Information Technologies *(70% owned)* / IndustrieHansa Consulting & Engineering (Shanghai) / Sicon Design Technologies (Shanghai)

HONG-KONG

Altran China / Synapse Product Development HK

INDIA

Altran Technologies India / Altran Telecom Services India / Cambridge Consultants (India) Product Development

JAPAN

Cambridge Consultants Japan

MALAYSIA

Altran Malaysia

SINGAPORE

Altran (Singapore) / Cambridge Consultants (Singapore)

SOUTH KOREA

Altran Technologies Korea

TURKEY

Altran Inovasyon ve Teknoloji

UAE

Altran Middle East *(30% owned / equity-accounted)*

AFRICA

MOROCCO

Altran Maroc

TUNISIA

Altran Telnet Corporation *(50% owned / equity-accounted)*

OCEANIA

AUSTRALIA

Altran Australia

Note: all subsidiaries are 100% held (in capital and voting rights) and fully consolidated, unless otherwise mentioned.

Property, plant & equipment

08

8.1 Major property, plant and equipment

Although the Group's policy is to rent its business premises, Altran owns property in France, Italy, the UK and the Czech Republic worth a total net value of €31m. No property owned either directly or indirectly by Altran managers is leased to the Company or the Group.

8.2 Environmental issues

Not significant.

8.3 Trademarks and patents

Altran provides innovation consulting services to its clients who remain the sole owners of all new products and technologies developed by Group's consultants.

Nevertheless, the Group may carry out development work and file patents for its own account, notably within its subsidiary, Cambridge Consultants Limited.

The portfolio of trademarks managed by Altran is owned by the Group.

Financial statements – Management Report

09

9.1 Key events

Acquisitions

In 2016, the Altran group pursued its external growth strategy as laid down in the *Altran 2020. Ignition* strategic plan.

August 2016: Synapse Product Development

Based in Seattle (WA), Synapse provides clients with complex engineering and innovative product development solutions geared to transform their brands and step up their businesses at the technological level. Synapse benefits from its extensive expertise in developing mass-consumer products, and recently won contracts with major players such as Nike, Microsoft and Samsung.

The acquisition of Synapse by Cambridge Consultants is designed to expand the Group's geographic coverage, thus enabling Altran to serve its growing client base in one of the world's most dynamic geographic zones in terms of R&D. This operation will give rise to one of the largest product-development companies in the world, with a significant presence on both sides of the North American continent. The acquisition is in line with the Group's strategic plan, notably with regard to Cambridge Consultants which aims to double in size and build up its footholds in the US and Asia.

August 2016: Lohika Systems

Based in the Silicon Valley, Lohika operates mainly in North America and is also present in Ukraine with an experienced team of over 700 employees, most of whom software engineers. The mission of these highly-qualified specialists is to step up the development of high-end software and SaaS products for major players (Microsoft, Cisco, HP Enterprise, etc.) and fast-growing start-ups (AudienceScience, BuzzFeed, Twilio and Okta).

The Lohika – Altran alliance will create a superior value proposition, enabling the Group to attain a leadership position in software product development on the US West Coast, the largest engineering and R&D market in the world. This acquisition gives Altran access to present and future leaders in the Silicon Valley high-tech ecosystem, and to a new source of growth in this region. At a time when software is a key to success in an increasingly digital world, Lohika brings its unparalleled expertise to software product development, thereby extending the Group's existing capabilities to include skills and client missions in the fields of mobile telecommunications enterprise systems, big data solutions and cloud computing.

Lohika's unique offshore services model will also expand and diversify the Group's Industrialized GlobalShore© network.

November 2016: Swell

The acquisition of Swell (Czech Republic), a leading provider of engineering services, development and testing for the automobile industry, gives Altran access to key capabilities as well as prototyping and CAE skills, which the Group will be able to add to its Body-in-White offer. With around 160 employees, Swell provides services to European automobile players, such as Skoda, Robert Bosch, Continental, Magna and Honeywell.

This acquisition will help rebuild the Group's capacity and enhance its savoir-faire, as part of its recovery plan for Altran Germany.

In addition, Swell could become the new nearshore center of the Altran Industrialized GlobalShore© network which would distinguish the Group's integrated complete-vehicle offering for its clients in the automobile industry.

Partnerships

January 2016: Nokia

In a press release published on January 28, 2016, Altran announced that it had signed a contract with Nokia concerning the latter's delivery centers in two Indian cities: Noida and Chennai. Nokia's network of Global Delivery Centers provides around-the-clock network operations to its customers worldwide.

More than 500 Altran engineers and technicians are working alongside Nokia's global service delivery teams at both locations. Within the context of the contract, Altran is providing a full range of network services related to alarm and fault monitoring systems, performance, incident and configuration management, network design and optimization, as well as software & tool development and support.

The deployment and implementation of the Altran Industrialized GlobalShore© model is a core component of the *Altran 2020. Ignition* strategic plan, which aims to provide customers with premium performance and cutting-edge solutions, thanks to increased competitiveness, enhanced agility and industrial automation. Nokia will benefit from end-to-end services via this model offering flexibility, scalability and speed; three major assets that will support the company in its commercial deployment strategy thereby reducing time-to-market.

September 2016: Divergent

Altran became a strategic development partner and minority investor in Divergent, a US startup based in Los Angeles.

Divergent has developed a software/hardware platform enabled by 3D printing (the Divergent Manufacturing Platform™) that radically transforms the economic and environmental impact of designing and manufacturing complex structures such as cars. The aim of the firm is to revolutionize car manufacturing and reduce its environmental footprint by using and marketing patents incorporating its technologies and intellectual property.

Together, Altran and Divergent will market their offer in the US, Europe and China in order to roll out new revolutionary technologies for the automotive industry. In its role as global partner in Divergent's development, Altran will lend support by providing engineering services to ensure Divergent's future growth.

September 2016: Jaguar Land Rover

Altran and Jaguar Land Rover launched CoherenSE, an innovative open software platform for next-generation vehicles and smart appliances. This strategic partnership will enable both parties to combine cutting-edge industrial and engineering techniques with mass-market processes, methods and electronic tools for the purposes of co-creating a unique, flexible and scalable architecture.

CoherenSE is revolutionizing traditional electric and electronic vehicle architectures allowing car manufacturers to use less software, while enabling the deployment of highly integrated functions such as advanced driver-assistance systems and autonomous driving. Altran plans to apply this technology in other sectors such as healthcare, railways, industrial automation and aerospace.

9.2 Outlook

The Altran group does not issue financial forecasts.

Nevertheless, Management expects that the Group will be able to generate profitable growth in 2017.

9.3 Post-closure events

The major events that occurred between December 31, 2016 and March 8, 2017, when the Group's 2016 financial statements were approved by the Board of Directors, are listed below.

Acquisitions

January 2017: Benteler Engineering Services

On January 1, 2017, Altran finalized the acquisition (announced in October 2016), of Benteler Engineering Services, a German group specialized in design and engineering services for the automotive industry.

This strategic acquisition:

- marks the beginning of the investment phase of the Group's recovery plan for Germany;
- significantly boosts the Group's market share in the German automotive market;
- provides strong, client and services-offering synergies.

Benteler Engineering Services boasts an impressive portfolio of blue-chip OEMs and Tier-1 suppliers including BMW, Volkswagen, Volvo, Ford, Porsche and Daimler. Based in Munich and with a total workforce of 700 employees, the group operates primarily in Germany and also has operations in the Netherlands, Sweden and Romania.

February 2017: Pricol Technologies

In February 2017, Altran finalized the acquisition of the Indian company Pricol Technologies, an operation (announced in December 2016) designed to step up the implementation of the Group's strategic plan, *Altran 2020. Ignition:*

- the acquisition of Pricol Technologies is completely in line with the Group's expansion plan in North America; the Indian company makes 60% of revenues in the US and boasts a portfolio of long-standing, renowned clients;
- the firm's innovative and proprietary co-engineering offshore model, reputed for its efficiency and quality, will enable Altran to boost its Industrialized GlobalShore© network to over 4,500 engineers.

Pricol Technologies provides a wide range of engineering solutions and client support from product conception to manufacturing in the fields of embedded systems, mechanical and industrial design, prototyping, testing and contract manufacturing, notably for the automotive, medical, consumer and industrial products sectors. With a team of 520 experienced and highly qualified employees, the firm operates five design centers in Coimbatore and Pune.

In addition to integrating its engineering teams into those of its clients, Pricol Technologies has developed a smart engineering ecosystem to provide high value added services which serve to enhance Altran's existing expertise and savoir-faire. With sales offices located in Detroit (US), London (UK) and Shinagawa (Japan), Pricol Technologies has a well garnished client portfolio and balanced market coverage, which have ensured rapid expansion over the past years.

Partnerships

January 2017: EMG

Altran forged a strategic partnership with EMG (eMapgo), a leading Chinese provider of high-quality Location Based Services (LBS) for the automotive industry, enabling Altran to offer car manufacturers the full range of its VueForge® services for Advanced Driver Assistance Systems (ADAS) in China.

This control system will benefit from Altran's cutting-edge technology in ADAS and will allow for:

- the management of large amounts of data gathered from in-service vehicle evaluation;
- the simulation and use of data gathered from vehicles and stored in the Cloud;
- real-time vehicle-fleet visualization and analysis of car user practices thanks to integrated sensors.

With this partnership Altran can now provide its clients in China a comprehensive range of autonomous driving services, spanning from vehicle construction and complete data management (storage and computing) to automotive performance testing.

9.4 Group performances

(in millions of euros)	Dec. 2016	Dec. 2015
Revenues	2,120.1	1,945.1
Other income from operations	66.7	59.0
Revenue from ordinary activities	**2,186.9**	**2,004.1**
Operating income on ordinary activities	**219.7**	**185.9**
Other non-recurring operating income and expenses	(22.4)	(26.6)
Goodwill amortization (trademarks)	(6.9)	(4.3)
Operating income	**190.4**	**155.0**
Cost of net financial debt	(13.4)	(10.7)
Other financial income	10.6	17.7
Other financial expenses	(12.5)	(18.1)
Tax expenses	(52.5)	(43.3)
Equity share in net income of associates	**0.0**	**0.1**
Net profit	**122.6**	**100.7**
Minority interests	(0.1)	(0.2)
NET INCOME ATTRIBUTABLE TO GROUP	**122.5**	**100.5**
Earnings per share *(in euros)*	0.71	0.58
Diluted earnings per share *(in euros)*	0.71	0.58

The Altran group posted revenues of €2,120.1m in 2016, up 9.0% on the 2015 level of €1,945.1m. This growth was driven notably by the acquisitions of Lohika and Synapse in the US.

As such, Altran continued to mark up profitable growth in 2016 with organic growth* in revenues of +5.9% over the period.

Excluding changes in the scope of consolidation and restated for the favorable exchange-rate impact and difference in the number of working days, economic growth* came out at +5.8%, compared with +3.7% in 2015.

The invoicing rate (excluding Cambridge Consultants/Synapse, Tessella and Foliage) increased 10 basis points, year on year, to 87.3%.

Revenue growth over the period, combined with solid invoicing-rate trends and the tight management of sales and administration costs, made for an improvement in profitability with operating income on ordinary activities coming in at €219.7m, equivalent to 10.4% of revenues, compared with 9.6% in 2015 and 9.4% in 2014.

With regard other non-recurring operating income and expenses liable to impair the understanding of the Group's operating performance, Altran booked exceptional expenses of €22.4m at end-December 2016.

Consolidated operating income came out at €190.4m, up 23% on end-2015.

Net financing costs widened from €10.7m in 2015 to €13.4m at end-2016.

Tax expenses totaled €52.5m over the period, the bulk of which in income tax expenses (€43.3m).

Net income attributable to the Group rose to €122.5m at end-December 2016, from €100.5m in the year-earlier period.

Revenues

Growth gathered pace in 2016 at the organic level (+5.9% vs. +4.1% in 2015, and 3.4% in 2014) and in terms of economic growth (+5.8% vs. +3.7% in 2015, and +3.5% in 2014).

Despite the harsh economic backdrop, Altran France reported strong economic growth of +6.7%. Operations in Northern Europe advanced over the period with economic growth of +2.2% driven notably by the ongoing recovery in Germany/Austria (economic growth down 1.6% over full-year 2016, but up 8.4% in Q4 2016). Southern Europe performed well with 8.7% economic growth over the period.

The Group's invoicing rate (excluding Cambridge Consultants/Synapse, Tessella and Foliage) edged up 10 basis points on end-2015 to 87.3% in 2016.

* See Alternative Performance Indicators at the end of section 9.4.

Gross margin and operating income on ordinary activities

(in millions of euros)	2016	H2 2016	H1 2016	2015	H2 2015	H1 2015
Revenues	2,120.1	1,062.5	1,057.6	1,945.1	990.6	954.5
Gross margin*	616.4	331.2	285.2	558.1	301.4	256.7
As a % of revenues	*29.1%*	*31.2%*	*27.0%*	*28.7%*	*30.4%*	*26.9%*
Overheads	(396.8)	(203.5)	(193.2)	(372.2)	(187.6)	(184.6)
As a % of revenues	*-18.7%*	*-19.2%*	*-18.3%*	*-19.1%*	*-18.9%*	*-19.3%*
OPERATING INCOME ON ORDINARY ACTIVITIES	**219.7**	**127.7**	**92.0**	**185.9**	**113.8**	**72.1**
As a % of revenues	*10.4%*	*12.0%*	*8.7%*	*9.6%*	*11.5%*	*7.6%*

* Gross margin is the difference between income on ordinary actives (revenue and other income) and consultant and project costs. See Alternative Performance Indicators at the end of section 9.4.

The consolidated gross margin came out at €616.4 m, equivalent to 29.1% of revenues.

As a percentage of revenues, overheads (sales and administration costs) narrowed to 18.7% from 19.1% in 2015.

As such, consolidated operating income on ordinary activities came out at €219.7m, equivalent to 10.4% of 2016 revenues, up 18.2% on the 2015 level of 9.6%.

Trends in staff levels

	06/30/2016	12/31/2016	06/30/2015	12/31/2015
Total headcount at end of period	27,150	29,106	23,908	25,935

	H1 2016	H2 2016	H1 2015	H2 2015
Average headcount	26,695	27,308	22,993	23,900

At December 31, 2016, the total headcount stood at 29,106 employees, up 12.2% (+3,171 staff members) on end-2015 levels.

On a like-for-like basis, Altran recruited 8,798 consultants over the period, compared with 6,543 in 2015.

The 12-month moving average of staff turnover rates widened to 22.7%, up 240 basis points on 2015 levels.

Operating costs on ordinary activities

(in millions of euros)	2016	2015	2016 vs. 2015
Revenues	2,120.1	1,945.1	+9.0%
Personnel costs	1,496.8	1,392.8	+7.5%
As a % of revenues	70.6%	71.6%	-1.0pt
Total external charges	402.1	366.8	+9.6%
As a % of revenues	19.0%	18.9%	+0.1pt
o/w outsourcing	*151.4*	*133.1*	*+13.8%*
As a % of revenues	*7.1%*	*6.8%*	*+0.3pt*

Growth in revenues outpaced that of personnel costs which advanced 7.5% on 2015 levels, thus making for an increase in operating income on ordinary activities.

Cost of net financial debt

At €13.4m, the cost of net financial debt includes:

- financial income of €4.6m generated on cash and cash equivalent investments; less
- financial expenses amounting to €18.00m. The bulk of these expenses concern interest paid on 1/bond loans redeemable between 2019 and 2021 (for €8.7m), 2/costs incurred on the assignment of trade and other receivables (€2.8m), 3/the Capex loan (€1.1m), 4/other borrowings (€0.7m), 5/credit lines drawn down by the Group (€1.0m), 6/interest-rate hedging contracts (€2.8m), and 7/commercial paper issues (€0.8m).

Taxes on earnings

Net tax expenses of €52.5m in 2016 include:

- income tax expenses of €43.0m, of which €17.0m in secondary taxes (with the French CVAE accounting for €11.8m and the Italian IRAP business tax for €2.6m); and
- a deferred tax charge of €9.5m.

Statement of cash flows

Group cash flows at end-2016 and end-2015 are given in the following table:

(in millions of euros)	Dec. 2016	Dec. 2015
Net financial debt at opening January 1	**(138.3)**	**(37.1)**
Cash flow before net interest expenses and taxes	215.3	189.4
Change in working capital requirement	(63.0)	(35.6)
Net interest paid	(13.3)	(11.2)
Taxes paid	(31.6)	(28.5)
Net cash flow from operations	**107.4**	**114.1**
Net cash flow from investments	**(185.0)**	**(205.0)**
Net cash flow before investments	**(77.6)**	**(90.9)**
Impact of changes in exchange rates and other	(4.2)	4.9
Share buybacks	(7.0)	(10.0)
Impact of capital increase	0.3	3.4
Assignment of non-recourse trade receivables	55.2	17.3
Shareholder payout	(32.9)	(25.9)
NET FINANCIAL DEBT AT CLOSING	**(204.5)**	**(138.3)**

Net cash flow generated by operations including interest payments

Net cash flow from operations narrowed from €114.14m at end-2015 to €107.4m, due notably to increases of:

- €27.4m in working capital requirement;
- €2.1m in net interest paid and €3.1m in taxes paid;
- €25.9 in cash flow generation.

Net cash flow invested

Altran invested net cash of €185.0 in 2016 (relatively stable on the 2015 level of €205.0m) underscoring the Group's external growth strategy with the notable acquisitions of Synapse and Lohika.

Net cash flow from financing operations

During the 2016 fiscal year, the Company continued to transform the bulk of its factoring contracts into trade-receivable contracts without recourse.

Transfer of risk thus reduced financial debt by €55.2m.

Net financial debt

Net financial debt is the difference between total financial liabilities and cash and cash equivalents.

(in millions of euros)	Dec. 2016	Dec. 2015	Change
Bonds	249.2	248.9	0.3
Medium-term credit line	19.3	54.9	(35.6)
Short-term credit line	414.3	359.0	55.3
o/w factoring	*59.9*	*53.3*	*6.6*
TOTAL FINANCIAL DEBT	**682.8**	**662.8**	**20.**
Cash and cash equivalent	478.3	524.5	(46.2)
NET FINANCIAL DEBT	**204.5**	**138.3**	**66.2**

(in millions of euros)	Dec. 2016	Dec. 2015
NET FINANCIAL DEBT	**204.5**	**138.3**
Employee profit-sharing	0.5	0.9
Accrued Interest	4.6	4.6
NET DEBT	**209.6**	**143.8**

Available factoring lines (with and without recourse) totaled €405.0m.

Alternative performance indicators

Gross margin

The gross margin is the difference between income on ordinary activities (revenue and income) and consultant and project costs

(in millions of euros)	Consultants/ Projects	Overheads	Total
Revenues	2,119.4	0.7	2,120.1
Other income from operations	66.7		66.7
Revenues from ordinary operations	**2,186.1**	**0.7**	**2,186.9**
Raw materials	(39.6)	(5.0)	(44.6)
Change in work-in-progress	0.7		0.7
External expenses	(277.8)	(124.3)	(402.1)
Personnel costs- salaries	(1,245.0)	(250.4)	(1,495.4)
Personnel costs – share-based payments		(1.5)	(1.5)
Taxes and duties		(2.8)	(2.8)
Depreciation and net provisions	(4.7)	(10.2)	(14.9)
Other operating expenses	(3.4)	(3.3)	(6.7)
Gross margin	**616.4**		
Overheads		**(396.8)**	
OPERATING INCOME ON ORDINARY ACTIVITIES			**219.7**

Organic growth

Organic growth corresponds to growth on a like-for-like and constant exchange-rate basis.

Organic growth is calculated as follows: Group growth - scope impact - exchange-rate impact.

Group growth	9.0%
Scope impact	4.2%
Exchange-rate impact	-1.1%
ORGANIC GROWTH	**5.9%**

Economic growth

Economic growth corresponds to organic growth restated for the difference in the number of working days.

Economic growth is calculated as follows: Organic growth - working days impact.

Organic growth	5.9%
Working days impact	0.1%
ECONOMIC GROWTH	**5.8%**

Free Cash Flow

Free cash flow corresponds to cash flows generated by Group operations before payment of net interest and investments required for the Company to carry out its business. This represents available cash flows which can be used to reimburse debt, pay dividends or carry out specific transactions, in particular growth operations.

Free cash flow is calculated as follows: operating income on ordinary activities + current net depreciation and provisions linked to operations + current charges and income + non-recurring charges with cash impact – asset investments required for operations, net of disposals – tax paid +/- change in working capital requirement.

To establish free cash flow, cash flow statement income restatements need to be split into those which are classified as current and non-recurring income, as illustrated in the table below:

	Dec. 2016		
(In millions of euros)	Current	Non-recurring	Total
Operating income	**219.7**	**(29.3)**	**190.4**
Goodwill depreciation and intangible rights amortization		6.8	6.8
Operating income before goodwill depreciation	**219.7**	**(22.5)**	**197.2**
Net operating depreciation and provisions	14.0	11.0	25.0
Charges and income related to share-based payments	1.4 ①		1.4
Capital gains and losses on disposals		1.1	1.1
Other income and charges	2.4 ①	(11.8)	(9.4)
Cash flow before cost of net financial debt and tax	**237.5**	**(22.2) ②**	**215.3**

Free cash flow breaks down as follows:

(In millions of euros)	Dec. 2016
Operating income on ordinary activities	**219.7**
Current net operating depreciation and provisions	14.0
Cancellation of current charges/income (① in table above)	3.8
Plus non-recurring charges with cash impact (② in table above)	(22.2)
Cash flow before cost of net financial debt and tax	**215.3**
Change in working capital requirement	(63.0)
Tax paid	(31.5)
Cash outlays related to tangible and intangible asset acquisitions	(46.8)
Proceeds from tangible and intangible asset disposals	10.0
Free Cash Flow	**84.0**

9.5 Segment reporting

In accordance with IFRS 8, Altran presents its segment financial information by aggregations of operating segments.

the Group's operating segments at end-2016 include:

- France: France and Morocco;
- Northern Europe: Germany, Austria, the Benelux countries, Czech Republic, Romania, the UK, the Scandinavian countries and Switzerland;
- Southern Europe: Spain, Italy, Turkey and Portugal;
- Rest of the World zone: North and South America, Asia, Oceania and Ukraine.

	2016		2015				
(in millions of euros)	Total revenues	As a % of revenues	Total revenues	As a % of revenues	Reported Growth	Growth organic	Economic growth
France*	861.6	40.6%	802.3	41.2%	+7.4%	+7.2%	6.7%
Northern Europe	669.2	31.6%	618.1	31.8%	+8.3%	+2.3%	2.2%
Southern Europe	430.1	20.3%	397.5	20.4%	+8.2%	+8.2%	8.7%
RoW zone*	159.2	7.5%	127.2	6.6%	+25.2%	+8.6%	8.5%
TOTAL	**2,120.1**	**100.0%**	**1,945.1**	**100.0%**	**+9.0%**	**+5.9%**	**5.8%**

* Reallocation of €7.9m of revenues from Rest of the World zone to France.

Group operations in France marked up economic growth (on a like-for-like basis, excluding the exchange-rate impact and the change in the number of working days) of +5.8% (vs. +3.7% in 2015).

Factoring in the acquisitions carried out in 2016, revenues generated by operations in France accounted for 40.6% of consolidated revenues, compared with 41.2%, previously.

Southern Europe continued to report strong growth and business picked up in the Northern European zone.

Revenues and operating income on ordinary activities by operating segment (after inter-segment eliminations)

France including the Group's corporate holding

(in millions of euros)	2016	2015*	2016 vs. 2015
Revenues	861.6	802.3	+7.4%
Operating income on ordinary activities	90.1	92.6	-2.7%
Operating income on ordinary activities (%)	*10.5%*	*11.5%*	*-1.0pt*

* Reallocation of €7.9m of revenues in France in 2015.

Revenues in France advanced 7.4% over the period (vs. +4.5% in 2015) to €861.6m, and operating income on ordinary activities came out at €90.1m.

Northern Europe

(in millions of euros)	2016	2015	2016 vs. 2015
Revenues	669.2	618.1	+8.3%
Operating income on ordinary activities	58.8	35.5	+65.5%
Operating income on ordinary activities (%)	*8.8%*	*5.7%*	*+3.1pts*

At December 31, 2016, revenues in Northern Europe advanced 8.3% on 2015 levels to €669.2m.

In Germany, sales dropped 2.5% over the full year, but picked up in Q4.

Other countries in the Northern European zone made a positive contribution to revenue growth, in particular the UK where sales surged 25.8%, boosted by the positive impact of the Tessella acquisition on December 1, 2015.

Operating income on ordinary activities in Northern Europe came out at €58.8m, equivalent to 8.8% of revenues.

Southern Europe

(in millions of euros)	2016	2015	2016 vs. 2015
Revenues	430.1	397.5	+8.2%
Operating income on ordinary activities	61.9	50.6	+22.4%
Operating income on ordinary activities (%)	*14.4%*	*12.7%*	*+1.7pt*

All of the Group's regional markets in Southern Europe contributed to growth. Revenues in this operating segment rose 8.2% on 2015 levels to €430.1m.

Revenues generated by Group operations in Spain advanced 13.7% and Portugal reported growth of +8.1% over the period.

Operating income on ordinary activities in Southern Europe came out at €61.9m, equivalent to 14.4% of 2016 revenues, compared with 12.7% in 2015.

Rest of the World

(in millions of euros)	2016	2015*	2016 vs. 2015
Revenues	159.2	127.2	+25.2%
Operating income on ordinary activities	8.9	7.1	+24.8%
Operating income on ordinary activities (%)	*5.6%*	*5.6%*	*-0.0pt*

* Reallocation of revenues in 2015 to offset a loss of €7.9m.

In the RoW zone, revenues surged by 25.2%, notably on the back of the SiConTech acquisition in India and a stronger performance in the US.

Operating income on ordinary activities in the RoW zone came out at €8.9m, equivalent to 5.6% of revenues.

9.6 Altran Technologies' annual financial statements and proposed allocation of net income

In addition to its own operational activities, Altran Technologies, as the parent company, also carries out the management functions for the Group as defined in section 7 "Organizational Chart" of the present Registration Document.

Altran Technologies posted revenues of €874.5m in 2016, up on the 2015 level of €807.9m.

Operating income increased to €42.5m (equivalent to 4.86% of revenues) from €42.2m in 2015 (5.23%).

In 2016, Altran reported financial income of €17.2m compared with €3.1m in 2015.

The Company posted an exceptional loss of -€70.3m compared with -€20.3m in 2015.

Factoring in net tax income of €41.5m (stemming from tax consolidation and the recognition of tax credits), Altran booked a net accounting profit of €30,823,825.28 at December 31, 2016. Management proposes that this profit be allocated to:

- the statutory reserve: €0.00;
- retained earnings: €30,823,825.28 which would make it positive to the tune of €137,075,685.51.

The following points should be noted:

- non-deductible tax expenses totaled €30,250,498;
- pursuant to Article 39.4 of the French Tax Code, this sum includes total non-deductible expenses of €780,929.

As required by law, we inform you that no dividends have been paid out over the past three fiscal years.

The Group paid out a share premium of €0.19 per share in May 2016.

The breakdown of trade payables (Group and Non Group) at end-2016 and end-2015 is given in the table below:

December 2016 *(in millions of euros)*	Debts expired				Debts outstanding				Total trade payables
	Total Debts expired	Since			Total debt outstanding	Maturity			
		0-30 days	31-60 days	> 61 days		0-30 days	31-60 days	> 61 days	
Suppliers	4.0	-0.3	2.3	2.0	74.3	74.3	0.0	0.0	78.3
Accounts payable to fixed-asset suppliers	0.2	0.2	0.0	0.0	0.7	0.2	0.5	0.0	0.9
I - TOTAL OUTSTANDING	**4.2**	**-0.1**	**2.3**	**2.0**	**75.0**	**74.5**	**0.5**	**0.0**	**79.2**
Suppliers - Accruals	0.0	0.0	0.0	0.0	34.3	34.3	0.0	0.0	34.3
II - TOTAL TRADE PAYABLES	**4.2**	**-0.1**	**2.3**	**2.0**	**109.3**	**108.8**	**0.5**	**0.0**	**113.5**

December 2015 *(in millions of euros)*	Debts expired				Debts outstanding				Total trade payables
	Total Debts expired	Since			Total debt outstanding	Maturity			
		0-30 days	31-60 days	> 61 days		0-30 days	31-60 days	> 61 days	
I - TOTAL OUTSTANDING	**13.2**	**6.7**	**1.3**	**5.2**	**18.1**	**11.9**	**6.1**	**0.1**	**31.3**
II - TOTAL TRADE PAYABLES	**13.2**	**6.7**	**1.3**	**5.2**	**35.8**	**29.6**	**6.1**	**0.1**	**49.0**

9.7 Subsidiaries and equity holdings

In 2016, the Group:

- acquired:
  - Sicon Design Technologies (Shanghai) (China) in June (retroactive to January 1, 2016),
  - Lohika Systems (US) in July,
  - Swell (the Czech Republic) in October;
- created:
  - Synapse Product Development in May, which then acquired the US company Synapse,
  - Cambridge Consultants Japan in July;
- carried out several merger operations in Germany and the Netherlands (retroactive to January 1, 2016).

9.8 Other information

Information relative to R&D costs is presented in section 11 "Research and Development" of the present Registration Document.

The main risks and uncertainties to which the Group Is exposed are described in section 4 "Risks" of the present Registration Document.

Information relative to Group executives (mandates, functions, stock options and corporate-officer compensation) is presented in sections 14 "Members of the governing bodies", 15 "Compensation and benefits", and 17 "Employees" of the present Registration Document.

Details concerning Altran Technologies' shareholders, treasury stock and statutory-threshold crossing declarations are presented in section 18 "Major shareholders" of the present Registration Document.

Altran Technologies' annual results over the last five years

	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016
Situation at year end					
Share capital *(in euros)*	72,424,928	87,375,660	87,489,523	87,900,133	87,900,133
Number of issued ordinary shares	144,849,856	174,751,320	174,979,045	175,800,265	175,800,265
Operations and results *(in euros)*					
Revenues	646,012,462	790,507,037	802,695,127	807,916,435	874,485,880
Profit (loss) before tax, depreciation, amortization and provisions	17,248,311	14,416,578	76,786,232	36,361,611	12,597,490
Corporate tax [(income)/charge]	(16,785,862)	(23,706,273)	(26,733,143)	(31,578,358)	(41,455,297)
Profit (loss) after tax, depreciation, amortization and provisions	21,567,729	29,427,316	92,346,444	56,517,925	30,823,825
Dividends paid	0	0	0	0	0
Earnings per share *(in euros)*					
Profit (loss) after tax, before depreciation, amortization and provisions	0.23	0.22	0.59	0.39	0.31
Profit (loss) after tax, depreciation, amortization and provisions	0.15	0.17	0.53	0.32	0.18
Dividends paid per share	0.00	0.00	0.00	0.00	0.00
Employees					
Average number of employees	6,774	8,367	9,434	9,315	9,721
Total wages and salaries *(in euros)*	292,687,547	408,226,782	408,599,694	397,053,779	421,001,600
Social security and other staff benefits *(in euros)*	130,649,800	169,801,954	178,977,745	189,377,342	196,865,359

9.9 Human-resources, environmental and social information

Altran first adopted a Corporate Social Responsibility (CSR) strategy in 2008. Following the announcement of the *Altran 2020. Ignition* strategic plan, the Group reviewed the relevance of its social responsibilities and defined two major areas of commitment.

Engaged People

The success of the Strategic Plan (*Altran 2020. Ignition*) is underpinned by the talent of the Group's teams and the daily commitment of all of its employees. Altran aims to work with its employees to create a safe, inclusive and pleasant working environment by developing team spirit and promoting knowledge sharing.

Engineering for sustainable growth

The Group protects confidential and personal data and conducts its business in an ethical manner by endeavoring to gain and retain the trust of its customers, shareholders and partners.

Altran creates value for its clients by helping them comply with the safety, security and environmental regulations applying to their business.

At December 31, 2016, the Altran group had 29,106 employees operating in around twenty countries mainly in Europe, Asia and America. Unless otherwise mentioned, the 2016 scope of information presented refers to Altran subsidiaries in the following sixteen countries: Germany, Belgium, China, Spain, the US, France, India, Italy, Luxembourg, Morocco, Norway, the Netherlands, Portugal, the UK, Sweden and Switzerland. This scope represented 97% of consolidated revenues and 96% of the Group's total workforce in 2016. Details of the scope of information are given in section 9.9.20.

Human-resources information

As part of the *Altran 2020. Ignition* plan, the Group set up the "Engaged People" program in 2016, the aim of which is to foster commitment and loyalty, share enthusiasm and enable employees to understand their role by offering them the means to act. With its employees, Altran aims to create a pleasant working environment by promoting team spirit and knowledge sharing and instilling a sense of pride.

The program was therefore set up to:

- increase staff satisfaction on fundamental factors classed as "hygiene" issues (work conditions, tools and processes, etc.);
- foster commitment through staff motivation by focusing on the aims of projects, personal development prospects, and skills development, etc.

Senior management opened a direct dialogue with employees, by organizing 131 meetings across 15 countries, in which over 1,600 employees and managers took part. This enabled Altran to gain greater insight into staff expectations and complete the findings of previous in-house satisfaction surveys. Opinions expressed during these meetings served as a basis to define the progress targets for the Group as a whole, as well as specific action plans for the different regions.

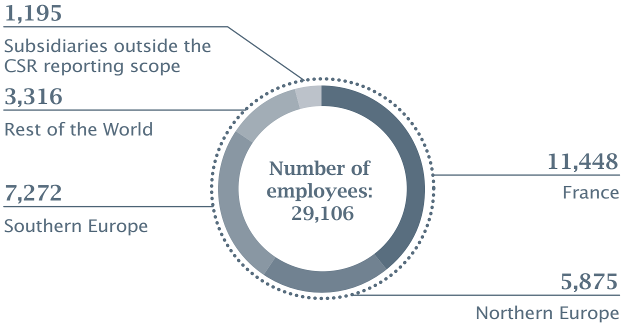
Risks attached to human-resources management are outlined in section 4.1 of the present Registration Document.

9.9.1 Employees

9.9.1.1 Breakdown of workforce by gender, age and geographic zone

The number of employees in the countries included in the human-resources, environmental and social scopes of information of the Altran group [1] totaled 27,911 at December 31, 2016, equivalent to 96% of the total workforce at the end of the period (29,106 employees).

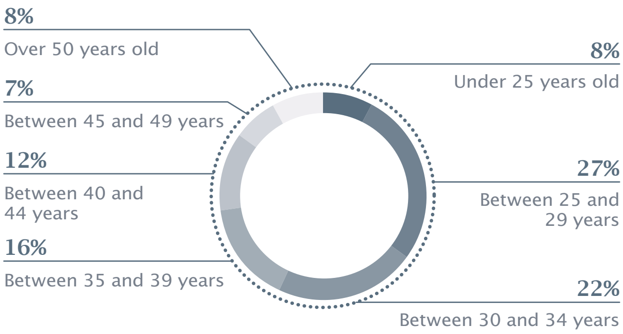
The breakdown of Group employees by country[a] is as follows:



(a) Geographic zones correspond to the operating segments defined in section 9.5 of the present Registration Document. The 2016 scope of information does not include companies that were financially consolidated during the reporting year, namely; Benteler, Lohika, Pricol Technologies, Sicon Tech US, Swell and Synapse. Staff numbers include temporary employees.

Women currently account for 26% of the Group's global workforce, comprising 7,235 female and 20,676 male employees.

The age pyramid [2] :



9.9.1.2 Trends in headcount

In 2016, the subsidiaries included in Group's CSR reporting scope recruited a total of 9,379 new employees. The number of staff departures, for whatever reason, totaled 6,874 over the period (see section 9.9.20.6).

The Group's total staff turnover rate is presented in section 17.1.3 of the present Registration Document.

9.9.2 Compensation and salary trends

Regarding employee remuneration, Altran has adopted a personalized compensation strategy.

The policies defining the variable component of Director compensation are fully harmonized across the Group. These are redefined every year to take into account the strategic objectives of the Company, and validated by the Executive Committee.

The human resources department has implemented a system to provide specific career-management and compensation-monitoring to the Group's top Directors (around 140 people with responsibilities at the highest level in Altran subsidiaries and at the corporate level).

Personnel costs for the Altran group, and variations on previous-year levels are outlined in note 5.4 of section 20.3.1 of the appendix to the Consolidated Financial Statements.

Depending on local legislation, the structure of the pension schemes implemented by regional offices to staff members in all countries in the reporting scope is based on defined contribution pension plans.

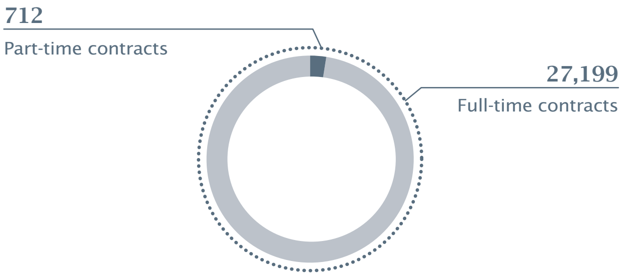
Details concerning corporate-officer compensation are given in section 15 of the present Registration Document.

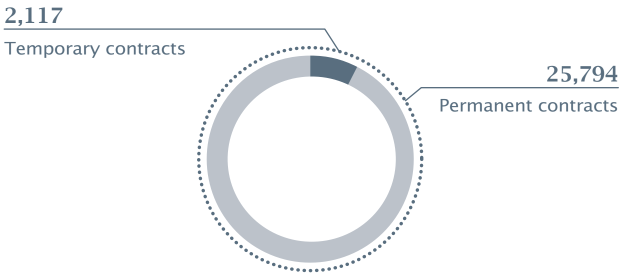
(1) See note 9.9.20 "Methodology".

(2) The proportion of employees for which the age data is incomplete or incoherent represents less than 0.5% of the workforce of the reporting scope.

9.9.3 Organization of working time

Breakdown of hours worked by contract type – fixed-duration contracts and permanent contracts





* *Fixed-duration contracts also include temporary workers.*

9.9.4 Organization of social dialogue and collective bargaining agreements

In compliance with legislation in the countries where the Group operates, Altran has staff representatives in Germany, Belgium, France, Italy, Spain (Altran Innovación), Luxembourg, Morocco, the Netherlands and the UK (Cambridge Consultants). In France, the social-dialogue framework comprises a Central Works Council, seven individual Works Councils, several Health, Councils, as well as several Health and Security Committees and staff representatives. In Germany, the system comprises a Central Works Council, a committee for each company, and six local works councils. Elsewhere in Europe, staff representatives are organized into union delegations in Belgium, trade unions in Spain, union federations at the main sites in Italy, and a works council in Luxembourg. Cambridge Consultants' employees are represented by a staff council in which each group of employees is represented by one of its members.

100% of Group employees are covered by a collective agreement in Belgium, Spain, (excluding trainees and ACIE employees), France, Italy (excluding trainees), Sweden, 69% in Germany and 80% in Portugal. In total, this is equivalent to 69% of the number of Group employees included in the reporting scope. Altran Spain signed two collective agreements related to working conditions and hours, holidays, time-off and benefits, etc., thereby meeting the legal requirements set forth in the consulting-company collective agreement and the Legislative Royal Decree No. 1/1995, dated March 24. In 2016, Altran signed 7 new collective agreements in Germany and 3 agreements in France concerning the organization of work and working time for the companies, Altran Technologies and Altran Lab, and "Solidarity Day" (an extra day worked in France to fund measures to help the elderly and disabled). In the Group's other operating countries, employees can address their questions and voice their opinions via an in-house commitment survey or Human Resources managers.

In 2016, Altran set up a Special Negotiating Body (SNB) comprising a total of 20 fully appointed members from 13 countries. Two meetings were organized in March and September 2016 at the Group's Neuilly-sur-Seine headquarters to determine the operating conditions applying to this Special Negotiating Body. The objective for 2017 will be to finalize the Special Negotiating Body agreement, reach an agreement on the running of the transnational Works Council and launch the social dialogue in the second half.

9.9.5 Health and safety at work

Altran endeavors to preserve the health and safety of its employees in compliance with the related EU and national directives. Strategies concerning health, safety at work and professional-risk prevention are defined at the national level. The risks inherent in the Group's activities fall into four specific categories: generic, specific, work-related and psychosocial. Generic risks concern all employees and cover business travel and missions. Risks specific to certain consultants operating in sectors of activity include staff exposure to ionizing radiation, CMR (Carcinogenic, Mutagenic, Reprotoxic) agents and bio-agents. Risks concerning the workplace are related to work stations, office-premises and emergency situations. In France, professional-risk protection measures carried out made it possible to attain the Group's 2016 health security objectives (excluding commuting accidents). Altran France pursued its manager-training program and in-house campaigns to raise employee awareness to road-travel accidents during missions, as well as accidents caused by slips, trips and falls and computer screens. Altran has obtained OHSAS 18001 certification in France and Germany, as well as CEFRI and MASE (Manual for the improvement of company safety) certification.

Occupational safety and health (OSH) Committees, obligatory in Belgium, France, Italy and the Netherlands, have also been set up in Spain and the UK.

In 2013, Altran France signed an amendment to the collective agreement on complementary health and welfare insurance. In Spain and Italy, collective agreements on occupational safety and health were signed with staff representatives.

	Total	France	Northern Europe	Southern Europe	Rest of the World
Number of occupational injuries (see 9.9.20.6)	41	35	2 [(a)]	2	2
Rate and frequency of occupational injury	0.96	1.94	0.38	0.15	0.30
Severity rate of occupational injuries	0.02	0.04	0.02	0	0
Absentee rate (see 9.9.20.6)	3.16	3.49	4.02 [(b)]	2.36	1.89 [(c)]
Work-related illnesses	8	0	8	0	0

(a) Data unavailable for Belgium and Germany.

(b) Data concerning absentee days for occupational illness and unjustified absence not available for the Netherlands.

(c) Data related to the number of absentee days unavailable for China.

9.9.6 Training and development

Altran has implemented a communal training program at Group level offering a range of employee skills-development solutions: on-site training and e-learning modules, on-line training sessions that are open to everybody, as well as coaching and mentoring, webinars, and access to documentation, conferences and exchanges with practice communities.

At the international level, Altran offers dedicated training programs to Directors and certain business communities. These training modules are focused specifically on the Company's activity and notably include the Altran Senior Leadership program, a comprehensive Director-training package, and development programs designed for business communities.

In 2016, Altran set up a series of training programs to facilitate in-house organizational change involving a separation between the functions of sales teams and team managers. The first four countries to implement this program in 2016 were Belgium, Spain, Sweden and Switzerland. The Belgian subsidiary organized a six-month boot-camp, with a two-pronged curriculum combining compulsory training sessions and modular options. The program includes modules related to personal development, sales skills, leadership and performance management. Altran rolled out this program throughout its regional subsidiaries by implementing a strategy of in-house trainer certification.

Through its national academies, Altran has developed a comprehensive range of technical, linguistic and personal-development training programs in all of its operating countries. MOOC training courses are provided to employees based in France (recruit integration) and in Spain. Certain functions are informed and have access to specific content via mobile apps.

In Belgium, the Netherlands and Luxembourg Altran has implemented an "Ambassadors program" for high-potential consultants. A group of fifty or so consultants, selected via talent revues, were able to benefit from a two-year program, comprising training programs and three-month conference sessions. To reward exceptional consultant performance, this program is designed to turn these high-potential consultants into change enablers. The program was developed in partnership with two Belgian commercial colleges.

The employees in the Group's reporting scope received a total of 479,272 hours of training in 2016 (cf. 9.9.20.6).

9.9.7 Diversity

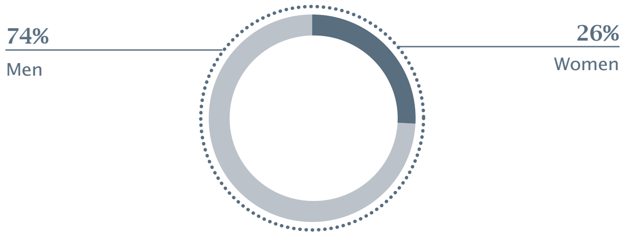
9.9.7.1 Gender equality in the workplace

In 2016, Altran France implemented an action plan dedicated to equality of women and men in the workplace. Based on data from social and comparative reports on gender equality, the five main areas of action concerning the measures, commitments and progress objectives involved are remuneration, professional grade, promotion, training and work/life balance.

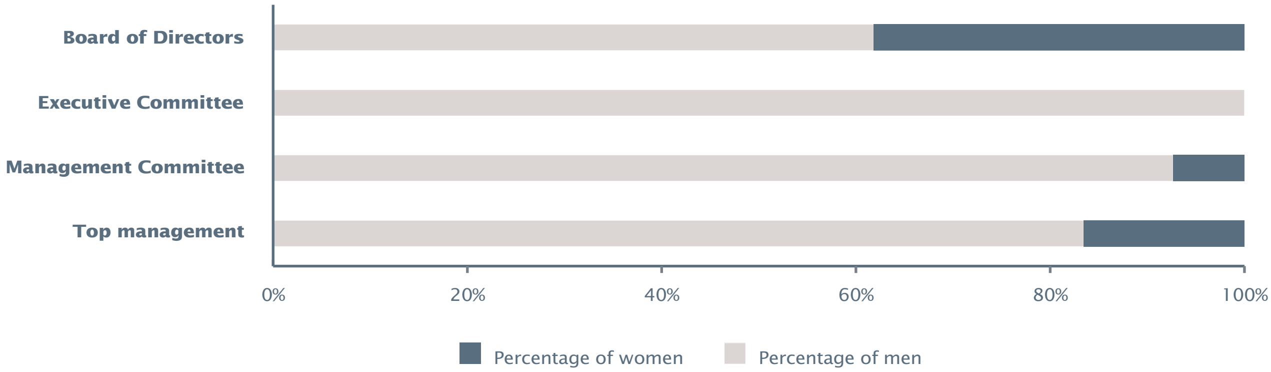
In the UK, Altran participated in WISE (Women in Science & Engineering); a dedicated committee which analyzes the statistical data concerning women in the engineering sector (salaries, maternity benefits, etc.) in order to define progressive actions promoting gender equality.

Altran is also involved in the Women-in-Engineering network whose mission is to increase the number of women in the engineering industry and scientific sectors at all levels up to top-executive positions, while underlining the contribution of women to corporate performance and innovation. Within this context, Altran participated in the organization of a digital transformation conference in 2016.

Percentage of female employees relative to total workforce



Percentage of male and female executive officers serving on the Group's administrative and management bodies



9.9.7.2 Employment and integration of people with disabilities

In 2015, Altran signed a collective agreement promoting the employment and integration of people with disabilities. This agreement defines the strategy, objectives and actions for recruiting and ensuring the job security of people with disabilities, working with sheltered and adapted-employment establishments, training staff members and raising the awareness of employees to these issues.

In 2016, Altran supported the Adaptathon initiative by taking part in a competition in Toulouse (France) to promote organizational and technological innovations designed to help companies adapt their structures to people with disabilities. In addition, Altran participated in the 2016 European Disability Employment Week by proposing a number of activities and events (travelling exhibitions, wheel-chair excursions, sign-language workshops, etc.) at several of the Group's sites in France.

	Germany	Belgium	Spain	France	Italy	Morocco	Portugal	The UK (Altran)
Percentage of employees with a recognized disability (see section 9.9.20.6)	1.83%	0.65%	0.40%	1.20%	2.18%	0.28%	0.17%	0.15%

There are no staff members with an officially recognized disability employed in the other subsidiaries included in the Group's CSR corporate scope.

9.9.7.3 Anti-discrimination policy

Altran anti-discrimination policies are implemented at the regional level in compliance with the corresponding laws and regulatory requirements in force. Altran is a signatory of the Diversity Charters in Belgium, Spain, France and Italy.

As a partner in the Cancer@Work association, Altran is committed to promoting the insertion and job security of employees directly or indirectly affected by cancer and to improving their quality of life in the workplace. In 2016, Altran pursued its actions to raise awareness to chronic disabling diseases notably by organizing a conference on cardiovascular disease in Toulouse (France), and participated in two "job dating" events to promote the insertion of, and job security for young people recovering from cancer.

9.9.8 Promote and respect the core conventions laid down by the International Labor Organization (ILO)

Altran is a signatory of the United Nations Global Compact and the Diversity Charters in Belgium, Spain, France and Italy. The Group's commitments towards eliminating discrimination at the professional level and notably in the workplace are integrated in the Altran ethical charter, as well as regional ethical charters and codes of conduct.

Altran respects legislation specific to human rights and working conditions in the countries where it operates, and notably regulations pertaining to freedom of association, the right to collective bargaining, the elimination of all forms of forced and compulsory labor and the abolition of child labor. The social risk of violating human rights is considered weak.

Environmental information

Since Altran is an intellectual services provider, the main impacts of its activity on the environment stem from the Group's office administration activities (paper and energy consumption, waste management), staff travel and CO_2 emissions generated by these activities. In general, the Group's environmental impact and related risks are still limited. Altran develops policies, management systems and initiatives required to improve the measurement and reduce the extent of its environmental impact.

The Group's intellectual services offerings are designed to help Altran clients reduce their environmental impact. Via several in-house projects and partnerships, Altran is actively involved in the search for innovative solutions that are more environment-friendly.

9.9.9 Corporate organization designed to address environmental issues

Thirteen of the Group's sites based in Germany Belgium, Spain, India, Italy, Sweden and the UK (Cambridge Consultants) have obtained environmental certification (ISO 14001, ISO 50001 and/or the "Ecodynamic Enterprise" label) [(1)]. 36% of the total workforce is administratively attached to these certified sites.

In the other countries included in the Group's environmental scope of information, Altran is developing initiatives to measure and reduce the environmental impact of its activity. Initiatives implemented to optimize paper and energy consumption and to reduce pollution caused by staff travel are presented in sections 9.9.11 and 9.9.12 of the present Registration Document.

9.9.10 Employee access to environmental training and information

Altran raises the awareness of its employees to the question of reducing the environmental impact via integration seminars held for new recruits and by participating in dedicated events and conferences, publishing eco-gesture orientation and best-practices guides, distributing posters and publishing news on the web or by email (in Germany, Belgium, China, Spain, France, India, the UK and Sweden).

In Belgium, Altran organized "Big Sweater Day"; a one-day, clothing-drive event during which office temperatures were reduced to 1°C. In Spain, Altran served on the jury for GreenWeekend (an event designed to promote entrepreneurs developing sustainable growth projects), and raised staff awareness during European Mobility Week. In addition, the Group's training catalogue includes environmental training programs.

9.9.11 Altran sites

To carry out its business, Altran operates a total of 131 sites owned by the subsidiaries in the sixteen countries within the Group's reporting scope. 24 of these are considered major sites and are included in the scope of environmental indicators. Details of the sites integrated in the Group's scope of environmental indicators are given in section 9.9.20 of the present Registration Document.

(1) Developed by the Brussels Institute of Environmental Management, the Ecodynamic Enterprise label is the equivalent certification of the European Eco-Management and Audit Scheme (EMAS) standard.

9.9.11.1 Paper and Water

Paper consumption at the sites in the Group's regional reporting scope totaled 53.5 tons in 2016 (see section 9.9.20.6).

To reduce paper consumption, tools have been implemented to monitor printing, and automatically configure printers to print in black and white and recto/verso. Individual printers have been replaced by collective models, and paperless solutions introduced for certain documents (administration management, billing, etc.).

Given the nature of the Group's activities, water consumption is limited to domestic use (toilets, showers, wash-hand basins, kitchen sinks, dish washing machines, coffee machines, and water fountains, etc.). All water consumed by the Company is drawn from urban water reserves.

9.9.11.2 Energy

Energy consumption of Group sites [(a)]

(in number of megawatt hours)	Total	France	Northern Europe	Southern Europe	Rest of the World
Energy consumption (see 9.9.20.6)	23,047	8,941	9,468	3,411	1,227
o/w electricity consumption	20,816	8,941	7,520	3,128	1,227
Average energy consumption *(in kWh/m²)*	219	222	273	129	324

(a) No data available for the sites at Puteaux, Eindhoven and Lisbon (representing 7% of the surface area of its buildings) and for gas at the Turin and Blagnac sites. Altran sites in Madrid and Cambridge use small quantities of domestic fuel (source excluded).

Renewable energies and non-renewable energies account for 26% and 74%, respectively of the Group's (energy mix) electricity consumption needs.

In keeping with its strategy to reduce energy consumption, Altran either selects HEQ (High Environmental Quality) buildings for its offices or occupies smaller surface areas. Some sites have chosen to install energy-saving lighting and air-conditioning systems to ensure that power is automatically shut down outside office hours, while others have opted for smart lighting systems that use sensors to measure the movement and degree of daylight. At sites where neither of these automatic systems is installed, a security agent ensures that lights are switched off.

9.9.11.3 Pollution, waste management and circular economy

In compliance with local legislation and the regional context, Altran has equipped its sites with facilities to sort and recycle waste generated by its activity.

All sites in the Group's environmental scope of information are equipped with sorting facilities to recycle paper, ink cartridges, as well as electrical and electronic waste (WEEE). Most sites are equipped to sort and recycle plastic, light bulbs and light tubes, as well as metal packaging and cans, glass, batteries, air-conditioning cooling liquid, cleaning-products and plastic containers. None of the air-conditioning systems installed at Group sites use ozone-depleting cooling fluids with the exception of systems installed in Group facilities in Rome, Munich and Cambridge where a small quantity is still in use.

9.9.12 Travel

The environmental impact of employee business trips is measured by means of transport: car, plane and rail.

10% of the employees in the reporting scope have a company car. 3,257,386 liters of gas were consumed by employees with company cars. No employees in India or the UK (Cambridge Consultants) have access to a company car.

On a like-for-like basis, 59% of business trips were made by train and 41% by plane in 2016. Group employees travelled a total of 67,481,637km by train and plane over the period.

To reduce pollution caused by Group transport, Altran selects only low CO_2 emission vehicles for its car fleet and makes recourse to audio and video conference systems. In addition, car-pooling platforms and free bus-shuttle services are available to Company employees and public-transport fares are reimbursed in full. With the accent now on rail transport, Altran has reduced the number of business flights.

9.9.13 Climate change

Altran provides solutions designed to ensure client compliance with increasingly stricter environmental regulations. Climate change is a key priority and technological challenge in three of the Group's sectors of activity; Energy, Automobile and Aeronautics. For its clients in the Energy sector, Altran provides energy-transformation solutions designed to develop a low-carbon energy mix for the purposes of optimizing energy efficiency. In the Automotive sector, Altran experts are paving the way in the field of hybrid and electric motor-related innovation while optimizing traditional vehicles. As such, the Group participates in reducing the impact of vehicle-production and use on the climate. The Company provides clients in the Aeronautics sector with aircraft-mass reduction, as well as engine and flight-plan optimization solutions to reduce aircraft fuel consumption. Altran also participates in promoting the emergence of electric aircraft, as well as solar aircraft and drone projects.

Because of its sector of activity, Altran does not expect any risks of a regulatory nature or related to material changes caused by climate change to have a significant impact on the Group's financial situation.

Altran carried out a carbon audit on its French operations, in accordance with statutory obligations. The findings of the audit revealed significant sources of greenhouse gas emissions linked to the Group's on-site offices (energy, paper consumption) and staff transportation (by company car, plane and train). Work-related travel (to and from work, staff travelling in their own cars) was excluded given the lack of available data. Altran has completed the CDP questionnaire (for the Carbon Disclosure Project) every year since 2014.

Greenhouse gas emissions

Gas emission source	Associated sources *(in tons of CO_2 eq.)*
Site utilization	8,214
Business trips	22,282
Scope 1	10,790
Scope 2	7,625
Scope 3	12,080

9.9.14 Biodiversity

The activity profile of the sites in the Group's environmental scope of information is purely administrative. These sites are located in built-up areas. None of them are situated in protected zones.

Social information

Altran is committed to ethical policies and standards and complies with legislation related to the fight against corruption and the protection of personal data. The Group endeavors to implement responsible purchasing strategies and initiatives in accordance with the risks attached to, and the impacts of its supply chain.

Via its skills-sponsorship programs and partnership with the Solar Impulse project, Altran is looking to reinforce its citizen commitment by mobilizing the skills of its consultants for the common good of the community and the promotion of environment-friendly technologies.

9.9.15 Stakeholders and local development

9.9.15.1 Dialogue with stakeholders

The stakeholders of the Altran group include all individuals and groups of persons or corporate bodies that have a major impact on, or are significantly affected by the Group's activities, or which play a key role in maintaining the Company's credibility and legitimacy. Altran stakeholders include:

- clients;
- employees, candidates, alumni;
- shareholders, financial institutions and financial analysts;
- partners, suppliers and subcontractors;
- educational institutions and accelerators;
- public and private R&D laboratories and centers;
- the media;
- local authorities;
- creators of innovative projects;

- sector players; and
- clusters, organizations, company clubs and industry associations.

Altran develops dialoguing, information and consulting tools for its stakeholders. Some of these tools, such as the Group's Internet and Intranet sites, as well as social networks, are in place and used all year round. Others are implemented occasionally for specific purposes or events, such as satisfaction surveys, trade fairs and forums, etc.

9.9.15.2 Relationships with educational establishments

Via its close ties with prestigious schools and universities, department heads, professors and student bodies, Altran lends support to the most talented students throughout the course of their studies and enables them to benefit from the savoir-faire and expertise of its consultants.

In addition, the Company participates in numerous recruitment fairs and workshops so that it can meet students and young graduates, and show them the different career paths open to them within the Group.

9.9.15.3 Regional, social and economic impact of the Group's activity on employment and regional development

Regarding the Group's recruitment strategy for its foreign subsidiaries, Altran hires national Executive Directors, as well as operating and functional managers locally, while maintaining an international mobility policy. 44% of Altran Directors are French and the Group's management bodies include 16 nationalities.

With more than 9,000 employees recruited in 2016 and activities spread across 131 sites in the sixteen countries making up the Group's reporting scope, Altran plays an important role at the job-development level in a number of regions in these countries. In particular, Altran is present in over 20 cities in Germany, around 30 in France (with a staff of more than 1,500 employed at the Blagnac site) and in some fifteen cities in Italy with more than 500 employees operating in Milan, Rome and Turin.

9.9.16 Respect of fair practices and actions related to human rights

Altran has been a signatory of the United Nations Global Compact since 2009 and complies with legal regulations regarding the fight against corruption. The Company has drawn up a common anti-corruption policy for the Group as a whole. This policy is designed to provide employees with the rules and guidelines to ensure that the laws in terms of the fight against corruption are respected. Altran will pursue the deployment of this policy and measures to raise employee awareness.

Altran complies with laws and regulations governing the collection, treatment, conservation, protection and use of personal data. In all of the Group's companies, the person in charge of personal-data protection is responsible for making the necessary declarations to the competent authorities. Altran security management systems have obtained ISO 27001 certification in Germany, Spain, India, Portugal and the UK.

9.9.17 Responsible purchasing strategy

Since Altran is an intellectual services provider, purchases related to the Group's activity include outsourcing, operating and promotional functions. In Spain, India and Portugal, Altran has drawn up specific purchasing policies outlining the reciprocal sustainable purchasing commitments of the companies and their suppliers. The Altran Ethical Charter presents the Company's commitment to selecting suppliers and partners who share the same principles as the Group. Altran is also a signatory of the Charter of Responsible Supplier Relations in France and participates, via the Group's purchasing department, in works carried out by the Ministry of Economics and Finance on the subject.

For certain purchases, the Group's supplier-selection process integrates a set of environmental impact assessment (EIA) criteria. Depending on the country, these criteria may include the suppliers' choice of paper, electronic equipment, company car fleet, office supplies and small gifts and treats. In Spain, Italy and France, Altran promotes the employment of people with a recognized disability by outsourcing to companies in the sheltered-employment sector.

The tendering processes and/or general purchasing conditions employed by Altran in Germany, France and Italy include corporate social-responsibility criteria. Self-assessment questionnaires are sent to company suppliers in Spain, Italy and Portugal. Suppliers in Spain and Portugal also receive the Group's ethical and purchasing commitments to its suppliers. In France, buyers are aware of the importance of having a responsible purchasing policy that is consistent with their family of purchases. At the operational-subcontractor level, special attention is paid to safety procedures in the workplace.

9.9.18 Sponsoring and partnerships

9.9.18.1 Skills-sponsoring programs

In a number of its regional markets, Altran encourages staff involvement in initiatives designed to serve general-public interest via skill-sponsorship programs. In France, the Group has set up skills-sponsorship projects based on three main themes (culture, solidarity, innovation). In 2016, Altran inaugurated four such initiatives, namely for the *Cité du Vin*; Aurore, an association dedicated to combating social exclusion; the "Au Foin de la Rue" festival, the Centre Pompidou-Metz and the Lyon Opera House. In Belgium, the Group is supporting the Proximus Foundation's Digitalent project. The aim here is to give 18 to 25 year olds an insight into digital-related jobs, by inviting participants to mount a digital project with the help of an Altran trainer.

9.9.18.2 The Solar Impulse partnership

Altran became an official partner in the Solar Impulse adventure when the project was launched by Bertrand Piccard and André Borshberg in 2003. The aim of this project was to create a solar-powered aircraft capable of flying day and night, with the ultimate goal of completing a round-the-world flight. Altran and its team of experts have played a key role in helping the Solar-Impulse crew achieve their objectives. In 2016, the Altran team guided Solar Impulse throughout the second leg of its "round-the-world" tour from Hawaii to Abu Dhabi.

9.9.19 Cross-reference table

Cross-reference table of the requirements specified in Article 225 of the Grenelle 2 law and Global Reporting Initiative (GRI) guidelines

Requirements specified in Article 225 of the French Grenelle 2 law	GRI	Not relevant	Reference	Additional information
Human-resources indicators				
a) Employment				
Breakdown of workforce by gender, age and geographic zone	G4-LA12		9.9.1.1	
Recruitment and redundancy			9.9.1.2	
Compensation and salary trends	G4-51		9.9.2	
b) Organization of work				
Organization of working time			9.9.3	
Absenteeism	G4-LA6		9.9.5	
c) Social relations				
Organization of social dialogue, notably regarding employee information and consultation procedures, as well as related staff negotiations			9.9.4	
Collective bargaining agreements			9.9.4	
d) Health and safety				
Health and safety conditions in the workplace	G4-LA5		9.9.5	
Overview of agreements signed with trade unions and staff representatives regarding health and safety at work	G4-LA8		9.9.5	
Work-related injuries, notably by rate of frequency and degree of gravity, and occupational illnesses	G4-LA6		9.9.5	
e) Training				
Training schemes implemented	G4-LA10		9.9.6	
Total number of training hours	G4-LA9		9.9.6	
f) Equal opportunity and treatment				
Measures implemented to promote equality between women and men	G4-LA12		9.9.1.1 9.9.7.1	
Measures implemented to promote the employment and integration of people with disabilities	G4-LA12		9.9.7.2	
Anti-discrimination policy			9.9.7.3	

Requirements specified in Article 225 of the French Grenelle 2 law	GRI	Not relevant	Reference	Additional information
g) Promote and respect the specifications set forth in the fundamental conventions of the International Labor Organization relative to:				
▮ freedom of association and the effective recognition of the right to collective bargaining;		G4-HR4	9.9.8	
▮ eliminating discrimination relative to employment and the profession;				
▮ eliminating all forms of forced and compulsory labor;		G4-HR6		
▮ the effective abolition of child labor;		G4-HR5		
Environmental indicators				
a) Global environmental policy				
Organization of the Company's structure to take into account environmental issues, and if necessary, the steps taken to ensure environmental evaluation or certification			9.9.9	
Measures carried out giving employees access to environmental-protection training and information			9.9.10	
Means taken to prevent environmental risks and pollution		G4-EN31	9.9.9	
The amount of provisions and guarantees for environmental risks, provided that such information is unlikely to cause any serious damage to the Company in an ongoing litigation				The direct environmental risks linked to the Group's activity are limited. As such, Altran has not written any provisions or put any guarantees in place in terms of the environmental impact.
b) Pollution and waste management				
Measures taken to prevent, reduce or repair waste released into the atmosphere, as well as serious environmental damage caused by water or soil	G4-EN20	G4-EN21 EN22 EN24 EN25 EN26	9.9.11.3	
Measures taken to prevent, recycle and eliminate waste				
Management of noise pollution and any other kind of pollution specific to the Group's activity				Information that is not relevant to Group activity is excluded from the reporting scope.
c) Sustainable use of resources				
Water consumption and supply in relation to local constraints		G4-EN9 EN10	9.9.11.1	
Raw material consumption and measures taken to optimize their efficiency.	G4-EN1	G4-EN28	9.9.11.1	
Energy consumption, measures adopted to improve energy efficiency and optimize recourse to renewable energies	G4-EN3 EN5		9.9.11.2	
Land use				Information that is not relevant to Group activity is excluded from the reporting scope.
d) Climate change				
Greenhouse gas emissions	G4-EN15 EN16 EN17		9.9.12 9.9.13	
Adaptation to the consequences of climate change	G4-EC2		9.9.13	
e) Protection of biodiversity				
Measures taken to preserve and/or develop biodiversity	G4-EN11	G4-EN12 EN13 EN14	9.9.14	
Social indicators				
a) Regional, economic and social impact of the Company's activity in terms of:				
▮ employment and regional development	G4-EC6		9.9.15.3	
▮ impact on local and neighboring populations		G4-SO1 SO2		Information that is not relevant to Group activity is excluded from the reporting scope.

Requirements specified in Article 225 of the French Grenelle 2 law	GRI	Not relevant	Reference	Additional information
b) Relations with individuals and organizations interested in the Group's activity, notably social-integration and educational institutions, environmental protection groups, consumer associations and local communities				
Conditions fostering dialogue with these stakeholders			9.9.15.1 9.9.15.2	
Partnership and corporate-sponsorship actions			9.9.18	
c) Outsourcing and suppliers				
Measures taken to integrate social and environmental issues into the Group's purchasing policy			9.9.17	
The extent of outsourcing and the social and environmental responsibility of Group suppliers and subcontractors			9.2 9.9.17	
d) Fair trade practices				
Actions taken to prevent corruption			9.9.16	
Measures taken to ensure consumer health and safety		G4-PR1 PR2		Information that is not relevant to Group activity is excluded from the reporting scope.
Other measures taken within this category to promote human rights		G4-HR2 HR7 HR8 HR9 HR12	9.9.16	

9.9.20 Methodology

9.9.20.1 Scope of human-resources and social indicators

All subsidiaries included in the Group's scope of human-resources and social indicators are fully controlled by Altran Technologies at January 1 and at December 31 of the reporting year in question and employ at least one member of staff. Only the subsidiaries over which Altran exercises complete control, either directly or indirectly are integrated into its scope of human-resources and social indicators. These companies are fully consolidated. Human-resources and social indicators are consolidated at the national level or by geographic zone.

Once a year, before the reporting process is launched, the Group's CSR manager, in conjunction with the Group's financial management department, validate the list of companies included in the human-resources and social indicator reporting scopes for the period. The CSR manager also checks that Altran does not exercise operating control over the human-resources, environmental and social strategies of subsidiaries outside the Group's reporting scope.

Within the context of the Group's continuous improvement process, Altran has limited its scope to sixteen countries for its fifth reporting year. This scope will be widened to include more countries in the coming years. The objective is to meet the requirements set forth in Article 225 of the Grenelle 2 law.

The subsidiaries in the Group's 2016 human-resources and social scope of information include:

- Germany: Altran Deutschland, Altran Service, Altran Aviation Consulting;
- Belgium: Altran Belgium;
- China: Altran Shanghai, Altran Automotive Technologies (Shanghai), Altran Beyondsoft Technologies (Beijing), Altran Beyondsoft Technologies (Shanghai), Sicon Design Technologies (Shanghai);
- Spain: Altran Innovación, Agencia de Certification Innovation Española (ACIE);
- US: Altran US, Foliage;
- France: Altran Technologies, Altran Education Services, Altran Connected Solutions, Altran Lab, Oxo;
- India: Altran Technologies;
- Italy: Altran Italia;
- Luxembourg: Altran Luxembourg;
- Morocco: Altran Maroc;
- Norway: Altran Norge;
- The Netherlands: Altran Netherlands;
- Portugal: AltranPortugal;
- The UK: Altran UK Holding, Altran UK, Cambridge Consultants/Cambridge Consultants USA, Tessella, Tessella NL;
- Sweden: Altran Sverige;
- Switzerland: Altran.

The 2016 scope of information does not include staff members integrated into the Group during the reporting year through transformational deals, or the companies that were financially consolidated during the period, namely Benteler, Lohika, Pricol Technologies, Sicon Tech US, Swell and Synapse.

Geographic zones correspond to the operating segments defined in section 9.5 of the present Registration Document.

This scope represented 97% of consolidated revenues and 96% of the Group's total workforce in 2016.

9.9.20.2 Scope of environmental indicators

The same set of criteria applying to the subsidiaries in the Group's scope of human-resources and social indicators apply to those in the Group's scope of environmental indicators.

The Altran scope of environmental indicators only includes sites that are owned or rented by the Group. The activity profile of the sites concerned is purely administrative. Client premises where our consultants work on-site are not included. Environmental indicators cover the Group's main sites in the countries where Altran operates. These key sites are selected according to the workforce that is administratively attached to them relative to the total workforce for the country in question. The environmental indicators correspond to the activity of the subsidiaries at their main sites which are consolidated at the national level or by geographical zone.

Within the context of the Group's continuous improvement process, Altran has limited its scope to sixteen countries for its fifth reporting year. This scope will be widened to include more countries in the coming years. The objective is to meet the requirements set forth in Article 225 of the Grenelle 2 law.

The subsidiaries in the Group's 2016 environmental scope of information include:

- Germany: Fellbach, Hamburg, Munich, Wolfsburg;
- Belgium: Brussels;
- China: Shanghai;
- Spain: Barcelona, Madrid;
- France : Aix en Provence, Belfort, Blagnac, Lyon, Orvault, Puteaux, Vélizy-Villacoublay;
- India: Bangalore;
- Italy: Milan, Rome, Turin;
- Morocco: Casablanca;
- The Netherlands: Eindhoven;
- Portugal: Lisbon;
- The UK: Cambridge;
- Sweden: Gothenburg.

Geographic zones correspond to the operating segments defined in section 9.5 of the present Registration Document.

Staff members employed at the sites included in the Group's environmental reporting scope represent 73% of the Group's total workforce.

9.9.20.3 Reporting period

The reporting period for the above-mentioned indicators runs from January 1 to December 31. Data is collected at December 31, either to give the current situation at that date, or because the last day of the year is the cut-off date for the reference period. To facilitate data collection and treatment, certain elements may be collected at an earlier date. In this case, future data for the remaining months to the end of the period is estimated on the basis of assumptions outlined in the description of the indicator.

9.9.20.4 Indicator-selection criteria

An analysis of the human-resources, environmental and social impacts related to the Group's activities has enabled us to define the pertinent performance indicators (in accordance with requirements specified in Article 225 of the Grenelle 2 law) and identify information which, because of the nature of the Group's activities, is not considered to be relevant. Information that is not relevant to Group activity has been excluded from the reporting scope. Altran has adopted the methodology recommended by the MEDEF (available on the website, www.medef.com) to interpret the requirements specified in Article 225 of the Grenelle 2 law and express these as indicators in accordance with the main guidelines of the GRI Sustainability Reporting Guidelines, version G4 (GRI-G4) which are available on the GRI website: www.globalreporting.org.

Depending on the relevance of the GRI indicator and the related information available in 2016, Altran has respected all of the GRI indicator requirements, adapted the GRI indicator or defined its own ad hoc indicator.

9.9.20.5 Information considered not relevant to Group activity

In accordance with the Group's reporting framework, the following information related to certain indicators is not considered relevant given that Altran specializes in intellectual services:

1. **management of noise pollution and any other kind of pollution specific to the Group's activity:** since Altran provides intellectual services, environmental risk in terms of noise and any other kinds of pollution is limited. Measures implemented to reduce the Group's environmental impact, notably with regard to the management of waste and pollution sources are described in section 9.9.11.3;
2. **land use:** Altran rents numerous offices or parts of office buildings. All of these sites are located in urban areas and therefore do not occupy or use arable land. In view of the Company's activities, there is no risk of land pollution;
3. **the impact on local and neighboring populations:** the intellectual services developed by the Group for its clients present no risk for, or have any significant impact on local communities in the countries included in its reporting scope. The initiatives implemented by Altran to benefit the common good are presented in section 9.9.18;
4. **measures taken to ensure consumer health and safety:** the intellectual services developed by the Group for its clients have no direct impact on, or present any significant health and safety risk for consumers;
5. **the fight against food waste:** the intellectual services developed by the Group for its clients have no significant risk with regard to the fight against food waste. Employees either have access to the company restaurants managed by external caterers or benefit from restaurant vouchers.

Information relative to the above indicators has been excluded from the reporting scope.

9.9.20.6 Reporting framework

A reporting framework for human-resources, environmental and social data was drawn up and deployed in 2012. This is updated every year to take into account consolidation and data verification, contributor and Statutory Auditor comments, the progress plan, and any changes in Global Reporting Initiative guidelines. This reporting framework provides details of the methods used to obtain indicator feedback relative to scope, frequency, definitions, main methodologies, calculation formulas and standard factors. The methodologies implemented for certain indicators may be limited and could therefore be a source of uncertainty given the use of estimates in the case of missing data, calculation errors and omissions, and simplifying assumptions.

Concerning the data published in the present report, the following points should be noted:

1. **total headcount of reporting scope:** the Group's workforce includes staff members with fixed-duration and permanent contracts, as well as employees working on a full-time or part-time basis, and those with work-study contracts and serving internships;
2. **hirings and departures:** contract modification is not considered in the number of hirings and departures. Reasons for departure include end-of-contract, redundancy, resignation, retirement, end of trial period, breach of contract, early termination of fixed-term contracts, formal notice given by employees and death. Transfer to other Altran group subsidiaries is not considered in the number of hirings and departures;
3. **absentee rate:** days of absence include lost days for ordinary sick leave, occupational injury, transport-related accidents, occupational illness, unjustified absence and unpaid leave. The period of absence runs from the calendar date when the accident occurred or when the illness was declared except in Italy where only the number of business days is taken into account. In India, time off for sick-leave includes the number of casual leaves;
4. **occupational injury:** this includes job-related, lost-time accidents, fatal accidents and business-trip accidents. Frequency and severity rates are calculated according to the theoretical number of hours worked over the period. There is not a maximum number of days accounted for the same absence;
5. **training:** the number of training hours may include class-learning sessions, e-learning training courses, integration programs, in-house training workshops and on-site training sessions taken by employees and provided by in-house and external trainers. The total number of training hours includes those actually taken by employees, except in France where this is based on the number of training hours billed over the period. The number of hours billed over the period, with a completion date after December 31, 2016, represents 45% of the total number of training hours reported by Altran France. In Spain, training programs with a completion rate of over 60% are booked under training hours completed. In Germany, only the number of hours completed in-house (one-on-one courses, or e-learning) are included and the total number of training hours is calculated according to the average number of participants per session;
6. **percentage of employees with a recognized disability:** the percentage of disabled workers is calculated on the basis of the number of employees with an officially recognized disability at the end of the year relative to the total workforce. Consequently, the disability rate published by Altran France differs from that calculated using the official French method provided by AGEFIPH, a government agency promoting employment for disabled people in France;
7. **paper:** this concerns only A3/A4 paper used for printers and bought for use in sites within the scope of consolidation (paper consumed by employees working at client sites is not included);
8. **energy:** primary energy consumed;
9. **train:** 2016 Cambridge Consultant staff data is based on estimates calculated on 2015 expenses.

9.9.20.7 Responsibilities and controls

Reporting is coordinated by the Group's communications department which draws up, in conjunction with the heads of the departments concerned and an environmental consultant, the list of performance indicators and defines their specific reporting framework.

Certain data can be obtained directly from the departments concerned or from information previously collected. Other data collected from Altran subsidiaries is supervised by a department head or the environmental consultant and the Altran group CSR manager. A dedicated person is identified in each of the Group's operating countries for this purpose.

The Group's communications department consolidates the data collected in conjunction with the department heads concerned and an environmental consultant.

To optimize the reliability of the information published, consistency controls are carried out with respect to previous-year data, as well as data collected in each country. These controls also verify scope and units of measurement, as well as the comprehensiveness and correct application of the reporting framework.

Cash and capital resources

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10.1 Information on the borrower's capital

Information regarding the Group's capital is presented in section 18 "Major Shareholders" of the present Registration Document.

10.2 Borrowing requirements

All information regarding the Group's borrowing conditions is presented in section 4.2 "Liquidity risk" and note 4.11 of section 20.3.1 "Consolidated Financial Statements" of the present Registration Document.

10.3 Restrictions on the use of capital resources

The restrictions attached to the use of credit lines are given in section 4.2 "Liquidity risk" of the present Registration Document.

10.4 Financing of operations

All information regarding the financing of Group operations is presented in sections 4.2 "Liquidity risk" and 21.1 "Share Capital" of the present Registration Document.

Research and Development

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At Group level, development costs were capitalized up to €4.8m in 2016. The gross value of R&D costs totaled €10m at December 31, 2016.

No R&D expenses were capitalized by Altran Technologies.

Trends

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12.1 Main trends

In 2017, Altran intends to continue the implementation of its *Altran 2020. Ignition* strategic plan in which the Group is targeting the following financial objectives by 2020:

- revenues: over €3bn;
- operating margin on ordinary activities (EBIT) : around 13% of revenues;
- free cash flow: equivalent to 7% of revenues.

12.2 Post-closure events

The major events that occurred between December 31, 2016 and March 8, 2017, when the Group's 2016 financial statements were approved by the Board of Directors, are listed below:

Acquisitions

January 2017: Benteler Engineering Services

On January 1, 2017, Altran finalized the acquisition (announced in October 2016), of Benteler Engineering Services, a German group specialized in design and engineering services for the automotive industry.

This strategic acquisition:

- marks the beginning of the investment phase of the Group's recovery plan for Germany;
- significantly boosts the Group's market share in the German automotive market;
- provides strong client and services-offering synergies.

Benteler Engineering Services boasts an impressive portfolio of blue-chip OEMs and Tier-1 suppliers including BMW, Volkswagen, Volvo, Ford, Porsche and Daimler. Based in Munich and with a total workforce of 700 employees, the group operates primarily in Germany and also has operations in the Netherlands, Sweden and Romania.

February 2017: Pricol Technologies

In February 2017, Altran finalized the acquisition of the Indian company Pricol Technologies, an operation (announced in December 2016) designed to step up the implementation of the Group's strategic plan, *Altran 2020. Ignition.*

- the acquisition of Pricol Technologies is completely in line with the Group's expansion plan in North America; the Indian company makes 60% of revenues in the US and boasts a portfolio of long-standing, renowned clients;
- the firm's innovative and proprietary "co-engineering" offshore model, reputed for its efficiency and quality, will enable Altran to boost its Industrialized GlobalShore© network to over 4,500 engineers.

Pricol Technologies provides a wide range of engineering solutions and client support from product conception to manufacturing in the fields of embedded systems, mechanical and industrial design, prototyping, testing and contract manufacturing, notably for the automotive, medical, consumer and industrial products sectors.

With a team of 520 experienced and highly qualified employees, the firm operates five design centers in Coimbatore and Pune.

In addition to integrating its engineering teams into those of its clients, Pricol Technologies has developed a smart engineering ecosystem to provide high value added services which serve to enhance the Group's existing expertise and savoir-faire. With sales offices located in Detroit (US), London (UK) and Shinagawa (Japan), Pricol Technologies has a well garnished client portfolio and balanced market coverage, which have ensured rapid expansion over the past years.

Partnerships

January 2017: EMG

Altran forged a strategic partnership with EMG (eMapgo), a leading Chinese provider of high-quality Location Based Services (LBS) for the automotive industry, enabling Altran to offer car manufacturers the full range of its VueForge® services for ADAS (Advanced Driver Assistance Systems) in China.

This control system will benefit from the Group's cutting-edge technology in ADAS and allow for:

- the management of large amounts of data gathered from in-service vehicle evaluation;
- the simulation and use of data gathered from vehicles and stored in the Cloud;
- real-time vehicle-fleet visualization and analysis of car user practices thanks to integrated sensors.

With this partnership Altran can now provide its clients in China a comprehensive range of autonomous driving services, spanning from vehicle construction and complete data management (storage and computing) to automotive performance testing.

Forecasts

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The Altran group does not issue financial forecasts.

Nevertheless, Management expects that the Group will be able to generate profitable growth in 2017.

Members of the governing bodies

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14.1 Members of the governing bodies

14.1.1 Members of the Board of Directors

Altran Technologies is a French Public Limited Company governed by a Board of Directors. The members of the Board are appointed at the Shareholders' General Meeting for a maximum period of four years.

The Board has comprised twelve Directors since April 29, 2016 when Martha Heitzmann Crawford and Renuka Uppaluri were appointed members of the Board.

On January 26, 2017, the Board of Directors, upon the recommendation of the Appointment and Remuneration Committee, confirmed the Independent-Director status of Martha Heitzmann Crawford, Florence Parly, Nathalie Rachou, Jacques-Étienne de T'Serclaes and Renuka Uppaluri, in accordance with all of the independent-Director qualification criteria specified in the AFEP-MEDEF Code.

Members of the Board of Directors at December 31, 2016

Name	First appointed/ mandate renewed	End of mandate	Main function in the Company
Dominique Cerutti Born January 3, 1961	June 18, 2015 AGM and Board meeting	2019 AGM held to approve the 2018 financial statements	Director, Chairman of the Board and Chief Executive Officer
Jean-Pierre Alix Born February 2, 1950	April 29, 2016 AGM	2018 AGM held to approve the 2017 financial statements	Director
Apax Partners SA, represented by Maurice Tchenio Born January 19, 1943	April 29, 2016 AGM	2017 AGM held to approve the 2016 financial statements	Director
Christian Bret Born September 8, 1940	April 29, 2016 AGM	2018 AGM held to approve the 2017 financial statements	Director
Sylvain Michel Born July 16, 1979	December 17, 2014 Board meeting	2018 AGM held to approve the 2017 financial statements	Staff-representative Director
Florence Parly Born May 8, 1963	April 29, 2016 AGM	2017 AGM held to approve the 2016 financial statements	Director
Nathalie Rachou Born April 7, 1957	April 29, 2016 AGM	2019 AGM held to approve the 2018 financial statements	Director
Gilles Rigal Born May 26, 1958	April 29, 2016 AGM	2020 AGM held to approve the 2019 financial statements	Director

Name	First appointed/ mandate renewed	End of mandate	Main function in the Company
Jacques-Étienne de T'Serclaes Born June 4, 1947	April 29, 2016 AGM	2017 AGM held to approve the 2016 financial statements	Director
Thomas de Villeneuve Born May 19, 1972	April 30, 2015 AGM	2019 AGM held to approve the 2018 financial statements	Director
Martha Heitzmann Crawford Born September 30, 1967	April 29, 2016 AGM	2020 AGM held to approve the 2019 financial statements	Director
Renuka Uppaluri Born February 18, 1971	April 29, 2016 AGM	2020 AGM held to approve the 2019 financial statements	Director

The Board is also assisted by a Censor, Henry Capelle, appointed in March 2014 for a period of four years.

Functioning of the Board of Directors

All information pertaining to the organization and functioning of the Board of Directors and the Special Committees is given in the Chairman's Report on Corporate Governance, in appendix 1 of the present Registration Document.

14.1.2 General Management

On October 28, 2011, the Board of Directors appointed Cyril Roger (an employee of the Company at the time) as Senior Executive Vice-President. Mr. Roger's mandate was confirmed by the Board on April 29, 2015.

At the meeting convened immediately after the June 18, 2015 Annual General Meeting, the Board appointed Dominique Cerutti as Chairman and CEO, thereby reiterating its decision not to separate the functions of Chairman from those of Chief Executive Officer. At the same meeting, the Board also confirmed Cyril Roger's appointment as Senior Executive Vice-President.

In accordance with the recommendations specified in the AFEP-MEDEF Code, Dominique Cerutti, is not bound by an employment contract to the Company, nor to any of its subsidiaries.

14.1.3 Mandates and functions exercised by corporate officers in Altran and other companies

DOMINIQUE CERUTTI, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Chairman and Chief Executive of Altran Technologies, Dominique Cerutti (56) began his career as an engineer for Bouygues in Saudi Arabia.

He then went on to join the IBM Group where, for more than 20 years, he contributed to the strategic transformation of the company.

In 2000, he was appointed Chief Executive Officer of IBM Global Services firstly for the Europe, Middle-East and Africa divisions then for IBM Europe.

In 2009, he joined the NYSE Euronext group as Executive Vice-President and member of the Board before taking up the position of CEO of the Euronext group in 2013.

Dominique Cerutti graduated from the French engineering and research graduate school, ESTP (École spéciale des travaux publics).

He had 41,618 Altran Technologies shares at December 31, 2016

Attendance rates of 100% at Board meetings and Investments and Acquisitions Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Chairman and Chief Executive Officer, Chairman of the Investments and Acquisitions Committee: Altran Technologies

Outside the Altran group

- Director: Genes'Ink SA

Abroad

Within the Altran group

- Director: Cambridge Consultants Ltd (UK)

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France
	Outside the Altran group
2013	Member of the Board: Euromed Business School
	Abroad
	Outside the Altran group
2015	Chairman of the Management Board: Euronext NV
2015	Deputy Chief Executive Officer: NYSE
2015	Director: LCH group
2013	Director: NYSE

JEAN-PIERRE ALIX, DIRECTOR

67 years old; chartered accountant

After exercising a number of local council mandates (Deputy Mayor, General Councilor and District Council President), Jean- Pierre Alix held various trade union and ordinal advisory positions, including National President of the French Institute of Chartered Accountants (IFEC), as well as Chairman of the French Association of Chartered Accountants.

He had 4,010 Altran Technologies shares at December 31, 2016.

Attendance rates of 90% at Board meetings and of 100% at Audit Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, member of the Audit Committee: Altran Technologies

Outside the Altran group

- Manager: SARL Alix Conseil
- Manager: SCI GAP
- Manager: SCI Les Deux Rochers
- Manager: SCI Saint Laurent Investissement
- Manager: SCI Saint Laurent Gestion
- Director: Sacicap Forez Velay

Mandates and functions held in the past five years but no longer exercised

In France

End of mandate	**Within the Altran group**
2012	Member of the Investments and Acquisitions and the Appointment and Remuneration Committees

End of mandate	**Outside the Altran group**
2012	Manager: SARL Alix et Associates

APAX PARTNERS, DIRECTOR

Apax Partners SA had 3,801 Altran Technologies shares at December 31, 2016.

Attendance rate of 90% at Board meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director: Altran Technologies

Outside the Altran group

- Manager: Société Civile TeamInvest
- Member of the Audit Committee: Thom Europe SAS
- Manager: Société Civile Capri
- Manager: Société Civile Firoki
- Manager: Société Civile Info Invest
- Member of the Supervisory Board: Thom Europe SAS

Abroad

Outside the Altran group

- Director: European Jewellers I SA (Luxembourg)
- Director: European Jewellers II SA (Luxembourg)

Mandates and functions held in the past five years but no longer exercised

In France

End of mandate	Outside the Altran group
2016	Member of the Supervisory Board: InfoPro Digital SAS
2014	Member of the Executive Committee: Financière Season
2014	Member of the Supervisory Board: Royer SAS
2013	Director: DXO Labs SA
2013	Manager: Société Civile Carmel
2012	Director: Cognitis Group
2012	Director: Heytens Centrale SA
2012	Director: Itefin Participations SAS
2012	Member of the Supervisory Board: Arkadin Holding

Abroad

	End of Outside the Altran group mandate
2014	Director: Wallet Investissement 1 SA (Belgium)
2014	Director: Wallet Investissement 2 SA (Belgium)
2014	Director: Wallet SA (Belgium)
2014	Director: Buy Way Tech SA (Belgium)
2014	Director: Buy Way Personal Finance Belgium SA (Belgium)
2012	Director: de NWL Investissements (Luxembourg)

CHRISTIAN BRET, DIRECTOR

Christian Bret (76 years old) has spent his entire career in IT and Communications.

After graduating from the French engineering school, ESCPE-Lyon in 1963, Mr. Bret began his career as an engineer at IBM France. In 1969, he went on to specialize in IT services and headed up the IT division of Rothschild Bank for three years. He then joined Sligos where he worked for 18 years and served as Managing Director before becoming Head of the CEA subsidiary, CISI, in 1989. In 1996, Chrisian Bret moved to France Telecom where he was appointed Vice-President of the business-to-business division.

Mr. Bret has also held a number of important positions in professional organizations: Vice-President of the French employers' federations, Syntec and Syntec-Informatique, Chairman for the "Convention Informatique" (French IT sector agreement), Chairman of the Strategic Orientation Committee for Afnor (the French industrial standards authority), member of the French Telematics and Telecommunications Advisory Boards and Chairman of the Yvelines Scientific and Technical Institute.

In 2003, Christian Bret set up the strategy consulting company, Eulis and, in 2004, he created Cercle 01 Innovation – Technologies, an organization consisting of 40 Chairmen and Managing Directors from major French companies, which focuses on ICT-driven performance optimization.

He had 4,000 Altran Technologies shares at December 31, 2016

Attendance rates of 100% at Board meetings and at Investments and Acquisitions Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, member of the Investments and Acquisitions Committee: Altran Technologies

Outside the Altran group

- Director, member of the Remuneration, Ethical and Governance Committees: Sopra Steria Group

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France **Outside the Altran group**
2016	Director: Digital Dimension
2016	Director, Chairman of the Remuneration Committee, member of the Audit Committee: Econocom Group

M. SYLVAIN MICHEL, STAFF-REPRESENTATIVE DIRECTOR

Sylvain Michel (37 years old) is an engineering consultant with the Altran group.

Mr. Michel has a Masters Degree in Aeronautical Mechanical Engineering, and has worked as head of business development in the development of tools, the installation of VIP cabins in the Aeronautics sector, and the transfer of production lines in the automobile sector.

He had no Altran Technologies shares at December 31, 2016*

Attendance rates of 100% at Board meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Staff-Representative Director: Altran Technologies

Mandates and functions held in the past five years but no longer exercised

None

* The Altran group's Articles of Association specify that Staff-representative Directors are not obliged to own Company shares.

FLORENCE PARLY, DIRECTOR

Florence Parly (53 years old) is the CEO of SNCF Voyageurs.

After graduating from Sciences-Po Paris (Institute of Political Studies) and ENA (the French National School of Administration) in 1987, Florence Parly began her career as a Civil Administrator with the budget department of the French Finance Ministry, before serving as a Budget Advisor in several ministerial cabinets between 1991 and 1993. She was subsequently appointed head of the budget department in charge of financing.

Florence Parly served as Budget Minister between 1997 and 1999 and was nominated Secretary of State for the Budget in 2000.

Between 2003 and 2004, Mrs. Parly served as Officer-in-Charge at Agence France Trésor (a department of the French Ministry for the Economy, Finance and Industry) and was later appointed Managing Director of the Regional Development Agency for the Paris region.

Florence Parly retired from politics in 2006 and joined Air France as Head of Investment Strategy. She was appointed Executive Vice-President of Air France Cargo in 2008, then Deputy General Manager in charge of the Passenger Activity Paris-Orly and French Stations in January 2013.

In 2014, she moved to SNCF where she was appointed Executive General Manager of the Group and in 2016, CEO of SNCF Voyageurs where she is charge of coordinating and monitoring SNCF travel activities (TGV, Ouigo, Ouibus, Voyagessncf.com), as well as the regional TER, Transilien and Interciy rail networks, which, together, represent sales of €15bn.

She had 3,800 Altran Technologies shares at December 31, 2016

Attendance rates of 80% at Board meetings and of 100% at Appointment and Remuneration Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, Chairman of the Appointment and Remuneration Committee: Altran Technologies

Outside the Altran group

- Director, Chairman of the Audit Committee: Ingenico
- Representative of the Fonds Stratégique de Participations on the Supervisory Board: Zodiac Aerospace

Mandates and functions held in the past five years but no longer exercised

	In France
End of mandate	**Outside the Altran group**
2015	Director: Bpifrance Participations
2015	Director: Bpifrance Investissement
2014	Director: Air France, a company whose securities are admitted for trading on a regulated market
2014	Director: Servair
2013	Chairman of the Board: Sodexi
2013	Air France representative on the Supervisory Board: FRAM
2013	Chairman of the Board : MCH (Mexico Cargo Handling)

NATHALIE RACHOU, DIRECTOR

Until 2015, Nathalie Rachou (59 years old) managed Topiary Finance Ltd, a London-based asset management company that she set up in 1999.

Before that, Mrs. Rachou spent 22 years at Banque Indosuez (now Credit Agricole Indosuez) where she worked as Foreign Exchange Dealer between 1978 and 1982, Head of Asset/Liability Management until 1986 when she developed the MATIF futures trading business and set up the bank's brokerage subsidiary, Carr Futures International. From 1991 to 1996, she was Corporate Secretary of Banque Indosuez then Head of Foreign Exchange and Currency Options until 1999 when she set up her own company.

Nathalie Rachou graduated from the HEC business school in Paris in 1978 and has spent half of her professional career working in the UK.

She has been a French Foreign Trade Advisor in the UK since 2001, and is a member of the Franco-British think-tank, Cercle d'Outre Manche.

She had 3,800 Altran Technologies shares at December 31, 2016

Attendance rates of 100% at Board meetings and of 83% at Audit Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, Chairman of the Audit Committee: Altran Technologies

Outside the Altran group

- Director, member of the Audit Committee: Veolia Environnement
- Director, Chairman of the Risks Committee, member of the Audit and Internal Controls Committee: Société Générale, a company whose securities are admitted for trading on a regulated market
- Senior Advisor: Rouvier Associes (management company)

Abroad

Outside the Altran group

- Director, member of the Audit Committee: LAIRD PLC

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France **Outside the Altran group**
2013	Director and member of the Strategic Committee: Liautaud & Cie commercial bank
2015	Director: ARIS (Association of retired and former workers of Indosuez)

GILLES RIGAL, DIRECTOR

59 years old; Partner of Apax Partners MidMarket SAS.

Gilles Rigal joined the Technologies, Media & Telecoms (TMT) team of Apax Partners in 2001.

He began his career as an entrepreneur with the creation of IGL (specialized in software tools and IT services), which he sold to Thales five years later. Mr. Rigal went on to serve as Divisional Manager at McDonnell Douglas Information Systems, then moved to Systar, an international software company based in France, where he was successively appointed General Manager of French, European and International operations. In 1995, he joined BMC Software (fifth global software publisher) as General Manager of French operations and Vice-Chairman of marketing and indirect sales for Europe, the Middle East and Africa

Gilles Rigal holds an engineering degree from ENSEEIHT (Toulouse) and a graduate degree (DEA) in Robotics from the University of Toulouse.

He had 3,801 Altran Technologies shares at December 31, 2016.

Gilles Rigal is Chairman of Altrafin Participations SAS which had 29,593,354 Altran Technologies shares at December 31, 2016.

Attendance rates of 80% at Board meetings, as well as Investments and Acquisitions Committee, and 100% at Appointment and Remuneration Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, member of the Appointment and Remuneration and the Investments and Acquisitions Committees: Altran Technologies

Outside the Altran group

- Member of the Appointment and Remuneration, Investment, and Strategic Committees: GFI Informatique SA
- Chairman: Altimus SAS
- Chairman: Altrafin Participations SAS
- Chairman: Itefin Participations SAS
- Chairman: InfoVista Holding SAS
- Chairman and member of the Supervisory Board: InfoVista Holding SAS
- Director: Willlink SAS
- Member of the Management Committee: Itefin Participations
- Director: Apax Partners MidMarket SAS
- Director: Financière MidMarket SAS
- Director: Vocalcom SAS
- Altrafin Participations representative as manager: SEP Altitude
- Itefin Participation representative as Director: GFI Informatique SA
- Managing Partner: Société Civile Sofaprig

Abroad

Outside the Altran group

- Director and Chairman of the Board : Magequam (Luxembourg)
- Manager and Chairman of the Supervisory Board: Vista Lux Sarl (Luxembourg)
- Sole manager: VistaLuxManagement Sarl (Luxembourg)

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France Outside the Altran group
2016	Chairman: Alphax Participations SAS
2016	Chairman: Betax Participations SAS
2016	Chairman of the Board: Willlink SAS
2012	Director: Cognitis Group SA
	Abroad **Outside the Altran group**
2016	Manager: Infofin Participations (Luxembourg)
2012	Director: Odyfinance SA (Luxembourg)

MAURICE TCHENIO, APAX PARTNERS SA REPRESENTATIVE

74 years old; Co-founder of Apax Partners and

Chairman of the Executive Management Board of Altamir Amboise and Chairman of the AlphaOmega Foundation.

Maurice Tchenio began his career as an Assistant Professor of Finance at the Paris business school, HEC, before being appointed Project Manager at the Institut de développement industriel (IDI), a Paris-based private-equity company. In 1972, Maurice Tchenio, in conjunction with Ronald Cohen and Alan Patricof, founded Apax Partners, which is now one of the world leaders in Private Equity. Between 1972 and 2010, he served as Chairman and CEO of Apax Partners SA, the company's French division. In 1995, Mr. Tchenio founded Altamir Amboise, French, listed, private equity company, and, in 2010, created the public utilities venture philanthropy foundation, AlphaOmega.

He is also co-founder of AFIC, the French private equity investors association, and a former Director of EVCA (European Venture Capital Association).

Maurice Tchenio graduated from the HEC business school in Paris, and the Harvard Business School, where he obtained the Baker Scholar award of high distinction.

He had 373,000 Altran Technologies shares at December 31, 2016*

Attendance rate of 90% at Board meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Apax Partners SA representative on the Board of Directors: Altran Technologies

Outside the Altran group

- Chairman and CEO: Apax Partners SA
- Chairman and CEO: Altamir Gérance SA
- Director: Toupargel Groupe SA, a company whose securities are admitted for trading on a regulated market
- Permanent representative of Financière Helios as Director: Albioma SA, a company whose securities are admitted for trading on a regulated market
- Director: Financière de l'Échiquier SA
- Vice-President: Toupargel SASU
- Chairman of the Board: AlphaOmega Foundation
- Joint manager: Société Civile Immobilière Mauryland
- General Partner: AlphaOmega SC
- General Partner: Société Civile TT Investissements
- Chairman: Amboise SAS
- Manager: Société Civile Cimarosa
- Manager: Société Civile Cimarosa II
- Manager: Société Civile Étoile II
- Manager: Société Civile SE Wagram
- Manager: Société Civile Fac&In
- Manager: Société Civile Vizasat
- Member of the Supervisory Board: Thom Europe SAS
- Apax Partners SA representative as Manager: Société Civile Capri
- Apax Partners SA representative as Manager: Société Civile Firoki
- Apax Partners SA representative as Manager: Société Civile TeamInvest
- Censor: Lion/Seneca France 1 SAS

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France **Outside the Altran group**
2016	Chairman: Financière Helios SAS
2016	Manager: Société Civile Copernic Partenaires
2015	Director: Albioma
2015	Apax Partners SA representative as Manager: Société Civile Carmel
2014	Manager: Société Civile Moussecarrie
2013	Manager: Société Civile Cimarosa Media
2013	Manager: Société Civile Cimarosa Tubes
2013	Manager: Société Civile Galilée Partenaires
2013	Manager: Société Civile Galilée Partenaires II
2013	Manager: Société Civile Longchamp
2012	Director: F2L SAS
2012	Director: 3AB Optique Développement SAS
2012	Director: 3AB Optique Expansion SAS
2012	Chairman: 3AC Finance SAS

* Shares held within the framework of a life-insurance policy.

JACQUES-ÉTIENNE DE T'SERCLAES, DIRECTOR

69 years old; Founder-Chairman of the in-kind donation charity association, "Agence du Don en Nature".

Jacques-Étienne de T'Serclaes, a graduate of Harvard Business School (OPM program) and the French business school, ESSCA, is a Chartered Accountant and former member of the French audit regulator, Compagnie des commissaires aux comptes. Mr. T'Serclaes worked for seven years with Euromarché (Carrefour), where he was appointed Managing Director of the group. He then became a Senior Partner at PricewaterhouseCoopers where, between 1990 and 2005, he headed the Global Retail and Consumer division and was Chairman of the PwC Audit Supervisory Board.

He had 5,000 Altran Technologies shares at December 31, 2016.

Attendance rates of 100% at Board meetings, and at Audit and Appointment and Remuneration Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, member of the Audit Committee and member of the Appointment and Remuneration Committee: Altran Technologies

Outside the Altran group

- Founding Chairman: Agence du Don en Nature – *Goods to Give*
- Director: Rémy-Cointreau

Abroad

Outside the Altran group

- Operating Partner: Advent International (UK)
- Director: Banimmo (Belgium)

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France **Within the Altran group**
2016	Chairman of the Audit Committee
2012	Member of the Investments and Acquisitions Committee: Altran Technologies

End of mandate	Abroad **Within the Altran group**
2012	Director: Altran Technologies India Private Ltd (India)

THOMAS DE VILLENEUVE, DIRECTOR

44 years old; Partner of Apax Partners MidMarket SAS.

Thomas de Villeneuve joined Apax Partners in 2001 where he was in charge of investments in the TMT sector. Mr. de Villeneuve began his career with the Boston Consulting Group, working mainly in the Medias and Telecoms sector in Paris and New York. Thomas de Villeneuve graduated from the HEC business school in Paris.

He had 3,801 Altran Technologies shares at December 31, 2016.

Attendance rates of 90% at Board meetings and of 100% at Investments and Acquisitions Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, member of the Investments and Acquisitions Committee: Altran Technologies

Outside the Altran group

- Director: Apax Partners MidMarket SAS
- Director: Wendel-Participations SE
- Director: Clarisse SA
- Director: We2Go association
- Managing Partner: Société Civile Hermine

Abroad

Outside the Altran group

- Class A Manager: Cabolink Sarl (Luxembourg)
- Director: MelitaLink Limited (Malta)
- Director: MelitaLink Advisors Limited (Malta)
- Director: MelitaLink Management Limited (Malta)
- Permanent representative of Apax Partners MidMarket, Director of MelitaLink Limited (Malta)
- Manager: Cabolink Gérance Sarl (Luxembourg)
- Manager: Cabolink Holdco Sarl (Luxembourg)

Mandates and functions held in the past five years but no longer exercised

In France

End of mandate	Within the Altran group
2014	Board of Directors Censor: Altran Technologies

End of mandate	Outside the Altran group
2016	Member of the Supervisory Board: InfoPro Digital SAS

Abroad

End of mandate	Outside the Altran group
2016	Director: Eiger GP SA (Luxembourg)
2016	Manager: Eiger 1 SARL (Luxembourg)
2016	Sole Manager: Visaolinktel, Unipessoal LDA. (Portugal)
2016	Sole Director: Cabonitel, SA (Portugal)
2016	Director: Financière MidMarket SAS
2013	Member of the Management Board: Altice Portugal SA (Portugal)
2013	Manager: Codilink SARL (Luxembourg)
2013	Manager: Coditel Management SARL (Luxembourg)

MARTHA HEITZMANN CRAWFORD; DIRECTOR SINCE APRIL 29, 2016

Martha Heitzmann Crawford (49 years old) holds a PhD in Environmental Engineering and Chemistry from Harvard University (US) and an MBA from the Collège des ingénieurs (France).

Between 1991 and 1999, she held several positions at the World Bank and the Asian Bank of Development in the field of environmental infrastructure and technology and, until 2007, served as principal administrator of the OECD's Environmental Performances and Information division.

In 2007, Ms. Crawford was appointed global R&D Vice-President of Air Liquide and later moved on to become Director of Research, Development and Innovation at Areva, where she worked until 2014 and is still a member of the Board's Executive Committee. In July 2016, she was appointed specialist of technology, innovation and product development at the Harvard Business School (HBS) where she gives courses in technological innovation and corporate governance.

Martha Heitzmann Crawford holds the French National Order of Merit *(Chevalier de l'Ordre national du mérite).*

Attendance rates of 86% at Board meetings and of 100% at Audit Committee meetings in 2016.

There have been no Appointment and Remuneration Committee meetings since Martha Heitzmann Crawford took up office.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, member of the Audit and the Appointment and Remuneration Committees: Altran Technologies

Outside the Altran group

- Director: Conseil Scientifique (Paris region)

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France
	Outside the Altran group
2016	Director, member of the Strategic Committee: Ipsen

RENUKA UPPALURI, DIRECTOR SINCE APRIL 29, 2016

45 years old and Senior Vice-President Research & Development of Alere since February 2015, Renuka Uppaluri holds a PhD in electrical and computer engineering from the University of Iowa (US).

Between 2009 and 2015, she served as Vice-President of a global R&D division of Covidien (Colorado, US), a company specialized in medical technologies and solutions.

She worked for ten years at GE Healthcare Technologies R&D (Wisconsin, US) where she held various R&D positions and, between 2007 and 2009, was General Manager in one of the company's global engineering divisions.

She had 3,800 Altran Technologies shares at December 31, 2016.

Attendance rates of 86% at Board meetings and at Investments and Acquisitions Committee meetings in 2016.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Director, member of the Investments and Acquisitions Committee: Altran Technologies

Abroad

Outside the Altran group

- Vice-President, Research & Development: Alere/section 16 officer of Alere

Mandates and functions held in the past five years but no longer exercised

None

CYRIL ROGER, SENIOR EXECUTIVE VICE-PRESIDENT

52 years old and Senior Executive Vice-President in charge of Europe, and key accounts

A graduate of Centrale Lyon and ENST (Telecom Paris Tech), Cyril Roger began his career with France Télécom as a Business Engineer before joining Adecco as Regional Director, and then Olsten as Managing Director for the Paris region. From 1999 to 2006, he was Chairman of the Management Board of Segula Technologies. Between 2006 and October 2011, he served on the Group's Executive Committee as Executive Vice-President in charge of French operations and the Group's Automotive, Aerospace and Energy industries. On October 28, 2011, he was appointed Senior Executive Vice-President.

He sold all of his shares (50,000) on May 4, 2015.

Mandates and functions exercised at December 31, 2016

In France

Within the Altran group

- Senior Executive Vice-President in charge of Europe, and key accounts
- Chairman: Altran Allemagne SAS

Outside the Altran group

- Manager: Valguil (Société Civile)

Abroad

Within the Altran group

- Director: Altran UK Holding Ltd (UK)
- Director: Altran Belgium SA (Belgium)
- Director: Altran Netherlands BV (the Netherlands)
- Director: Altran Innovación SL (Spain)
- Director: Altran Norge AS (Norway)
- Director: AltranPortugal SA (Portugal)
- Director: Altran Sverige AB (Sweden)
- Chairman and Director: Altran Telnet Corporation (Tunisia)
- Member of the Supervisory Board : Altran Management SE (Germany)
- Director: Altran Italia SpA (Italy)
- Manager: Altran Maroc SARLU (Morocco)
- Director: Altran Inovasyon ve Teknoloji AS (Turkey)

Mandates and functions held in the past five years but no longer exercised

End of mandate	In France Within the Altran group
2015	Chairman: Altran Education Services SAS
2013	Chairman: Altran CIS SAS
2013	Chairman: Datacep SAS
2013	Chairman: Excellia SAS
2013	Chairman of the Board: NSI SA, a company whose securities were listed on a free market
2013	Chairman: Altran Ingénierie Mécanique & Process SAS
2013	Chairman: Altran Praxis SAS
	Abroad **Within the Altran group**
2015	Director: Altran Middle East FZ-LLC (UAE)
2013	Altran Technologies representative and Sole Director: Altran Innovación SLU (Spain)
2012	Director: Hilson Moran Italia SpA (Italy)

14.2 Convictions for fraud, liquidation proceedings and penalties involving the Group's corporate officers

To the best of Altran Technologies' knowledge, in the past five years, none of the members of the Board of Directors have been:

- convicted for fraud;
- involved in bankruptcy, receivership or liquidation proceedings
- incriminated or subject to sanctions by an official public statutory or regulatory authority (including specially designated professional bodies);
- prevented by court order from acting in his or her capacity as a member of an administrative, management or supervisory body of an issuer or from taking part in the management of an issuer's business.

14.3 Conflicts of interest concerning corporate officers

To the best of Altran Technologies' knowledge there are no:

- conflicts of interest between its Board members' duties to Altran Technologies and their private interests and/or other obligations;
- family ties between the Group's Board members.

14.4 Financial injunctions for anti-competitive practices imposed by the Competition Authority

To the best of Altran Technologies' knowledge, no injunctions had been issued against it at the date this Registration Document was filed with the AMF.

Compensation and benefits

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15.1 Corporate-officer compensation

Total gross compensation and all other benefits paid to corporate officers by the Company and its subsidiaries in 2016 totaled €3,656,474. This breaks down as follows:

- corporate-officer compensation: €3,334,867;
- attendance fees: €321,607;
- benefits in kind: none.

Compensation allocated to the Chairman and Chief Executive Officer: Dominique Cerutti

2016 compensation

	For 2016			
	Target amount	Amount due	Amount paid in 2016	Amount to be paid after 2016
Fixed compensation	€ 600,000	€ 600,000	€ 600,000	None
Variable compensation	€ 600,000	€ 659,835	None	€ 659,835
TOTAL	**€ 1,200,000**	**€ 1,259,835**	**€ 600,000**	**€ 659,835**

This amount does not factor in any additional compensation related to the Long-Term Incentive (LTI) plans detailed below ("Additional compensation reserved for the Chairman and Chief Executive Office: 2015-2017 and 2016-2018 LTI plans").

2015 compensation (as of June 18, 2015)

	For 2015			
	Target amount	Amount due	Amount paid in 2015	Amount to be paid after 2015
Fixed compensation	€ 600,000	€ 320,455	€ 320,455	None
Variable compensation	€ 600,000	€ 319,973	None	€ 319,973
TOTAL	**€ 1,200,000**	**€ 640,428**	**€ 320,455**	**€ 319,973**

This amount does not factor in any additional compensation related to the Long-Term Incentive (LTI) plan detailed below ("Additional compensation reserved for the Chairman and Chief Executive Officer: 2015-2017 Plan").

On March 9, 2016, the Board of Directors, upon recommendation of the Appointment and Remuneration Committee, decided to allocate Dominique Cerutti:

- a fixed, gross annual compensation of six hundred thousand euros (€600,000);
- a variable compensation equivalent to up to 100% of the fixed amount for fulfilling certain performance-related objectives, and up to 160% in the event of over-performance with the total gross amount capped at €960,000.

The variable portion is based on a number of specific objectives, the choice and weightings of which are defined every year by the Board of Directors upon recommendation of the Appointment and Remuneration Committee.

At the March 9, 2016 Board meeting, it was decided that 60% of the variable compensation would be pegged to the achievement of financial targets (Group EBIT and Free Cash Flow, with respective weightings of 48% and 12%), and the remaining 40% to the fulfillment of individual qualitative objectives related to the implementation of Group strategy, as defined by the Board of Directors. Of this 40%, 10% is pegged to achieving a set of Human Resources objectives for which the level of achievement is assessed by staff representative members of the Board.

Group EBIT is calculated on a like-for-like basis and may factor in exceptional costs for up to 1% of revenues. The amount of exceptional costs exceeding this limit will be deducted from the Group EBIT calculation.

The required level of achievement for each objective is clearly specified but cannot be published for confidentiality and trade-secret reasons.

During its session of March 8, 2017, the Board of Directors evaluated the achievement of quantitative and qualitative objectives. The target linked to the Group Ebit was reached up to 101.7%, the one linked to the free cash flow reached 109.8%. Quantitative objectives thus reached 103.3% of their target. Qualitative objectives reached for their part 100% of the target. The variable remuneration for 2016 thus reached 110.0% of its targeted amount.

Dominique Cerutti, however, does not have an employment contract with the Company, nor is he entitled to (i) a supplementary retirement scheme, (ii) benefits due to, or arising from, either the termination or change in his function, or (iii) any compensation relative to a non-competition clause.

In fiscal year 2016, he did not receive any other compensation, nor did he receive any securities giving access to the Company's capital (stock options or free performance shares).

At the July 29, 2015 meeting, the Board of Directors decided to subscribe to a senior-executive insurance policy (a form of unemployment insurance for corporate officers) for Mr. Cerutti. The premiums related to the policy are paid by the Company, and the amount of the indemnity is calculated on the basis of the following formula:

- a net annual indemnity of €190,200 (equivalent to 70% of tranches A and B and 55% of tranche C);
- length of coverage limited to one year;
- annual contribution paid by the Company: €11,997.

It is stipulated that rights to insurance benefit can only be claimed as of the anniversary date of the opening of the policy and that the insured party is covered for any breach in corporate mandate/company relations, including that of contract termination.

Compensation allocated to the Senior Executive Vice-President: Cyril Roger

2016 compensation

	For 2016			
	Target amount	Amount due	Amount paid in 2016	Amount to be paid after 2016
Fixed compensation	€ 428,000	€ 428,000	€ 428,000	None
Variable compensation	€ 321,000	€ 354,880	None	€ 354,880
TOTAL	**€ 749,000**	**€ 782,880**	**€ 428,000**	**€ 354,880**

This amount does not factor in any additional compensation related to the Long-Term Incentive (LTI) plans detailed below ("Additional compensation reserved for corporate officers as specified in the 2011-2013; 2013-2015 and 2016-2018 LTI plans).

2015 compensation

	For 2015			
	Target amount	Amount due	Amount paid in 2015	Amount to be paid after 2015
Fixed compensation	€ 428,000	€ 428,000	€ 428,000	None
Variable compensation	€ 321,000	€ 386,881	None	€ 386,881
Bonus	€ 0	€ 30,000	€ 0	€ 30,000
TOTAL	**€ 749,000**	**€ 844,881**	**€ 428,000**	**€ 416,881**

This amount does not factor in any additional compensation related to the Long-Term Incentive (LTI) plans detailed below ("Additional compensation reserved for the Senior Executive Vice-President as specified in the 2011-2013 and 2013-2015 LTI plans").

On March 9, 2016, the Board of Directors awarded Mr. Roger a bonus of €30,000 for his involvement in turning round Group operations in Germany in 2015.

On the same day, the Board of Directors, upon recommendation of the Appointment and Remuneration Committee, decided to allocate Cyril Roger:

- a fixed, gross annual compensation of four hundred and twenty eight thousand euros (€428,000);
- a variable compensation equivalent to up to 75% of the fixed component for fulfilling certain performance-related objectives, and up to 160% in the event of over-performance with the total gross amount capped at €684,800.

The variable portion is based on a number of specific objectives, the choice and weightings of which are defined every year by the Board of Directors upon recommendation of the Appointment and Remuneration Committee.

At the March 9, 2016 Board meeting, it was decided that 80% of this variable compensation would be pegged to the achievement of financial targets (Group EBIT, as well as EBIT and DSO in the European zone and sales objectives, with respective weightings of 20%, 40%, 10% and 10%), and the remaining 20% to the fulfillment of individual qualitative objectives related to the implementation of Group strategy, as defined by the Board of Directors.

Group EBIT is calculated on a like-for-like basis and may factor in exceptional costs for up to 1% of revenues. The amount of exceptional costs exceeding this limit will be deducted from the Group's EBIT calculation.

The required level of achievement for each objective is clearly specified but cannot be published for confidentiality and trade-secret reasons.

During its session of March 8, 2017, the Board of Directors evaluated the achievement of quantitative and qualitative objectives: The target linked to the Group Ebit was reached up to 101.7%, the one linked to the Ebit of the Europe Zone reached 100.5%, DSO Europe zone reached 101.8% and commercial objectives were over achieved by 123.3%. Quantitative objectives thus reached 103.8% of their target. Qualitative objectives reached for their part 90% of the target. The variable remuneration for 2016 thus reached 110.5% of its targeted amount.

For his role as *Mandataire social* (Corporate officer), Cyril Roger however, is not entitled to (i) a supplementary retirement scheme, (ii) benefits due to, or arising from, either the termination or change in his function, or (iii) any compensation relative to a non-competition clause.

In fiscal year 2016, for his role as *Mandataire social* (Corporate officer), Cyril Roger did not receive any other compensation, nor did he receive any securities giving access to the Company's capital (stock options or free performance shares).

Additional compensation allocated to corporate officers: 2016-2018 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on March 9, 2016 to launch a Long-Term Incentive (LTI) plan which provides for the possibility of awarding Dominique Cerutti and Cyril Roger additional cash compensation, paid on a deferred basis, subject to achieving an objective based on average annual EPS (Earning Per Share) growth.

The implementation of the LTI plan decided by the Board of Directors covers a period of roughly four years divided into two sub-periods:

- a vesting period running from March 9, 2016 to January 2, 2018;
- a two-year retention period: beginning at the end of the vesting period (running from January 2, 2018 to January 2, 2020). Additional compensation is not distributed at this stage.

The rights acquired during the vesting period are subject to the presence of the beneficiary within the Group during this time. Unless the Board of Directors decide otherwise, beneficiaries who leave the Company before the end of the vesting period will forfeit all of their rights acquired at the date of departure.

Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors:

- determined the initial number of value units at 78,799 and 30,113 respectively for the Chairman and Chief Executive Officer and the Senior Executive Vice-President to serve as the basis to calculate the additional compensation to be attributed to them for achieving 100% of their respective objectives;
- decided that Chief Executive Officer and Senior Executive Vice-President rights to additional compensation would be acquired on the basis of the percentage of the performance objective achieved (to be determined at the beginning of the retention period);
- fixed the performance-achievement objective and the criteria used for granting these rights. This information is not disclosed for confidentiality and trade-secret reasons.

The corresponding additional compensation will be paid at the end of the two-year retention period mentioned above for the amount based on the average Altran Technologies share price in December 2017, applied to the definitive number of value units determined by the Board of Directors.

Additional compensation allocated to the Chairman and Chief Executive Officer: 2015-2017 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on July 29, 2015 to launch a Long-Term Incentive (LTI) plan which provides for the possibility of awarding Dominique Cerutti additional cash compensation, paid on a deferred basis, subject to achieving an objective based on average annual EPS (Earning Per Share) growth.

The implementation of the LTI plan decided by the Board of Directors covers a period of roughly four years divided into two sub-periods:

- a vesting period running from July 29, 2015 to January 2, 2017;
- a two-year retention period: beginning at the end of the vesting period (running from January 2, 2017 to January 2, 2019). Additional compensation is not distributed at this stage.

The rights acquired during the vesting period are subject to the presence of the beneficiary within the Group during this time. Unless the Board of Directors decide otherwise, should the beneficiary chose to leave the Company before the end of the vesting period he will forfeit all of his rights acquired at the date of departure.

Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors determined the initial number of value units at 43,523 to serve as the basis to calculate the additional compensation to be attributed to the Chairman and Chief Executive Officer for achieving 100% of the objective. At its March 8, 2017 meeting, the Board of Directors observed that Dominique Cerutti had achieved 100% of his performance objective and fixed the number of value units thus acquired at 43,523. Based on an average closing share price of €13.11 for the month of December 2016, €570,587 will be paid to Dominique Cerutti at the end of the 2-year retention period on January 2, 2019.

Additional compensation allocated to the Senior Executive Vice-President: 2013-2015 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on March 11, 2015 to launch a Long-Term Incentive (LTI) plan which provides for the possibility of awarding Cyril Roger additional cash compensation, paid on a deferred basis, subject to achieving an objective based on average annual EPS (Earning Per Share) growth.

The implementation of the LTI plan decided by the Board of Directors covers a period of three years divided into two sub-periods:

- a one-year vesting period running from January 1, 2015 to January 2, 2016;
- a two-year retention period: beginning at the end of the vesting period (running from January 2, 2016 to January 2, 2018). Additional compensation is not distributed at that stage.

Unless the Board of Directors decide otherwise, should the beneficiary chose to leave the Company before the end of the vesting period he will forfeit all of his rights acquired at the date of departure.

Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors determined the initial number of value units at 100,000 to serve as the basis to calculate the additional compensation to be attributed to the Senior Executive Vice-President for achieving 100% of the objective. On March 9, 2016, the Board of Directors fixed the number of value units acquired by Mr. Roger at 80,000 for having achieved 80% of his performance objectives. Based on an average closing share price of €12.32 for the month of December 2015, €985,600 will be paid to Mr. Roger at the end of the 2-year retention period on January 2, 2018.

Additional compensation allocated to the Senior Executive Vice-President: 2011-2013 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on August 28, 2012 to launch a Long-Term Incentive (LTI) plan. This plan provides for the possibility of awarding corporate officers an additional annual compensation, paid on a deferred basis, for achieving average EPS growth objectives.

The LTI plan is implemented over a period of four years. Additional compensation is paid in cash. The amount is calculated on the basis of the Altran Technologies share price at the end of the four-year implementation period, applied to a number of value units determined in advance by the Board of Directors.

The four-year period is divided into two sub-periods:

- a two-year vesting period starting from the date the Board of Directors votes to implement an additional compensation program within the context of the Long-Term Incentive plan. This decision is made when the Board of Directors meets to approve the financial statements for the previous fiscal year and upon recommendations of the Appointment and Remuneration Committee. The Board of Directors fixes the initial number of value units serving as a basis to calculate the additional compensation to be attributed to the corporate officers concerned for having achieved 100% of the pre-determined objective. The vesting period runs until the Board meets two years later to approve the financial statements for the previous fiscal year;
- a two-year retention period beginning at the end of the vesting period. At this time, the Board of Directors determines the definitive number of value units that will serve as the basis to calculate the amount of additional compensation to be allocated to the corporate officer beneficiaries relative to the percentage of the performance objective achieved. Additional compensation is not distributed at this stage but at the end of the retention period. The amount of compensation is calculated on the basis of the market value of the Altran Technologies share price at the end of the retention period multiplied by the definitive number of value units determined two years earlier.

The rights acquired during the vesting period are subject to the presence of the beneficiary within the Group during this time.

A long-term incentive plan was implemented for the first time, corresponding to fiscal year 2012, as of March 8, 2012, when the Board of Directors met to approve the financial statements for fiscal year 2011. Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors:

- determined the initial number of value units to serve as the basis to calculate the additional corporate-officer compensation, of which 144,903 attributed to Senior Executive Vice-President, Mr. Roger;
- decided that corporate-officer rights to additional compensation would be acquired on the basis of the percentage of the performance objective achieved;
- fixed the performance-achievement objective and the criteria used for granting these rights. This information has not been disclosed for reasons of confidentiality.

At the end of the 2-year retention period in 2016, Mr. Roger received €1,540,319 in total.

Attendance fees and other forms of compensation allocated to non-Executive Directors

The total amount of annual Director attendance fees paid to Board members was set at €400,000 at the Annual General Meeting on June 28, 2013.

In accordance with Article L. 225-45 of the French Commercial Code, the distribution of attendance fees is determined by the Board of Directors. At its meeting on December 17, 2013, the Board of Directors decided, upon the recommendations of the Appointment and Remuneration Committee, to modify the rules applying to attendance-fee distribution so as to bring them into line with recommendations laid down in AFEP-MEDEF Code specifying that the bulk of attendance fees should be variable and based on Director attendance rates at Board and Committee meetings.

The Board of Directors thus decided that attendance-fee distribution would be broken down as follows:

- a fixed portion of €15,000;
- a variable portion of up to €15,000, based on attendance rates at Board meetings;
- a variable portion of up to €10,000 for Committee members based on their attendance rates at Committee meetings;
- a variable portion of up to €40,000 for chairing one or more Committees, half of which based on her/his attendance rates at the Committee meetings in question.

The Board of Directors reiterated the fact that neither the Chairman of the Board nor the representatives of Apax Partners receive attendance fees.

The fixed portion of attendance fees is paid out by the Company during the financial year in question and the corresponding variable component at the beginning of the following year.

Sylvain Michel, the Staff-Representative Director serving on the Board, received a gross payment of €29,694 in 2016 under the terms of his employment contract with the Company.

Details of the attendance fees allocated to Directors in 2016 and 2015 (excluding any other exceptional compensation distributed over the period) are given in the table below:

Board member	Function	Attendance fees paid in 2016		
		Attendance fees due for fiscal year 2016	Gross amount of attendance fees paid in 2016	Gross amount of attendance fees paid in 2017
Jean-Pierre Alix	Director	€ 38,500	€ 7,500	€ 31, 000
Apax Partners, represented by Maurice Tchenio	Director	None	None	None
Christian Bret	Director	€ 40,000	€ 7,500	€ 32,500
Martha Heitzmann Crawford	Director	€ 24,000	€ 2,500	€ 21,500
Sylvain Michel	Staff-representative Director	€ 30,000	€ 7,500	€ 22,500
Florence Parly	Director and Chairman of the Appointment and Remuneration Committee	€ 77,000	€ 17,500	€ 59,500
Nathalie Rachou	Director and Chairman of the Audit Committee (since April 29, 2016)	€ 61,666	€ 10,833	€ 50,833
Gilles Rigal	Director	None	None	None
Jacques-Étienne de T'Serclaes	Director and Chairman of the Audit Committee (until April 29, 2016)	€ 56,666	€ 14,166	€ 42,500
Renuka Uppaluri	Director	€ 25,000	€ 2,500	€ 22,500
Thomas de Villeneuve	Director	None	None	None
TOTAL		**€ 352,833**	**€ 70,000**	**€ 282,833**

Board member	Function	Attendance fees paid in 2015		
		Attendance fees due for fiscal year 2015	Gross amount of attendance fees paid in 2015	Gross amount of attendance fees paid in 2016
Jean-Pierre Alix	Director	€ 40,000	€ 7,500	€ 32,500
Apax Partners, represented by Maurice Tchenio	Director	None	None	None
Christian Bret	Director	€ 40,000	€ 7,500	€ 32,500
Hans-Georg Härter	Director (until December 16, 2015)	€ 25,357	€ 7,500	€ 17,857
Sylvain Michel	Staff-representative Director	€ 25,000	€ 7,500	€ 17,500
Florence Parly	Director and Chairman of the Appointment and Remuneration Committee	€ 77,500	€ 17,500	€ 60,000
Nathalie Rachou	Director	€ 37,500	€ 7,500	€ 30,000
Gilles Rigal	Director	None	None	None
Jacques-Étienne de T'Serclaes	Director and Chairman of the Audit Committee	€ 78,750	€ 17,500	€ 61,250
Thomas de Villeneuve	Director	None	None	None
TOTAL		**€ 324,107**	**€ 72,500**	**€ 251,607**

In fiscal year 2016, none of the corporate officers received any compensation from any company controlled by Altran Technologies, nor did they receive any benefits in kind, stock options, free or performance shares, or any securities giving access to the Company's share capital.

15.2 All commitments made by the Company to its corporate officers

The Group has made no commitment to award the members of the Board of Directors any compensation, financial guarantees or benefits due or arising from either the termination of, or a change in their functions.

15.3 Summary of stock options granted to corporate officers

All information pertaining to the various stock-option plans granted to corporate officers and the stock-option exercise process is given in section 17.2.1 “Stock options and free shares” of the present Registration Document.

Practices of the governing bodies

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All information relative to the functioning and organization of the corporate bodies is given in the “Chairman’s Report”, in appendix 1 of the present Registration Document.

All information pertaining to related-party agreements is given in the Statutory Auditors’ Special Report on regulated agreements and commitments in appendix 2 of the present Registration Document.

Employees

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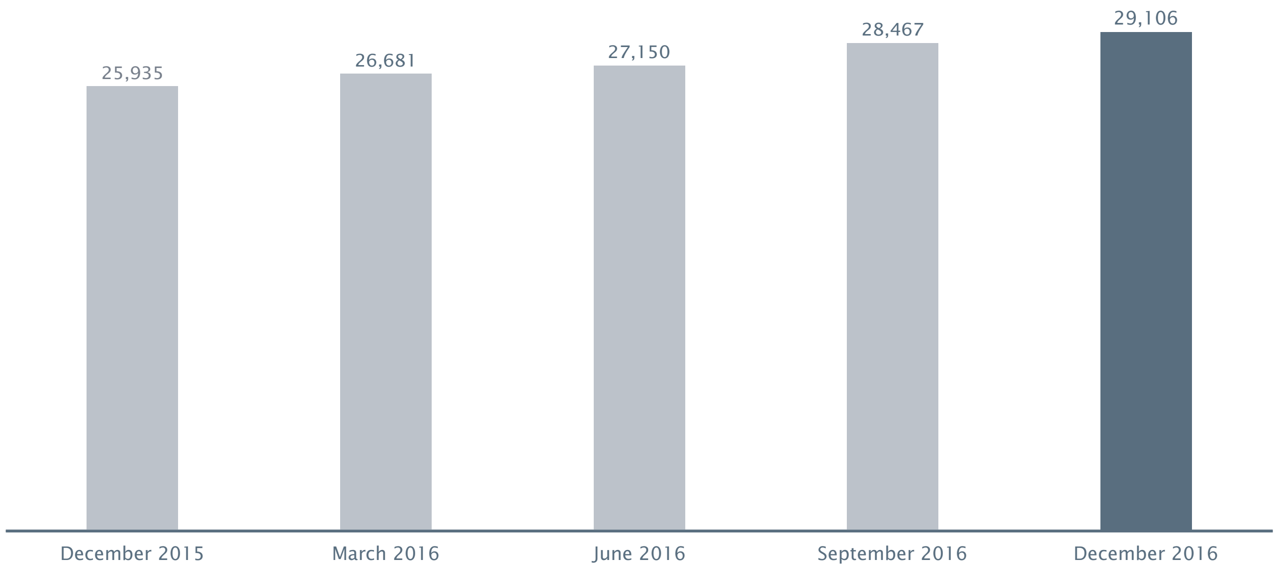
17.1 Employee data

17.1.1 Staff number trends

The total headcount came out at 29,106 at end-December 2016 up 3,171 employees on year-earlier levels.



17.1.2 Invoicing rate

The invoicing rate is calculated by dividing the number of billed FTEs (Full Time Equivalents) by the total number of potential FTEs, whereby 1/ the number of billed FTEs = the number of days billed / the total number of working days, and 2/ the total number of potential FTEs = (the number of employee days less paid leave days) / the total number of working days.

In addition, given that there is no standard industry definition for the invoicing rate it is difficult to draw comparisons between Altran and its competitors.

The Group's average invoicing rate came out at 87.3% in 2016. Trends in the invoicing rate (excluding Cambridge Consultants/Synapse, Foliage and Tessella) are as follows:

	2014 average	2015 average	Q1 2016 average	Q2 2016 average	H1 2016 average	Q3 2016 average	Q4 2016 average	H2 2016 average	2016 average
Invoicing rate	86.5%	87.2%	86.7%	87.2%	87.0%	87.5%	87.8%	87.7%	87.3%

17.1.3 Staff turnover rate

The Group's staff turnover rate is defined as the ratio between the total number of employee departures and the total number of staff members employed on a permanent basis. On a like-for-like basis, the 12-month moving average of staff turnover rates came out at 22.7% in 2016, compared with 20.3% in 2015.

17.2 Employee share-ownership and profit-sharing

17.2.1 Stock options and free shares

The Group did not grant any stock options in 2016.

However, on June 1, 2016, the Board of Directors granted 519,395 free shares to some Group employees. This decision was taken within the context of the authorization approved by the April 29, 2016 Combined Ordinary and Extraordinary Shareholders Meeting (24th resolution) granting the Board of Directors, within a period of 38 months, the power to freely allocate existing or to-be-issued shares to staff members (or certain categories of them) of Altran Technologies and the companies belonging to the Group. This capital increase is capped at 3% of the share capital on the day of free-share attribution by the Board.

No free shares were granted to the Group's corporate officers.

The main characteristics of the Group's free-share plans that matured during the period and outstanding at December 31, 2016 are outlined in the table below:

	Free shares		
	2012 Outside France	2015	2016
Date of General Meeting	06/10/2011	06/01/2012	04/29/2016
Date of Board of Directors Meeting	01/31/2012	03/11/2015	06/01/2016
Total number of shares available for allocation on the date of attribution	232,500	291,959	519,395
o/w available to corporate officers	*0*	*0*	*0*
o/w available to the ten highest-paid employees	*0*	*116,750*	*192,986*
Balance at 12/31/2016	*0*	*116,750*	*174,891*
Definitive granting of free shares	01/31/2016	03/11/2019	06/01/2019
End of lock-in period for free shares	01/31/2016	03/11/2019	06/01/2019
Reference share price *(in euros)*	€3.54	€8.53	€13.35
Valuation method used	Binomial	Binomial	Binomial
Number of shares available for allocation at 12/31/2015	143,438	281,959	0
Rights created in 2016	0	0	456,547
Rights forfeited in 2016	0	20,000	46,302
Rights granted in 2016	143,438	0	0
Number of shares available for allocation at 12/31/2016	0	261,959	410,245

17.2.2 Employee profit-sharing and incentive schemes

The annual amounts of profit-sharing benefits paid by the Group to its employees and booked in the income statement over the past five years are listed in the table below:

Year	Amount *(in thousands of euros)*
2012	932
2013	-
2014	149
2015	-
2016	-

17.2.3 Number of treasury shares purchased or sold during the period within the context of employee profit-sharing

None.

17.2.4 Stock options and free shares granted to the ten highest-paid employees who are not corporate officers

The Group did not grant any stock options in 2016. At the June 1, 2016 session, the Board of Directors voted to attribute 192,986 free shares to the ten highest-paid employees in the Group who are not corporate officers.

Major shareholders

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18.1 Shareholders and their voting rights

18.1.1 Persons or corporate bodies owning more than 5%, 10%, 15%, 20%, 25%, 30%, 33%, 50%, 66%, 90% or 95% of Company shares or voting rights at General Meetings

At end-2016, Altrafin Participations owned 16.83% of Altran Technologies shares and 20.46% of the Company's voting rights.

Altrafin Participations acts in concert with the Company's founders, Alexis Kniazeff and his family and Hubert Martigny, together with certain members of the Group's Executive Committee, via Altimus (a shareholder in Altrafin Participations) and Maurice Tchenio. At December 31, 2016, the shares held by the concert represented 22.77% of Altran Technologies capital and 27.87% of the Company's voting rights.

	December 31, 2016			
	Number of shares	% of share capital	Number of voting rights	% of voting rights
Altrafin Participations	29,593,354	16.83%	37,869,433	20.46%
Alexis Kniazeff & family*	4,981,242	2.83%	6,620,344	3.58%
Hubert Martigny*	4,978,989	2.83%	6,615,838	3.57%
Total initial concert	**39,553,585**	**22.50%**	**51,105,615**	**27.61%**
Managers (Altimus shareholders)	101,092	0.06%	101,092	0.05%
Maurice Tchenio	373,000	0.21%	373,000	0.20%
Total concert	**40,027,677**	**22.77%**	**51,579,707**	**27.87%**
Treasury stock	3,101,191	1.76%	0	0.00%
Free float	132,671,397	75.47%	133,519,031	72.13%
TOTAL OUTSTANDING SHARES	**175,800,265**	**100.00%**	**185,098,738**	**100.00%**

	December 31, 2015			
	Number of shares	% of share capital	Number of voting rights	% of voting rights
Altrafin Participations	29,593,354	16.83%	37,869,433	20.41%
Alexis Kniazeff & family*	6,981,242	3.97%	8,620,344	4.65%
Hubert Martigny*	6,978,989	3.97%	8,615,838	4.64%
Total initial concert	**43,553,585**	**24.77%**	**55,105,615**	**29.70%**
Managers (Altimus shareholders)	101,092	0.06%	101,092	0.05%
Maurice Tchenio	373,000	0.21%	373,000	0.20%
Total concert	**44,027,677**	**25.04%**	**55,579,707**	**29.96%**
Treasury stock	2,679,081	1.52%	0	0.00%
Free float	129,093,507	73.43%	129,948,596	70.04%
TOTAL OUTSTANDING SHARES	**175,800,265**	**100.00%**	**185,528,303**	**100.00%**

	December 31, 2014			
	Number of shares	% of share capital	Number of voting rights	% of voting rights
Altrafin Participations	29,585,753	16.90%	37,861,832	20.36%
Alexis Kniazeff & family*	6,981,242	3.99%	8,620,344	4.64%
Hubert Martigny*	6,978,989	3.99%	8,615,838	4.63%
Total initial concert	**43,545,984**	**24.88%**	**55,098,014**	**29.63%**
Managers (Altimus shareholders)	306,908	0.18%	356,908	0.19%
Maurice Tchenio	373,000	0.21%	373,000	0.20%
Total concert	**44,225,892**	**25.27%**	**55,827,922**	**30.03%**
Treasury stock	1,430,313	0.82%	0	0.00%
Free float	129,382,504	73.91%	130,096,604	69.97%
TOTAL OUTSTANDING SHARES	**175,038,709**	**100.00%**	**185,924,526**	**100.00%**

* Access to voting rights attributed to Altrafin Participations.

18.1.2 Declarations of threshold crossing in 2016

The concert comprising Altrafin Participations, Alexis Kniazeff and family, Hubert Martigny, Altimus shareholder managers and Maurice Tchenio declared that, on June 1, 2016, it had crossed below the 25% capital threshold and, at that date, owned 43,927,677 shares representing 55,479,707 voting rights, equivalent to 24.99% of the Company's capital and 29.48% of its voting rights.

In 2016 International Value Advisers LLC declared that it had crossed below:

- the 5% voting rights threshold on April 14, 2016, and had 8,921,270 Altran Technologies shares representing 5.07% of the Company's capital and 4.74% of its voting rights;
- the 5% capital threshold on April 15, 2016, and had 8,784,426 Altran Technologies shares representing 4.99% of the Company's capital and 4.66% of its voting rights;

In addition, BNP PARIBAS Investment Partners declared that on February 9, 2016, it had crossed below the 5% capital threshold and owned 8,708,348 Altran Technologies shares, representing 4.95% of the Company's capital and 4.46% of its voting rights.

To the best of Altran Technologies' knowledge, no other shareholder owns, directly or indirectly, acting alone or in concert, more than 5% of the Company's shares or voting rights.

18.1.3 Companies controlled by the Group and their share of Altran Technologies treasury stock

None.

18.1.4 Share ownership: employees

At December 31, 2016, Altran employees owned 582,273 Altran Technologies shares; equivalent to 0.33% of the outstanding shares and 0.31% of the Company's voting rights, through a corporate mutual fund.

Most of the employees' shareholding was obtained within the context of the employee share-ownership plan introduced in the first half of 2006.

18.1.5 Share ownership: corporate officers

The holdings of the corporate officers in Altran Technologies' capital at December 31, 2016 were as follows:

Dominique Cerutti	41,618 shares
Cyril Roger	0 share
Jean-Pierre Alix	4,010 shares
Apax Partners, directly and through its subsidiary, Altrafin Participations	29,593,354 shares
Christian Bret	4,000 shares
Martha Heitzmann Crawford	0 share
Sylvain Michel	0 share*
Florence Parly	3,800 shares
Nathalie Rachou	3,800 shares
Gilles Rigal	3,801 shares
Maurice Tchenio	373,000 shares**
Jacques-Étienne de T'Serclaes	5,000 shares
Renuka Uppaluri	3,800 shares
Thomas de Villeneuve	3,801 shares

* Pursuant to Article 11.2 of the Articles of Association, Staff-representative Directors are not obliged to own a minimum number of Company shares.

** Shares held within the framework of a life-insurance policy.

18.2 Transactions carried out during the year subject to Article L. 621-18-2 of the French Monetary and Financial Code

The operations carried out on Altran Technologies shares in 2016 which fall within the scope of Article L. 621-18-2 of the French Monetary and Financial Code are listed below:

	Date of transaction	Type of transaction	Number of shares	Unit price
Renuka Uppaluri	October 7, 2016	Acquisition	3,800	US$14.53

18.3 Share buybacks

The Combined Ordinary and Extraordinary Shareholders' Meeting on April 29, 2016, ruling under the quorum and majority conditions required for Ordinary General Meetings, resolved in the 18th resolution to terminate, with immediate effect, for the unused portion, the share buyback authorization granted by the Combined Ordinary and Extraordinary Shareholders Meeting on April 30, 2015; grant the Board of Directors for a period of eighteen months, the power to buy back, exchange or transfer a maximum of 10 million Altran Technologies shares (equivalent to up to 6% of the Company's share capital at December 31, 2015) at a maximum purchase price of €15 per share. This share buyback authorization is granted for the purposes of:

- stimulating the market for Altran Technologies shares via a liquidity contract concluded with an investment services provider in accordance with the AMF ethical charter;
- granting stock purchase options to employees and/or corporate officers of the Altran Technologies group within the context of the stock-option plans implemented in accordance with Articles L. 225-179 et seq. of the French Commercial Code;
- allocating free shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code;
- issuing or exchanging shares when rights attached to securities giving access to the Company's share capital are exercised;
- shares for subsequent payment or exchange purposes in the event of an external-growth, merger, spin-off or capital-contribution transaction;
- cancelling shares, subject to the adoption by the General Meeting of the twelfth resolution in accordance with the terms and conditions specified therein or any another authorization of this kind.

Within the context of a prior authorization, the Company concluded a liquidity contract with Exane Paribas in July 2011 to enhance the liquidity of transactions, stabilize the price of Altran Technologies shares and prevent any swings in the share price not caused by market trends. A cash and marketable securities account was opened in July 2011 for the purposes of this contract and €2m credited to the account at the time of opening. This liquidity contract remained active throughout 2016. During the fiscal period, 980,750 Altran Technologies shares were acquired at an average unit price of €12.12 and 983,202 shares sold at an average unit price of €12.18. At December 31, 2016, the cash and marketable securities account comprised 58,099 Altran Technologies shares and €2,927,322 in cash.

In 2016, the Board of Directors exercised the power granted to it by the Shareholders' General Meeting on April 29, 2016 to buy back shares and bought back 568,000 shares not included in the liquidity contract over the period.

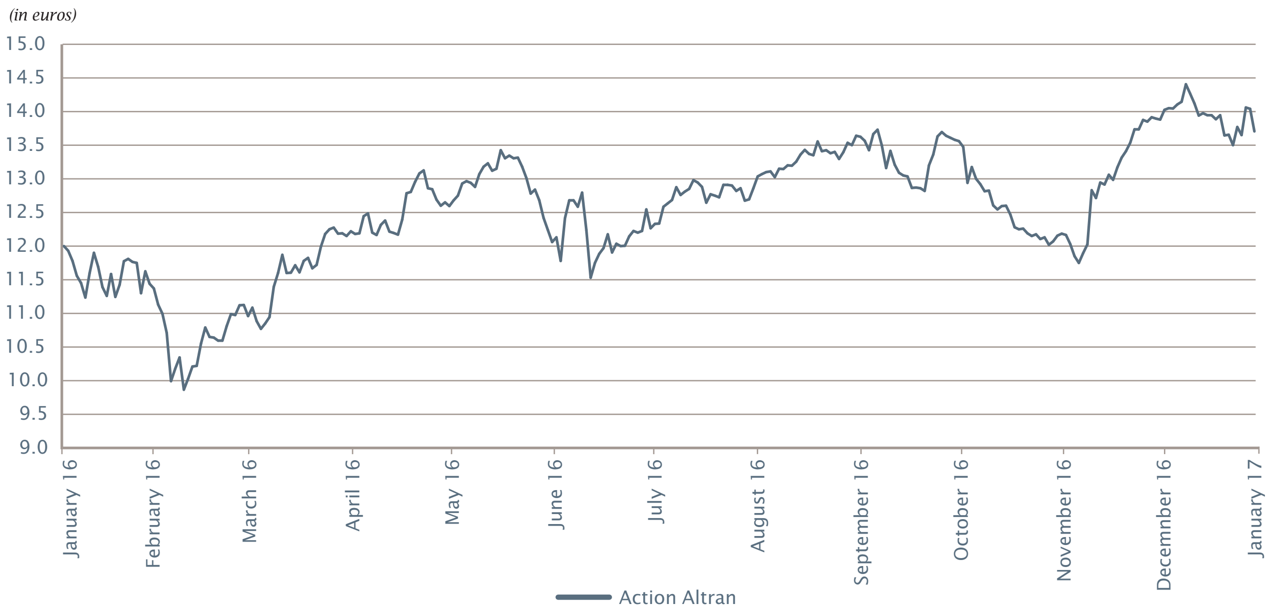
18.4 Market for Altran Technologies securities

18.4.1 Altran Technologies shares

Altran Technologies shares are listed on the NYSE-Euronext Paris Premier Market (ISIN code: FR0000034639).

	Average daily trading volumes	Average price *(in euros)*	Highest price *(in euros)*	Lowest price *(in euros)*	Capitalization *(in millions of euros)*
January 2016	294,592	11.60	12.28	11.11	2,039
February 2016	268,089	10.62	11.54	9.72	1,868
March 2016	243,119	11.44	12.18	10.62	2,012
April 2016	183,772	12.34	13.15	11.99	2,169
May 2016	165,080	12.97	13.44	12.45	2,281
June 2016	286,409	12.47	13.39	10.93	2,192
July 2016	254,623	12.41	13.12	11.72	2,181
August 2016	177,883	12.93	13.24	12.55	2,273
September 2016	209,283	13.45	13.94	12.97	2,365
October 2016	212,798	13.24	13.82	12.69	2,328
November 2016	280,083	12.34	13.08	11.96	2,170
December 2016	281,405	13.11	13.96	11.71	2,305
January 2017	248,576	13.95	14.53	13.48	2,452

Altran Technologies share price trends



18.4.2 Altran Technologies' ADR (*American Depositary Receipt*) program

Altran Technologies shares are also present in the US through Level I American Depositary Receipts (ADR) program, coded 02209U108. Trading in this instrument is very limited and irregular.

18.5 Information on the calculation methods and effects of adjustments to the conditions covering the subscription or purchase of rights and securities giving access to the Company's share capital

None.

18.6 Agreements entered into by the Company which would be amended or terminated upon a change of control of the Company

The conditions of the Group's credit line (and amendments) contracted on January 29, 2013 by Altran Technologies with its pool of bankers (BNP Paribas, CADIF, Natixis, Société Générale) and its private placement contracts stipulate that a change in Company control is equivalent to default which could lead to the early termination of the lenders' commitments and require the immediate repayment of all monies advanced to the Company.

18.7 Agreements between shareholders, of which the Company is aware and which may cause restrictions to the transfer of shares and/or the exercise of voting rights

To the best of the Company's knowledge, restrictions on share transfers and the exercise of voting-rights could arise from the shareholders' agreement concluded on June 24, 2008 between Altrafin Participations, Hubert Martigny, Alexis Kniazeff (and family), the company Altamir Amboise and the Apax France VII fund as indicated on the website of the AMF (*http://www.amf-france.org*, reference 208C1233).

It is noted that the conclusion, on July 4, 2013, of the shareholders' agreement related to Altran Participations between the Apax France VII fund and the companies Altamir, AlphaOmega and Altimus (in which some members of the Altran Executive Committee are direct or indirect shareholders) resulted in the creation of a multi-party shareholders' agreement between Altrafin Participations, its above-mentioned associates and Hubert Martigny and Alexis Kniazeff (and family).

18.8 Commitments to buy out minority interests

None.

Related-party transactions

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Corporate-officer compensation

Total gross compensation and all other benefits paid to corporate officers by the Company and its subsidiaries in 2016 totaled €3,656,474. This breaks down as follows.

Fixed compensation	Variable compensation	Attendance fees	Benefits in kind	Total compensation	End-of-career commitments
1,057,194	2,277,673	321,607	None	3,656,474	None

More detailed information is provided in section 15.1 “Corporate-officer compensation” of the present Registration Document.

Commitments made by the Company to its corporate officers

None.

Transactions carried out with the reference shareholder

None.

Financial information concerning the Issuer's assets and liabilities, financial situation and financial statements

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20.1 Historical financial information

All of the historical financial information concerning the Group's assets and liabilities, financial position and results can be found in the Registration Documents listed below:

- 2006 Registration Document: D.07-0561 filed with the AMF on June 7, 2007;
- 2007 Registration Document: D.08-0278 filed with the AMF on April 23, 2008;
- 2008 Registration Document: D.09-0300 filed with the AMF on April 23, 2009;
- 2009 Registration Document: D.10-0245 filed with the AMF on April 12, 2010;
- 2010 Registration Document: D.11-0343 filed with the AMF on April 20, 2011;
- 2011 Registration Document: D.12-0388 filed with the AMF on April 23, 2012;
- 2012 Registration Document: D.13-0312 filed with the AMF on April 8, 2013;
- 2013 Registration Document: D.14-0238 filed with the AMF on March 31, 2014;
- 2014 Registration Document: D.15-0262 filed with the AMF on March 31, 2015;
- 2015 Registration Document: D.16-0219 filed with the AMF on March 29, 2016.

All of these documents are available on the Altran corporate website: *www.altran.com.*

20.2 Pro forma financial information

None.

20.3 Financial statements at December 31, 2016

20.3.1 Consolidated financial statements at December 31, 2016

I – Consolidated balance sheet

ASSETS *(in thousands of euros)*	Notes	Dec. 2016 Gross value	Dec. 2016 Amort. and Prov.	Dec. 2016 Net value	Dec. 2015 Net
Net goodwill	*4.1*	**998,733**	**(192,878)**	**805,855**	**738,338**
Intangible assets	*4.2*	**146,269**	**(64,973)**	**81,296**	**82,385**
Land and construction		39,018	(7,975)	31,043	27,064
Other tangible assets		131,823	(88,763)	43,060	37,676
Tangible assets	*4.3*	**170,841**	**(96,738)**	**74,103**	**64,740**
Equity-accounted investments	*4.4*	**240**	-	**240**	**234**
Non-current financial assets	*4.4*	**45,756**	**(7,871)**	**37,885**	**32,572**
Deferred tax assets	*5.9*	**98,171**	**(6,715)**	**91,456**	**106,484**
Non-current tax assets	*4.5*	**108,653**	**(96)**	**108,557**	**97,240**
Other non-current assets	*4.5*	**7,462**	**(5,010)**	**2,452**	**2,401**
Total non-current assets		**1,576,125**	**(374,281)**	**1,201,844**	**1,124,394**
Inventory and work in progress	*4.6*	**7,047**	**(35)**	**7,012**	**4,750**
Prepayment to suppliers		563	-	563	921
Accounts receivable (client)	*4.7*	401,022	(5,593)	395,429	395,317
Other receivables	*4.8*	118,822	(719)	118,103	96,090
Client accounts and other receivables		**520,407**	**(6,312)**	**514,095**	**492,328**
Current financial assets	*4.9*	**53,348**	-	**53,348**	**11,552**
Cash equivalents	*4.11*	**285,093**	-	**285,093**	**293,355**
Cash	*4.11*	**193,237**	-	**193,237**	**231,186**
Total current assets		**1,059,132**	**(6,347)**	**1,052,785**	**1,033,171**
TOTAL ASSETS		**2,635,257**	**(380,628)**	**2,254,629**	**2,157,565**

LIABILITIES *(in thousands of euros)*	Notes	Dec. 2016	Dec. 2015
Capital	*4.10*	87,900	87,900
Share premium		392,307	430,763
Reserves attributable to parent company shareholders		270,959	168,566
Conversion-rate adjustments		(12,223)	6,156
Earnings for fiscal period		122,483	100,493
Minority interests		913	508
Shareholders' equity		**862,339**	**794,386**
Bond loans (>1 year)		249,407	249,155
Credit establishment borrowings and debts (>1 year)		17,410	53,151
Other non-current financial liabilities		1,871	2,311
Non-current financial liabilities	*4.11*	**268,688**	**304,617**
Provisions for long-term liabilities and charges	*4.12*	50,238	52,005
Long-term employee benefits	*4.13*	32,824	28,855
Long-term debt on assets		2,528	6,969
Deferred tax liabilities	*5.9*	16,699	24,954
Long-term securities debt	*4.17*	7,421	30,820
Other long-term liabilities	*4.14*	4,191	1,348
Other non-current liabilities		**113,901**	**144,951**
Total non-current liabilities		**382,589**	**449,568**
Trade payables	4.15	116,484	108,749
Taxes payable		128,573	116,159
Current employee benefits	4.13	214,131	203,578
Debt on assets		4,863	3,010
Other current liabilities	4.16	97,532	89,267
Suppliers and other current payables		**561,583**	**520,763**
Provisions for short-term risks and charges	4.12	18,061	19,625
Short-term securities debt	4.17	10,876	9,558
Current financial liabilities	4.11	419,181	363,665
Other current liabilities		**448,118**	**392,848**
Total current liabilities		**1,009,701**	**913,611**
TOTAL LIABILITIES		**2,254,629**	**2,157,565**

II – Consolidated income statement

(in thousands of euros)	Notes	Dec. 2016	Dec. 2015
Revenues	*5.1 & 5.2*	2,120,095	1,945,078
Other income from operations		66,746	59,062
Revenues from ordinary operations		**2,186,841**	**2,004,140**
Raw materials		(44,635)	(31,486)
Change in work-in-progress		709	2,786
External expenses	*5.3*	(402,061)	(366,848)
Personnel costs- salaries	*5.4*	(1,495,382)	(1,392,192)
Personnel costs – share-based payments	*5.4*	(1,454)	(610)
Taxes and duties		(2,776)	(3,054)
Depreciation and net provisions	*5.5*	(14,928)	(21,645)
Other operating expenses		(6,661)	(5,227)
Operating income on ordinary activities		**219,653**	**185,864**
Other non-recurring operating income		11,688	11,449
Other non-recurring operating expenses		(34,126)	(38,015)
Other non-recurring operating income and expenses	*5.6*	**(22,438)**	**(26,566)**
Goodwill impairment losses		(2,552)	-
Amortization of customer-relationship intangible assets		(4,290)	(4,300)
Operating income		**190,373**	**154,998**
Gains on cash and cash equivalents		4,577	5,360
Cost of gross financial debt		(17,995)	(16,114)
Cost of net financial debt	*5.7*	**(13,418)**	**(10,754)**
Other financial income	*5.8*	10,604	17,677
Other financial expenses	*5.8*	(12,572)	(18,077)
Tax expenses/income	*5.9*	(52,458)	(43,285)
Equity share in net income of associates		42	132
Net income		**122,571**	**100,691**
Minority interests		(88)	(198)
Net Income attributable to Group		**122,483**	**100,493**
Earnings per share *(in euros)*	*5.10*	**0.71**	**0.58**
Diluted earnings per share *(in euros)*	*5.10*	**0.71**	**0.58**

III – Consolidated statement of comprehensive income

(in thousands of euros)	Dec. 2016	Dec. 2015
Consolidated net income	**122,571**	**100,691**
Financial instruments	783	335
Exchange rate differences	(16,001)	11,798
Other comprehensive income net of tax that may subsequently be reclassified to profit	*(15,218)*	*12,133*
Employee benefits – Revised IAS 19	(1,277)	1,911
Other comprehensive income net of tax that will not be reclassified to profit	*(1,277)*	*1,911*
Other comprehensive income net of tax over the period	(16,495)	14,044
Results for the period	**106,076**	**114,735**
o/w attributable to:		
▮ The Group's company	106,004	114,536
▮ Minority interests	72	199

	Dec. 2016			Dec. 2015		
(in thousands of euros)	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Financial instruments	1,194	(411)	783	511	(176)	335
Exchange rate differences	(18,396)	2,395	(16,001)	13,041	(1,243)	11,798
Other comprehensive income net of tax that may subsequently be reclassified to profit	**(17,202)**	**1,984**	**(15,218)**	**13,552**	**(1,419)**	**12,133**
Employee benefits – Revised IAS 19	(1,885)	608	(1,277)	2,527	(616)	1,911
Other comprehensive income net of tax that will not be reclassified to profit	**(1,885)**	**608**	**(1,277)**	**2,527**	**(616)**	**1,911**
Other comprehensive income over the period	**(19,087)**	**2,592**	**(16,495)**	**16,079**	**(2,035)**	**14,044**

IV – Change in consolidated share capital

(in thousands of euros)	Number of shares	Capital	Premium	Resources	Change in fair value & other	Exchange rate differences	Net profit	Total Group share	Minority interests	Total
December 31, 2014*	**173,548,732**	**87,490**	**463,478**	**86,911**	**(1,748)**	**(6,889)**	**82,397**	**711,641**	**98**	**711,739**
Results for the period	-	-	-	670	335	13,038	100,493	114,536	199	114,735
Capital increase	821,220	410	2,747	-	-	-	-	3,157	211	3,368
Share-based payments	-	-	610	-	-	-	-	610	-	610
Own-share transactions	(1,248,768)	-	(10,169)	-	-	-	-	(10,169)	-	(10,169)
Income appropriation	-	-	-	82,397	-	-	(82,397)	-	-	-
Shareholder payout	-	-	(25,904)	-	-	-	-	(25,904)	-	(25,904)
Other transactions	-	-	-	-	-	7	-	7	-	7
December 31, 2015	**173,121,184**	**87,900**	**430,762**	**169,978**	**(1,413)**	**6,156**	**100,493**	**793,878**	**508**	**794,386**
Results for the period	-	-	-	1,117	783	(18,379)	122,483	106,004	72	106,076
Capital increase	-	-	-	-	-	-	-	-	333	333
Share-based payments	-	-	1,454	-	-	-	-	1,454	-	1,454
Own-share transactions	(422,110)	-	(6,988)	-	-	-	-	(6,988)	-	(6,988)
Income appropriation	-	-	-	100,493	-	-	(100,493)	-	-	-
Shareholder payout	-	-	(32,922)	-	-	-	-	(32,922)	-	(32,922)
Other transactions	-	-	-	-	-	-	-	-	-	-
December 31, 2016	**172,699,074**	**87,900**	**392,306**	**271,588**	**(630)**	**(12,223)**	**122,483**	**861,426**	**913**	**862,339**

* 2014 figures restated for the impact of IFRIC Interpretation 21.

V – Statement of consolidated cash flows

(in thousands of euros)	Dec. 2016	Dec. 2015
Operating income on continuing activities	**190,373**	**154,998**
Goodwill impairment and amortization of customer-relationship intangible assets	6,842	4,300
Operating income before goodwill impairment	**197,215**	**159,298**
Depreciation and net operating provisions	24,949	18,501
Income and charges from stock options	1,454	610
Capital gains or losses on disposals	1,059	803
Other gains and charges	(9,394)	10,223
Cash flows before net interest expenses and taxes	**215,283**	**189,435**
Change in inventory and work in progress	(1,563)	(3,122)
Change in client accounts and other receivables	(119,098)	(74,080)
Change in supplier accounts and other payables	57,661	41,613
Change in working capital requirement	**(63,000)**	**(35,589)**
Net operating cash flows	**152,283**	**153,846**
Interest paid	(14,963)	(15,272)
Interest received	4,869	5,753
Taxes paid	(31,571)	(28,475)
Cash impact of other financial income and expenses	(3,253)	(1,780)
Net cash flows from operations	**107,365**	**114,072**
Cash outflows for tangible and intangible asset acquisitions	(46,822)	(33,616)
Cash inflows from tangible and intangible asset disposals	10,010	194
Cash outflows for financial asset acquisitions (non-consolidated holdings)	(6,476)	(2,201)
Cash inflows from financial asset disposals (non-consolidated holdings)	232	501
Earn-out disbursements	(375)	(420)
Impact of scope-of-consolidation changes	(135,238)	(167,760)
Change in loans and advances granted	(3,629)	(11,463)
Investment subsidies received	-	(59)
Other flows from investment transactions	1,248	10,190
Net cash flows from investments	**(181,050)**	**(204,634)**
Amounts received from shareholders during the capital increase	333	210
Proceeds from the exercise of stock options	-	3,158
Own-share transactions (purchase/sales)	(7,033)	(10,779)
Liquidity contract	71	778
Dividends paid during the period	(32,922)	(25,904)
Proceeds from new loans	79,937	50,299
Reimbursement of loans	(100,169)	(32,909)
Other flows from financing operations	90 144	180,734
Net cash flows from financing operations	**30,361**	**165,587**
Impact of variations in exchange rates	(2,887)	3,520
Impact of changes in accounting principles		1,531
Changes in net cash	**(46,211)**	**80,076**
Opening cash balance	524,541	444,465
Closing cash balance	478,330	524,541
Changes in net cash	**(46,211)**	**80,076**

The reconciliation of total cash on the balance sheet to total net cash flow in the table above is detailed in the table below:

(in thousands of euros)	Dec. 2016	Dec. 2015
Cash equivalents	285,093	293,355
Cash	193,237	231,186
Net cash balance	**478,330**	**524,541**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Rules and accounting methods

Altran Technologies is a public limited company (*Société anonyme*) incorporated in France and subject to French laws and regulations governing commercial companies, and notably the provisions of the French Commercial Code.

1.1 Basis of preparation of financial statements

In application of European regulation 1606/2002 of July 19, 2002 relative to international standards, the consolidated accounts of Altran Technologies ("Altran") for the financial year ending December 31, 2016 have been prepared in accordance with IFRS international accounting standards, applicable at December 31, 2016 and adopted by the European Union. These include the accounting standards approved by the International Accounting Standards Board (IASB), namely IFRS standards, International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

The Group has applied the following standards, whose application is mandatory for annual periods beginning on or after January 1, 2016. The conditions related to the application of these standards are detailed below:

- Amendments to IAS 16 and IAS 38: "Clarification of acceptable methods of depreciation and amortization"

This interpretation is effective for annual reporting periods beginning on or after January 1, 2016.

- Amendment to IAS 1: "Presentation of financial information: relevant information"

This interpretation is effective for annual reporting periods beginning on or after January 1, 2016.

- Amendment to IFRS 11: "Acquisition of an interest in a joint operation"

This interpretation is effective for annual reporting periods beginning on or after January 1, 2016.

- Annual improvement (2010-2012 & 2012-2014 cycles)

This standard is effective for annual reporting periods beginning on or after January 1, 2016.

The application of these standards had no impact on the financial statements or the notes in the appendix.

Standards, amendments and interpretations whose application is optional in 2016

The following standards, amendments and interpretations will not be applied to the consolidated accounts until the mandatory date of application:

- IFRS 15 and the amendment to IFRS 15: "Revenue from contracts with customers"

On May 28, 2014, the IASB published a new standard concerning revenue recognition which will replace the majority of existing IFRS standards, notably IAS 11 and IAS 18.

This amendment is effective for annual reporting periods beginning on or after January 1, 2016.

The Group is carrying out a special "IFRS 15" review, the findings of which will be made known by the end of H1 2017. At this stage, the Group does not expect that the application of this standard will have a major impact on revenue recognition.

- IFRS 9 – "Financial instruments"

On July 24, 2014, the IASB published a new standard concerning the recognition and measurement of financial instruments which will replace most of the existing IFRS standards, notably IAS 39.

This new standard will apply to annual reporting periods beginning on or after January 1, 2018. Early adoption in 2016 is not permitted.

Other major standards, amendments and interpretations published by the IASB, but not yet approved by the European Union.

- IFRS 16 – "Leases "

On January 13, 2016, the IASB published a new standard concerning the recognition and measurement of leasing contracts which will replace most of the existing IFRS standards, notably IAS 17. This standard gives the lessee an intangible right to use an asset for the time of the leasing contract if written against a leasing liability for the present value of the rentals due.

This new standard, which has not yet been adopted by the European Union, will apply to annual reporting periods beginning on or after January 1, 2019. Early adoption in 2016 is not permitted.

- Amendment to IAS 7: "Cash flows – disclosures"

This standard, which has not yet been adopted by the European Union, will apply to annual reporting periods beginning on or after January 1, 2017. Early adoption is permitted.

- Amendment to IFRS 2: "Classification and measurement of share-based payments"

This standard, which has not yet been adopted by the European Union, will apply to annual reporting periods beginning on or after January 1, 2018. Early adoption is permitted.

- Amendment to IAS 12: "Recognition of deferred tax assets for unrealized losses"

This standard, which has not yet been adopted by the European Union, will apply to annual reporting periods beginning on or after January 1, 2017. Early adoption is permitted.

- Amendments to IFRS 10 and IAS 28: "Sale or contributions of assets to an equity-accounted entity"

Early adoption of these amendments is permitted for annual reporting periods beginning on or after January 1, 2016.

The Group is currently assessing the possible impact of these new standards and interpretations on the financial statements and has notably initiated a process to identify all leasing contracts that will fall within the scope of IFRS 16.

The consolidated financial statements for the fiscal year ended December 31, 2016, as well as the explanatory notes, were approved by the Board of Directors of Altran Technologies on March 8, 2017.

1.2 Terms of first IFRS applications

Altran has retrospectively applied to its opening balance sheet at January 1, 2004, the accounting principles in force at the closure of its first IFRS financial statements (at December 31, 2005), as if these standards had always been applied, with the exception of the options detailed below:

Options related to the opening balance sheet at January 1, 2004

IFRS 1 sets out specific measures for the retrospective treatment of assets and liabilities, according to IFRS standards. The main options adopted by the Group for this purpose are:

- **Business combinations:** Altran has chosen not to adjust the business combinations existing before January 1, 2004 in accordance with the provisions of IFRS 3.
- **Tangible and intangible assets:** The Group has chosen to maintain historical cost as the basis for valuing tangible and intangible assets rather than measuring them at their fair value at the date of transition.
- **Retirement commitments:** existing actuarial differences at January 1, 2004 are booked as retirement provisions against any decline in the value of equity. Actuarial differences arising since January 1, 2004 are recognized prospectively.
- **Translation adjustments relating to foreign entities:** Altran has reclassified in consolidated reserves all cumulative gains and losses arising from the translation of the financial statements of its foreign subsidiaries at January 1, 2004. This adjustment had no impact on opening shareholders' equity at January 1, 2004. These translation adjustments will not be recognized in the income statement at a later date when the foreign entities in question are deconsolidated.
- **Share-based payments (stock options):** Altran has adopted IFRS 2 for stock-option plans granted after November 7, 2002 whose rights had not yet been vested at January 1, 2005. Stock-option plans prior to November 7, 2002 are not measured or recognized.
- **Financial instruments:** Altran adopted IAS 32 and IAS 39 as of January 1, 2005. French GAAP applies to the recognition of financial instruments on the balance sheet at January 1, 2004, June 30, 2004 and December 31, 2004.

1.3 Consolidation

Subsidiaries over which Altran exercises exclusive control, either directly or indirectly are fully consolidated.

Companies that are not controlled by Altran but over which the Group exercises significant influence, as well as jointly-held holdings ("Joint ventures" under IFRS 11) are consolidated using the equity method.

1.4 Impact of revised IFRS 3 on business combinations

As of January 1, 2010, the acquisition method of accounting is used for business combinations. The various components of an acquisition are recognized at their individual fair value with some exceptions.

The consideration transferred is measured at fair value. This includes eventual contingent consideration that is also measured at fair value at the date of acquisition and which takes into account probabilities of occurrence. Considerations transferred are classified as debt or equity depending on their nature. Obligations classified as debt are subsequently re-measured at fair value and any changes identified after the allocation period are booked to the income statement.

Costs directly attributable to the acquisition are expensed during the period in which they are incurred.

In the case of partial acquisitions, non-controlling interests (formerly referred to as "minority interests") are measured on the basis of the option determined for each business combination, either:

- on the basis of their proportionate share of fair value of the assets and liabilities acquired; or
- at their fair value.

In the case of step acquisitions (i.e. assets acquired in several stages), the previously-held ownership interest is re-measured at its fair value on the date of acquisition. The difference between the fair value and the net book value is recognized directly as income for the reporting period.

At the date of acquisition:

- identifiable assets, liabilities and contingent liabilities of the acquired entity meeting IFRS criteria are recognized at fair value;
- non-current assets classified as held-for-sale assets are measured at fair value less disposal costs.

Goodwill is the difference between:

- the consideration transferred plus the value of non-controlling interests, if any; and
- the net fair value of the identifiable assets and liabilities acquired.

For each business combination, goodwill can be determined in one of two ways. It may represent:

- the portion acquired by the Group (partial goodwill method); or
- the aggregate of the Group's portion and the non-controlling interest's portion of the fair value or proportionate share of fair value of the identifiable net assets acquired.

If expert analysis or measurement of identifiable net assets is still in progress at the date of acquisition, provisional fair value may be assigned. In this case, adjustments to value made within the 12-month period from the date of acquisition are booked as goodwill adjustments. If made beyond the 12-month allocation period, adjustments are directly recognized as income or expenses unless they correspond to corrections of errors.

Percentage changes in the level of ownership interest in non-controlling entities are recognized directly as capital transactions in equity.

1.5 Use of estimates

The preparation of the Company's financial statements is based on estimates and assumptions which may have an impact on the book value of certain balance-sheet and income-statement items, as well as the information in certain notes in the appendix. Altran reviews these estimates and assessments on a regular basis to take into account its past experience and other factors considered relevant to the economic environment.

These estimates, assumptions and assessments are compiled on the basis of information available and the actual situation at the time when the financial statements were prepared and which could turn out to differ from future reality.

These estimates mainly concern provisions (€68.3m), assumptions used in the preparation of business plans for carrying out impairment tests on the Group's intangible assets (€845.5m), the recognition of deferred tax assets (€74.8m) and long-term employee benefits (€32.8 m).

1.6 Translation of financial statements of foreign subsidiaries

The Group's consolidated financial statements are presented in euros.

Translation of financial statements of foreign subsidiaries

The balance sheets of companies whose functional currency is not the euro are translated at the exchange rates prevailing on the closing date and their income statements and cash flow statements at the average exchange rate over the period. The resulting conversion differences are recognized in equity under "exchange-rate adjustments".

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. Accordingly, they are expressed in the entity's functional currency and translated at the rate prevailing on the closing date.

The Group transferred the exchange-rate differences arising from the translation of the financial statements of its foreign subsidiaries at January 1, 2004 to "reserves attributable to parent company shareholders" after taking into account other IFRS adjustments at that date.

Transactions in foreign currencies

Transactions in foreign currencies are booked at the exchange rate at the date of the transaction. At the end of the period, assets and liabilities in foreign currencies are converted at the exchange rate prevailing at the closing date.

The corresponding exchange differences are booked to the income statement, under:

- operating income for commercial transactions;
- financial income/expenses for financial transactions.

Long-term financial advances in foreign currencies granted by the Group to its foreign subsidiaries with a holding activity are treated as equity when these amounts are used to finance equity-security acquisitions, earn-out payments and capital increases. These advances are converted at the exchange rate prevailing at the closing date. The resulting conversion differences net of deferred taxes are recognized in equity under "exchange-rate adjustments".

1.7 Presentation of financial statements

Consolidated balance sheet

IAS 1 – "Presentation of financial statements" – provides for a separate presentation of current and non-current items on the balance sheet. Assets and liabilities relating to the operating cycle that are due within less than twelve months are presented as current items. All other elements are booked as non-current items.

Deferred tax assets and liabilities are booked as non-current items.

Minority interests are recorded under equity on the consolidated balance sheet.

Consolidated statement of comprehensive income

Revised IAS 1 introduces the notion of comprehensive income and requires that:

- changes in equity resulting from transactions with owners acting in their capacity as owners are presented separately from transactions with non-owners;
- all income and expenses booked over the period are presented either in a single statement of comprehensive income or in two separate statements, namely: 1/ an income statement and 2/ a statement of other comprehensive income;
- a subtotal is included indicating whether or not changes booked to equity could, upon finalization, have an impact on the income statement;
- total comprehensive income is presented in the financial statements.

The Group has opted to present its comprehensive income in two statements: a consolidated income statement and a consolidated statement of comprehensive income.

Consolidated income statement

The Group presents its income statement by nature.

The aggregate operating income and operating income on ordinary activities are consistent with CNC recommendation 2009-R-03, as defined by the French National Accounting Board (*Commission des Normes Comptables*).

Operating income includes all income and costs that do not arise from financial activities and tax.

Other non-recurring operating income and charges arise from activities that, by their nature, amount and/or frequency cannot be considered part of the Group's regular activities and earnings.

In particular, these concern net proceeds from liquidation of shares in consolidated subsidiaries, restructuring costs, charges or income relating to litigation, or any other non-recurring item affecting the comparability of the operating income on ordinary activities from one period to another.

Amortization of customer-relationship intangible assets that are recognized in purchase price allocation is presented under non-current operating income.

Goodwill impairment is presented under non-current operating income.

1.8 Goodwill

Goodwill is the difference between:

- the consideration transferred plus the value of non-controlling interests, if any; and
- the net fair value of the identifiable assets and liabilities acquired.

For each business combination, goodwill can be determined in one of two ways. It may represent:

- the portion acquired by the Group (partial goodwill method); or
- the aggregate of the Group's portion and the non-controlling interest's portion of the fair value or proportionate share of fair value of the identifiable net assets acquired.

Goodwill is recognized at the initial cost at the date of combination. The definitive value of the assets and liabilities contributed, as well as the determined amount of goodwill are known during the 12-month period following the date of acquisition.

Goodwill is not amortized but is subject to at least one impairment test at December 31 of every year and at the interim stage if there are any indications of loss in value.

Impairment tests assess the recoverable value of each entity generating its own cash flow (cash generating units – CGUs) and concern the business value of each entity contributing to intangible and tangible assets.

The CGU is the smallest identifiable group of assets whose continuous use generates cash inflows which are largely independent of cash inflows generated by other assets or groups of assets.

CGUs identified within the Group are therefore legal entities or operational units, with the following exceptions, notably when:

- in any given country, a parent company owns an operating subsidiary, then both entities together constitute a CGU;
- several legal entities are managed by the same team and have a unified business plan, these entities are grouped together into a single CGU.

A CGU must belong exclusively to one of the Group's operating segments, in accordance with IFRS 8.

The recoverable value is the greater between the fair value net of exit costs (when this can be defined), and the value in use.

Fair value net of exit costs is the best estimate of net value of a competitive property transaction between well-informed, willing parties. This estimate is determined on the basis of available market information taking into account the specific context.

The value in use applied by Altran is the value based on the discounted cash flows of the CGUs in question. These are determined on the basis of the following economic assumptions and operating forecast conditions:

- the cash flows are derived from the business plans of the units in question and available on the valuation date, with an explicit spread of four years;
- thereafter, the terminal value is calculated by capitalizing the final cash flow for the explicit period;
- the discount rate is the weighted average cost of capital after tax. This after-tax rate is applied to net cash flows. It is used to determine the identical recoverable value as that which would have been obtained by applying a pre-tax rate to cash flows having no tax impact.

To determine goodwill impairment, the recoverable amounts of the assets, essentially based on value in use, are compared with the net asset values booked in the previous accounts approved by the Board of Directors, which are then projected to values at the end of the current fiscal year.

1.9 Intangible assets

The bulk of intangible assets concern trademarks, licenses, software, development costs and customer-relationship assets. These are booked at acquisition or production cost.

Customer-relationship intangible assets and trademarks

Identifiable customer-relationship intangible assets and trademarks recognized within the framework of business combinations and benefiting from legal protection are booked as intangible assets.

Customer-relationship intangible assets are measured in accordance with the excess earnings method. This consists in applying the sum of future operating margins arising from contracts, after tax and payment of underlying assets.

Customer-relationship intangible assets are amortized on a straight-line basis over their estimated life span for each business combination and tested by all of the CGUs that use them.

Trademarks developed internally are not capitalized.

Software

Software is amortized on a straight-line basis over its life-span (8 years maximum).

Patents

Patents are amortized on a straight-line basis over their expected life-span.

Development costs

Expenses meeting all of the development-cost criteria set out in IAS 38 are booked as intangible assets and amortized over the life of the project.

Other expenses are classified as research costs and booked as charges.

1.10 Tangible assets

Tangible assets are booked at acquisition cost. Borrowing costs are not included in the valuation of tangible assets. Depreciation is calculated on the rate of consumption of the economic benefits projected for the asset on the basis of its acquisition cost, less any residual value.

The straight-line method is applied over the following periods:

- Fixtures and fittings 10 years
- IT and office equipment 4 years
- Office furniture 10 years

Depreciation periods are reviewed annually and changed if expectations differ from previous forecasts.

Real-estate assets are valued by component at the date of transition to IFRS and retrospectively. Amortization is calculated by component depending on the useful life of each component as follows:

- Buildings 20 - 50 years
- Fixtures and fittings 10 - 30 years

1.11 Inventories and work in progress for services provided

Goods and supplies

Inventories are measured at the lower of their acquisition cost and their net realizable value.

Work in progress for services provided is valued on the basis of the cost price at closing if all of the formal conditions required to recognize revenues relative to the stage of progress have not been entirely met.

Transition and/or transformation costs

Expenses incurred during the initial stages of projects (transition and/or transformation costs) can be deferred when they are:

- specific to the projects in question;
- connected to an activity likely to generate future economic advantages;
- recoverable.

These expenses are therefore booked under work in progress and released to the profit and loss account as the economic advantages are recognized.

When a contract becomes loss-making, all transition costs are depreciated for up to the amount of the expected loss and an additional provision for loss-upon-completion is written, if necessary.

1.12 Financial assets

Financial assets comprise long-term investments, long-term loans and receivables, trade receivables, various other receivables and short-term investments.

Long-term investments, long-term loans and receivables

Altran owns a certain number of stakes in companies in which it does not exert significant influence or control. These investments are part of the Group's "incubator" strategy aimed at investing in companies seeking to develop innovative, high-tech products. The shares in these non-consolidated companies, which Management intends to retain in the long-term, are treated as available-for-sale and thus measured at their fair value at each closing date. Fair value corresponds to the last known share price for listed shareholdings and the estimated market value for non-listed shareholdings. Positive and negative changes in fair value are recorded in equity under "reserves attributable to parent company shareholders". Where there is an objective indication of a durable or significant impairment of long-term financial investments, a provision for depreciation is booked under "Financial expenses".

Non-current financial assets also include equity holdings, construction-effort loans and deposits and guarantees. These can be subject to a provision for depreciation if there is an objective indication of impairment. Construction-effort loans do not bear interest and are measured at their fair value, determined by using the market discount rate for a similar instrument.

Operating and other receivables

Trade and other receivables are recognized at nominal value. Receivables that are due within less than one year and/or less than an operating cycle are booked under "current assets". Provisions for depreciation are recognized when their book value, based on the probability of recovery, is lower than the value entered for them.

Short-term investments

Short-term investments or cash equivalents are measured at their fair value at each closing date. These consist primarily of monetary bonds and certificates of deposit. Gains and losses in value, latent or realized, are recognized in the income statement under "income from cash and cash equivalents".

1.13 Financial liabilities

Financial liabilities comprise bond loans, credit establishment borrowings, banking facilities and other current and non-current liabilities.

Bank loans and bonds

Bank loans are initially measured at the fair value of the consideration received, less costs directly attributable to the transaction. Thereafter, they are measured at amortized cost using the effective interest-rate method. All loan-issue costs are booked in the income statement under "cost of gross financial debt" over the term of the loan and based on the effective interest-rate method.

Bank overdrafts

Bank overdrafts are booked at nominal value.

Other financial liabilities

These items mainly include employee profit-sharing and the valuation of interest rate swaps.

1.14 Derivative instruments

As the revenue and expenses from providing intellectual services are generally registered in the same country (and consequently denominated in the same currency) there is no currency hedging policy.

Altran uses interest rate swaps and currency futures contracts to manage its interest rate and exchange rate risks. These instruments are used in connection with the Group's financing operations and cash management.

Measurement and presentation

Derivatives are initially booked at fair value. Their fair value is reassessed at each closing date based on market conditions.

Recognition of hedging derivatives

When derivatives are classed as hedging instruments pursuant to IAS 39, their treatment varies depending on whether they are:

- fair value hedges of existing assets or liabilities; or
- future cash flow hedges.

The Group designates the hedging instrument and the hedged item when the instrument is taken out. It formally documents the hedging relationship in order to monitor its effectiveness over the given period.

The application of hedge accounting has the following consequences:

- for fair value hedges of existing assets or liabilities, changes in fair value of the derivative are booked in the income statement. The corresponding hedged item is revalued in the balance sheet and offset in the income statement. Any difference between these two revaluations indicates that the hedging relationship is inefficient;
- for future cash flow hedges, the efficient portion of any change in the fair value of the hedging instrument is booked directly as equity in a specific reserve account and the inefficient portion of the hedge is booked in the income statement. The amounts written to the reserve account are written back to the income statement as the hedged flows are booked.

Recognition of derivatives which do not qualify as hedges

Derivatives which are not designated as hedges are initially and subsequently measured at fair value. Changes in fair value are recognized under "other financial income" or "other financial expenses" in the income statement.

1.15 Treasury stock

Treasury stock correspond to Altran Technologies shares included in the Group's share buy-back program which comprises a liquidity contract entered into in 2011 with a view to enhancing the liquidity of transactions and stabilizing the price of company shares on Eurolist Compartment B of the NYSE/Euronext Paris Market.

Treasury stock purchases are deducted from equity at acquisition cost until such time as they are sold. When treasury shares are sold, all after-tax gains or losses are written to consolidated reserves. These are not affected to "net income" over the period.

1.16 Provisions for liabilities and charges

Pursuant to IAS 37 – "Provisions, contingent liabilities and contingent assets" – provisions for risks and charges are booked when, at the close of the fiscal year, the Group has a commitment to a third party which will probably or certainly result in a cash outlay for the Company to the third party.

A provision is written for the estimated amount of costs the Group will probably have to bear in order to meet its commitment.

The Group's main provisions for liabilities and charges, other than retirement commitments, include:

- estimated costs for disputes, lawsuits and claims brought by third parties or former employees;
- estimated restructuring costs.

In the event of restructuring, provisions are made as soon as the Company announces, draws up or starts implementing a detailed restructuring plan before the close of the fiscal year.

Non-current provisions concern provisions that generally mature in more than one year. These notably include provisions for litigation. The portion of non-current provisions maturing in less than one year is booked as current provisions in the balance sheet.

Contingent liabilities include potential commitments resulting from past events that are contingent upon the occurrence of future events over which the Group has no control, and probable commitments where the cash outlay is uncertain. Except in the case of IFRS 3, contingent liabilities are not provisioned but are listed for information purposes in note 4.12.

1.17 Employee benefits

Altran has commitments in several defined benefit pension schemes, and other forms of employee benefits (end-of-contract/end-of-career). The specific characteristics of these plans depend on the regulations in force in the countries concerned.

Termination and end-of-career benefits are generally lump sum payments based on the employee's number of years of service and annual salary on the date of termination/retirement.

Pursuant to Revised IAS 19, the contributions paid into defined contribution plans are booked as charges over the period and all staff benefits are valued annually using the projected unit credit method taking into account the specific economic conditions of each country. Some of these conditions are set out in note 4.13: mortality, staff turnover, salary increases, discount rates and expected rates of return on investments to pension-plan guarantee funds.

These commitments are covered either by pension funds to which Altran contributes, or by provisions written to the balance sheet as and when employees acquire their corresponding rights.

The net commitment of hedging assets is recorded in the balance sheet under "other current and non-current end-of-career benefits".

The annual expense is booked under:

- personnel costs ("long-term employee benefits") for the part relative to services costs;
- financial income ("long-term employee benefit provisions") for the amount pertaining to interest on discounting to present value and asset return.

1.18 Share-based payments

In compliance with IFRS 2 – "share-based payments" – the purchase of, and subscription to, stock options, as well as employee share issues (notably free shares) are measured at the date of attribution. Newly issued shares are granted at the maturity of the plan or drawn from existing treasury stock reserved to hedge future plans.

Free shares

For the implementation of free-share plans, Altran uses the approach recommended by the CNC (*Conseil national de la comptabilité* – French National Accounting Board) to measure employee benefit, whereby employees:

- borrow an amount equal to the defined share price and pay the interest on the loan;
- sell forward their call-options to a bank.

The cost to be booked is the difference between the strike price and the cost of debt.

This cost is booked in the income statement, under "personnel costs," on a straight-line basis over the vesting period and offset in equity.

1.19 Tax

Tax which is not related to IAS 12 – "Income Taxes" or Revised IAS 19 – "Employee benefits", is recognized as an expense when the obligating event generating the tax liability (as identified by law and/or regulatory provisions) actually occurs according to IFRIC interpretation 21.

The tax charge (or income) on earnings comprises the tax payable for the financial year and the expenses (or income) related to deferred taxes. Tax is reported under income unless it is related to elements that are booked directly as equity. In this case, tax is reported under equity.

The tax charge is the estimated amount of tax payable on income over the period, measured at the tax rate adopted or expected to apply at closing, as well as any tax adjustments for prior periods.

Introduced in France in 2010, the CVAE value added contribution (*Cotisation sur la Valeur Ajoutée des Entreprises*) is assessed on the value added derived from the Company accounts and recognized as a tax on earnings. Deferred taxes are calculated using the balance-sheet liability method for all temporary differences between the carrying amount of assets and liabilities and their tax bases and tax loss carry forwards.

The following items do not qualify for deferred tax recognition: 1/ the initial recognition of goodwill, 2/ the initial recognition of assets and liabilities that are not part of a business combination and which affect neither the accounting profit nor the taxable profit, and 3/ temporary timing differences associated with investments in subsidiaries insofar as they are not be reversed in the foreseeable future.

Altran offsets deferred tax assets and liabilities by fiscal entity. In compliance with IAS 12, deferred tax assets and liabilities are not discounted.

Deferred tax assets are only booked when they are likely to be recovered within a reasonable time-frame. In assessing its ability to recover these assets, Altran takes the following elements into account:

- estimated future taxable earnings over a maximum ten-year spread, depending on local tax requirements;
- tax losses arising before and after tax consolidation.

1.20 Revenue recognition

Revenue corresponds to total revenues from services provided by all of the consolidated companies of the Group.

The accounting treatment of revenues and costs depends on the nature of the services.

Moreover, when the result of a transaction cannot be estimated reliably and recovery of costs incurred is unlikely, revenue is not recognized and the costs incurred are booked as expenses.

Time and Material Services

Revenues generated on time and material (T&M) services are identified as the project advances.

The majority of the Group's services are carried out on a T&M basis.

Fixed price contracts

Revenues and earnings on fixed-price contracts with a performance obligation clause attached are booked in accordance with IAS 18, depending on the stage of progress of the contract as specified under IAS 11. This is determined by the percentage of costs incurred on work carried out relative to the total estimated cost. When the total estimated costs of a contract are expected to exceed the total revenues generated by the contract itself, a provision is written immediately to cover the losses expected to be incurred upon completion.

In compliance with IAS 18 – "Revenue on ordinary activities", re-invoicing of non-margined consultant fees for commercial services is set against external charges.

1.21 Non-recurring earnings

Other non-recurring revenues and charges arise from activities that, by their nature, amount and/or frequency cannot be considered part of the Group's regular activities and earnings since they naturally impair the understanding of its operating performance. They are, therefore, revenues and charges that are considered to be unusual, abnormal, infrequent and hefty.

These mainly comprise:

- capital gains or losses (net of costs) on the disposal or one-off depreciation of current or non-current, tangible or intangible assets;
- restructuring charges and provisions which impair the clarity of operating income on operating activities due to their size and unusual nature;
- other operating expenses and income considered as unusual, abnormal or rare (such as acquisition costs).

1.22 Currency gains and losses

Realized and unrealized foreign exchange gains and losses from operations are booked under "other revenues" or "other operating income and expenses". Those resulting from financing operations, or from the hedging of investment and financial activities, are booked under "cost of gross financial debt" and "other financial income and expenses". These are mainly research tax credits.

1.23 Grants and subsidies

Depending on their maturity, grants and subsidies used to offset costs incurred by the Group are systematically booked either as operating income in the income statement over the period during which the costs were incurred, as deferred tax assets, or other receivables.

1.24 Earnings per share

The Group presents earnings per share on an undiluted and a diluted basis.

Undiluted earnings per share correspond to net income attributable to the Group, divided by the weighted average number of shares outstanding over the year, net of treasury stock.

Diluted earnings correspond to net income attributable to Group shareholders, net of the financial cost of dilutive debt instruments and their impact on employee profit-sharing, net of corresponding tax. The number of shares retained for the calculation of diluted earnings factors in the conversion into ordinary shares of dilutive instruments outstanding at the end of the fiscal period (free shares) when they are likely to have a dilutive effect. This is notably the case for share-warrant options, when their strike price is lower than the market price (average price for Altran Technologies shares over the year).

Diluted and undiluted earnings per share are identical when the level of earnings per share is negative. To ensure comparability of earnings per share, the weighted average number of shares outstanding during the year (and previous years) is adjusted to take into account any capital increases carried out at a share price lower than the market price. Treasury shares deducted from consolidated equity are not taken into account in calculating earnings per share.

Note 2 Scope of consolidation

The consolidated financial statements incorporate the accounts of Altran Technologies and its subsidiaries. The Group fully consolidates its subsidiaries, with the exception of the Altran Telnet Corporation (Tunisia) and Altran Middle East (UAE) which are consolidated using the equity method, in accordance with IFRS 11.

			Closing				Opening				
			Method	Integration rate	Control rate	Interest rate	Method	Integration rate	Control rate	Interest rate	Change
Northern Europe	Germany	ALTRAN DEUTSCHLAND HOLDING	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		ALTRAN	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		ALTRAN DEUTSCHLAND	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN SERVICE	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN (ex-AIHM)	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		ALTRAN CONSULTING & ENGINEERING	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		INGENIEURBURO OTTE	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		ALTRAN AVIATION CONSULTING	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN MANAGEMENT	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Austria	ALTRAN CONCEPT TECH	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		MICROSYS TECHNOLOGIES	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Romania	ALTRAN ROMANIA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Czech Republic	ALTRAN TECHNOLOGIES CZECH REPUBLIC	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		SWELL	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Acquired
		KON	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Acquired
	Slovakia	ALTRAN SLOVAKIA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Belgium	ALTRAN BELGIUM	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Luxembourg	ALTRAN LUXEMBOURG	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	The Netherlands	ALTRAN INTERNATIONAL	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		NSPYRE	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		NSPYRE ENGINEERING SERVICES	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		NSPYRE FLEX	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		CEREBRO	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Merged
		ALTRAN NETHERLANDS	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Norway	ALTRAN NORGE	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Sweden	ALTRAN SVERIGE	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Switzerland	ALTRAN	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	

			Closing				Opening				
			Method	Integration rate	Control rate	Interest rate	Method	Integration rate	Control rate	Interest rate	Change
Southern Europe	**UK**	ALTRAN UK HOLDING	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN UK	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		CAMBRIDGE CONSULTANTS	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		CAMBRIDGE CONSULTANTS USA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		CAMBRIDGE CONSULTANTS (SINGAPORE)	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		CAMBRIDGE CONSULTANTS (INDIA) PRODUCT DEVELOPMENT	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		CAMBRIDGE CONSULTANTS JAPAN	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Created
		SYNAPSE PRODUCT DEVELOPMENT HK	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Acquired
		SYNAPSE PRODUCT DEVELOPMENT	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Acquired
		TESSELLA HOLDING	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		TESSELLA (UK)	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		TESSELLA (USA)	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		IJS CONSULTANTS	NI	0.00	0.00	0.00	IG	100.00	100.00	100.00	Liquidated
Southern Europe	**Spain**	ALTRAN INNOVACIÓN	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		AGENCIA DE CERTIFICACION INNOVACION ESPANOLA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Italy	ALTRAN ITALIA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN INNOVATION	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Turkey	ALTRAN INOVASYON VE TEKNOLOJI	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Portugal	ALTRANPORTUGAL	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
France	**France**	ALTRAN TECHNOLOGIES	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN EDUCATION SERVICES	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		GMTS	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		LOGIQUAL	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN PROTOTYPES AUTOMOBILES	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN PARTICIPATIONS	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN ALLEMAGNE	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN PARTICIPATIONS 1	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN PARTICIPATIONS 2	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN CONNECTED SOLUTIONS	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		OXO	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN LAB	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Morocco	ALTRAN MAROC	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	

			Closing				Opening				
			Method	Integration rate	Control rate	Interest rate	Method	Integration rate	Control rate	Interest rate	Change
ROW Zone	UAE	ALTRAN MIDLE EAST	MEE	30.00	30.00	30.00	MEE	30.00	30.00	30.00	
	Hong Kong	ALTRAN CHINA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	India	ALTRAN TECHNOLOGIES INDIA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN TELECOM SERVICES INDIA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	South Korea	ALTRAN TECHNOLOGIES KOREA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Singapore	ALTRAN (SINGAPORE)	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Tunisia	ALTRAN TELNET CORPORATION	MEE	50.00	50.00	50.00	MEE	50.00	50.00	50.00	
	Canada	ALTRAN SOLUTIONS	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	USA	ALTRAN US	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		VIGNANI	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		LOHIKA SYSTEMS	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Acquired
		FOLIAGE	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Ukraine	LLC LOHIKA (Ukraine)	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Acquired
	Mexico	ALTRAN SOLUTIONS DE MEXICO	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	China	ALTRAN SHANGHAI	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		INDUSTRIEHANSA CONSULTING & ENGINEERING	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN AUTOMOTIVE TECHNOLOGY	IG	100.00	51.00	51.00	IG	100.00	51.00	51.00	
		ALTRAN BEYONDSOFT TECHNOLOGIES (Beijing)	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		SICON DESIGN TECHNOLOGIES SHANGHAI	IG	100.00	100.00	100.00	NI	0.00	0.00	0.00	Acquired
		ALTRAN BEYONDSOFT TECHNOLOGIES (Shanghai)	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
		ALTRAN CHINA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Malaysia	ALTRAN	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	
	Australia	ALTRAN AUSTRALIA	IG	100.00	100.00	100.00	IG	100.00	100.00	100.00	

Changes in scope of consolidation

In 2016, the Group completed several transactions that affected its scope of consolidation. The most important of these are listed below:

Liquidations

Altran liquidated its UK subsidiary IJS Consultants in 2016. The liquidation of this company contributed €0.9m to the Group's H2 2016 results.

Acquisitions

In 2016, Altran finalized the acquisitions of the groups, Lohika Systems (US/Ukraine) and Synapse Product Development (US/Hong-Kong), as well as the company Swell (Czech Republic). These acquisitions contributed €14.3m, €16.0m and €1.8m, respectively to Group revenues.

Mergers

Within the context of the Group's strategy to rationalize its structure, Altran carried out several mergers, notably in Germany and the Netherlands.

Note 3 Key events

Acquisitions

In 2016, the Altran group pursued its external growth strategy as laid down in the *Altran 2020. Ignition* strategic plan.

August 2016: Synapse Product Development

Based in Seattle (WA), Synapse provides clients with complex engineering and innovative product development solutions geared to transform their brands and step up their businesses at the technological level. Synapse benefits from its extensive expertise in developing mass-consumer products, and recently won contracts with major players such as Nike, Microsoft and Samsung.

The acquisition of Synapse by Cambridge Consultants is designed to expand the Group's geographic coverage, thus enabling Altran to serve its growing client base in one of the world's most dynamic geographic zones in terms of R&D. This operation will give rise to one of the largest product-development companies in the world, with a significant presence on both sides of the North American continent. The acquisition is in line with the Group's Strategic Plan, notably with regard to Cambridge Consultants which aims to double in size and build up its footholds in the US and Asia.

Altran acquired a 100% stake in the company's capital.

Related acquisition costs totaling €1.5m were booked as a non-recurring expense in the 2016 income statement.

The amount of goodwill currently recognized in the financial statements is €30.2 m (including an exchange-rate difference in the amount of €1.6m).

Synapse's balance-sheet items currently under review include assets amounting to €1.8m, non-current assets of €0.9m, client accounts and other receivables of €9.9m, cash of €9.0m, non-current liabilities of €18.4m, and suppliers and other current payables of €9.7m.

Over 5 months in 2016, the Synapse group contributed revenues and operating income on ordinary activities of €16.0m and €1.5m, respectively.

August 2016: Lohika Systems

Based in the Silicon Valley, Lohika operates mainly in North America and is also present in Ukraine with an experienced team of over 700 employees, most of whom software engineers. The mission of these highly-qualified specialists is to step up the development of high-end software and SaaS products for major players (Microsoft, Cisco, HP Enterprise, etc.) and fast-growing start-ups (AudienceScience, BuzzFeed, Twilio and Okta).

The Lohika - Altran alliance will create a superior value proposition, enabling the Group to attain a leadership position in software product development on the US West Coast, the largest engineering and R&D market in the world. This acquisition gives Altran access to present and future leaders in the Silicon Valley high-tech ecosystem, and to a new source of growth in this region. At a time when software is a key to success in an increasingly digital world, Lohika brings its unparalleled expertise to software product development, thereby extending the Group's existing capabilities to include skills and client missions in the fields of mobility, enterprise systems, and big data solutions and cloud computing.

Lohika's unique offshore services model will also expand and diversify the Group's Industrialized GlobalShore© network.

Altran acquired a 100% stake in the company's capital.

Related acquisition costs totaling €1.3m were booked as a non-recurring expense in the 2016 income statement.

The amount of goodwill currently recognized in the financial statements is €41.1m (including an exchange-rate difference in the amount of €2.1m).

Lohika's balance-sheet items currently under review include assets amounting to €1.4m, non-current assets of €0.2m, client accounts and other receivables of €10.4m, cash of €3.6m, non-current liabilities of €0.8m, and suppliers and other current payables of €6.2m.

Over 5 months in 2016, the Lohika group contributed revenues and operating income on ordinary activities of €14.3m and €1.6m, respectively.

November 2016: Swell

The acquisition of Swell (Czech Republic), a leading provider of engineering services, development and testing for the automobile industry, gives Altran access to key capabilities as well as prototyping and CAE skills, which the Group will be able add to its Body-in-White offer. With around 160 employees, Swell provides services to European automobile players, such as Skoda, Robert Bosch, Continental, Magna and Honeywell.

This acquisition will help rebuild the Group's capacity and enhance its savoir-faire, as part of its recovery plan for Altran Germany.

In addition, Swell could become the new nearshore center of the the Group's Industrialized GlobalShore© network which would distinguish the Group's integrated complete-vehicle offering for its clients in the automobile industry.

Altran acquired a 100% stake in the company's capital.

Related acquisition costs totaling €0.2m were booked as a non-recurring expense in the 2016 income statement.

The amount of goodwill currently recognized in the financial statements is €9.0m.

Swell's balance-sheet items currently under review include assets amounting to €6.5m, inventory of €0.7m, client accounts and other receivables of €1.7m, cash of €1.2m, non-current liabilities of €0.5m, and suppliers and other current payables of €5.2m.

Over 2 months in 2016, Swell contributed revenues and operating income on ordinary activities of €1.8m and €0.4m, respectively.

Partnerships

January 2016: Nokia

In a press release published on January 28, 2016, Altran announced that it had signed a contract with Nokia concerning the latter's delivery centers in two Indian cities: Noida and Chennai. Nokia's network of Global Delivery Centers provides around-the-clock network operations to its customers worldwide.

More than 500 Altran engineers and technicians are working alongside Nokia's global service delivery teams at both locations. Within the context of the contract, Altran is providing a full range of network services related to alarm and fault monitoring systems, performance, incident and configuration management, network design and optimization, as well as software & tool development and support.

The deployment and implementation of the the Group's Industrialized GlobalShore© model is a core component of the *Altran 2020. Ignition* strategic plan, which aims to provide customers with premium performance and cutting-edge solutions, thanks to increased competitiveness, enhanced agility and industrial automation. Nokia will benefit from end-to-end services via this model offering flexibility, scalability and speed; three major assets that will support the company in its commercial deployment strategy thereby reducing time-to-market.

September 2016: Divergent

Altran became a strategic development partner and minority investor in Divergent, a US startup based in Los Angeles.

Divergent has developed a software/hardware platform enabled by 3D printing (the Divergent Manufacturing Platform™) that radically transforms the economic and environmental impact of designing and manufacturing complex structures such as cars. The aim of the firm is to revolutionize car manufacturing and reduce its environmental footprint by using and marketing patents incorporating its technologies and intellectual property.

Together, Altran and Divergent will market their offer in the US, Europe and China in order to roll out new revolutionary technologies for the automotive industry. In its role as global partner in Divergent's development, Altran will lend support by providing engineering services to ensure Divergent's future growth.

September 2016: Jaguar Land Rover

Altran and Jaguar Land Rover launched CoherenSE, an innovative open software platform for next-generation vehicles and smart appliances. This strategic partnership will enable both parties to combine cutting-edge industrial and engineering techniques with mass-market processes, methods and electronic tools for the purposes of co-creating a unique, flexible and scalable architecture.

CoherenSE is revolutionizing traditional electric and electronic vehicle architectures allowing car manufacturers to use less software, while enabling the deployment of highly integrated functions such as advanced driver-assistance systems and autonomous driving. Altran plans to apply this technology in other sectors such as healthcare, railways, industrial automation and aerospace.

Note 4 Notes relative to certain balance sheet items

4.1 Net goodwill

Movements in net goodwill are analyzed in the table below (in thousands of euros):

Balance at December 31, 2015	738,338
Loss in value	(2,552)
Scope-of-consolidation changes	73,263
Exchange rate differences	(8,055)
Other transactions	4,861
Balance at December 31, 2016	**805,855**

Losses in value booked in 2016 concern goodwill related to discontinued activities in the oil industry in India and Canada.

Changes in the scope of consolidation notably comprise:

- +€38,949k from the acquisition of the Lohika Systems Group in the US and Ukraine;
- +€28,606k from the acquisition of the Synapse Product Development Group in the US and Hong-Kong;
- +€9,011k from the acquisition of Swell in the Czech Republic; and
- - €3,782k related to the adjustment related to the acquisition of the Tessella group in the UK.

"Other transactions" notably include an increase of €4,539k stemming from the acquisition of assets In the Czech Republic.

The balance-sheet items contributed by the Groups and companies acquired in 2016 are still being analyzed.

The main contributing CGUs in terms of net goodwill are listed below:

Main contributors *(in thousands of euros)*	
Germany/Austria/Czech Republic [(a)]	153,077
USA/Canada	132,972
France	119,863
Netherlands [(c)]	98,250
Cambridge [(b)]	63,799
Italia	60,774
Tessella	50,979
Spain	49,096
UK	18,560
India	16,026
Belgium/Luxembourg [(c)]	15,678
Others	26,781
TOTAL	**805,855**

(a) The amount of goodwill transferred by Microsys Technologies, the Group's Canadian subsidiary of Concept Tech (Austria) is included in the Germany/Austria/Czech Republic CGU.
(b) The amount of goodwill transferred by Synapse Product Development, the US subsidiary of Cambridge Consultants, is included in the Cambridge CGU.
(c) Due to a change in the operational organization, the Netherlands is now a CGU independent of Belgium.

The tests used to measure goodwill impairment at December 31, 2016 were based on revenue growth to infinity of 2% and the following discount rates after tax (WACC) for each CGU.

	Discount Rate
Germany/Austria/Czech Republic	6.60%
USA/Canada	7.66%
France	6.64%
Netherlands	6.20%
Cambridge	7.00%
Italia	6.85%
Tessella	7.00%
Spain	6.58%
UK	7.00%
India	12.34%
Belgium/Luxembourg	6.70%
Others	5.59% - 9.18%

On these bases, no losses in value were recognized at the 2016 financial close.

The results of tests carried out by all CGUs to measure the sensitivity to after-tax discount (WACC) rates and revenue growth to infinity are as follows (in millions of euros):

WACC		-1.00%	WACC	+1.00%
Growth rate to infinity	2.00%	0	0	15,993
	1.00%	0	7,715	26,706

Potential impairment requirements relate to the US/Canada CGU.

In addition, an analysis of the sensitivity to a likely variation in EBIT rates in business plans shows that a decline of 3% in EBIT would make for goodwill impairment of €102.5m and €29.4m, respectively for the Germany/Austria/Czech Republic and the US/Canada CGUs.

4.2 Intangible assets

(in thousands of euros)	Intangible rights	Development costs	Software	Other	Total
At December 31, 2015					
Gross value at opening	57,596	6,737	68,042	9,697	142,072
Amortization and provisions	(12,390)	(4,418)	(42,159)	(720)	(59,687)
Net value at opening	45,206	2,319	25,883	8,977	82,385
Transactions during the period:					
Acquisitions	15	4,814	7,337	7,507	19,673
Disposals	-	-	(7,174)	(1,117)	(8,291)
Net amortization and provisions	(4,339)	(183)	(8,019)	(4)	(12,545)
Scope-of-consolidation changes	14		636	9	659
Exchange rate differences	(1)	(463)	(127)	(11)	(602)
Other transactions	(540)		7,350	(6,793)	17
TOTAL TRANSACTIONS (NET VALUE)	**(4,851)**	**4,168**	**3**	**(409)**	**(1,089)**
At December 31, 2016					
Gross value at closing	56,452	10,005	70,634	9,178	146,269
Amortization and provisions	(16,097)	(3,518)	(44,748)	(610)	(64,973)
Net value at closing	40,355	6,487	25,886	8,568	81,296

In 2016, net allowances for intangible asset amortization totaled €12,545k, of which €8,255k in allowances for amortization and net current provisions and €4,290k in intangible rights amortization.

The increase in intangible assets and changes in "Other movements" relate to the deployment of the Group's IT tool (particularly ERP).

4.3 Tangible assets

(in thousands of euros)	Land	Constructions	General facilities, fixtures and furnishings	Office & computer equipment & furniture	Other	Total
At December 31, 2015						
Gross value at opening	880	33,532	42,339	72,289	5,478	154,518
Depreciation and provisions		(7,348)	(22,621)	(55,446)	(4,363)	(89,778)
Net value at opening	880	26,184	19,718	16,843	1,115	64,740
Transactions during the period						
Acquisitions		3,991	7,121	8,804	753	20,669
Disposals		(15)	(60)	(3,270)	(96)	(3,441)
Net depreciation and provisions		(576)	(4,893)	(6,576)	(317)	(12,362)
Scope-of-consolidation changes	196	2,548	3,069	1,661	1,650	9,124
Exchange rate differences		(3,776)	(253)	(438)	(103)	(4,570)
Other transactions		1,611	41	1	(1,710)	(57)
TOTAL TRANSACTIONS (NET VALUE)	**196**	**3,783**	**5,025**	**182**	**177**	**9,363**
At December 31, 2016						
Gross value at closing	1,076	37,942	53,116	72,906	5,801	170,841
Net depreciation and provisions		(7,975)	(28,373)	(55,881)	(4,509)	(96,738)
Net value at closing	1,076	29,967	24,743	17,025	1,292	74,103

The Group owns land and property mainly in the UK and the Czech Republic worth a total net value of €24,730k and €4,809k, respectively.

None of the Group's fully-depreciated fixed assets still in use are worth a significant amount.

In 2016, net depreciation on tangible assets totaled €12,362k, of which €12,238k in allowances for depreciation and net current provisions and €124k in other non-recurring operating costs.

4.4 Non-current financial assets

Non-current financial assets break down as follows:

(in thousands of euros)	Dec. 2016	Dec. 2015
Available for sale		
Cambridge Consultants Incubator	5,792	8,281
Loans and credits generated by the Group		
Construction-effort loans	15,021	13,212
Deposits and guarantees	11,750	11,077
Others receivables	1,044	
	27,815	**24,289**
Other financial assets		
Other shares in non-consolidated subsidiaries	4,278	2
Investments in associates	240	234
	4,518	**236**
TOTAL	**38,125**	**32,806**

4.4.1 Available-for-sale assets

In 2016, the €2,489k decline in "available-for-sale" assets stemmed from the strengthening of the stake owned by Cambridge Consultants in its business-incubator activities in Evonetix in the amount of €1,168k and the fair value adjustment for its Aveillant business-incubator of -€2,476k, which was partially offset by a foreign exchange loss in the amount of €1,181k.

4.4.2 Loans and receivables

Construction-effort loans totaled €15,021k at December 31, 2016, versus €13,212k at December 31, 2015.

This €1,809k increase on 2015 levels stemmed notably from:

- the discounted impact of construction effort loans (+€65k), booked in the income statement;
- loan payments of €1,860k in 2016.

Other loans and receivables comprise deposits and guarantees.

4.4.3 Other financial assets

The €4,276k increase in "Other shares in non-consolidated subsidiaries" stemmed almost exclusively from the acquisition of a minority interest in the US start-up, Divergent.

Controlled Interests consolidated using the equity method include Altran Telnet (Tunisia) for €240k and Altran Middle East (UAE) for –€609k, booked in provisions for long-term subsidiary risk.

4.5 Other non-current assets and taxes

The bulk of other non-current assets and taxes comprise:

- trade receivables due in more than one year's time of €1,059k;
- tax related receivables due in more than one year's time of €108,896k.

4.6 Inventories

Inventories and work in progress break down as follows:

(in thousands of euros)	Dec. 2016	Dec. 2015
Raw materials	1,655	985
Work in progress	4,333	3,470
Finished goods and semi-finished products	1,059	330
Provisions for inventory	(35)	(35)
TOTAL	**7,012**	**4,750**

4.7 Trade receivables net of provisions for depreciation

Trade receivables are due within a maximum of one year.

	Dec. 2016			Dec. 2015		
(in thousands of euros)	Total	Matured	Not matured	Total	Matured	Not matured
Net accounts receivable (clients)	395,429	62,252	333,177	395,317	71,768	323,549

Changes in provisions for trade receivables break down as follows:

Dec. 2015	Provisions booked over the period	Write backs	Exchange rate differences	Scope of consolidation changes	Other changes	Dec. 2016
(3,005)	(3,874)	1,893	(4)	(615)	12	(5,593)

Trade receivables net of provisions for impairment and which are overdue are listed in the following table:

(in thousands of euros)	Dec. 2016	Dec. 2015
Expired since less than 1 month	30,573	33,282
Expired since 1-3 months	20,596	26,182
Expired since more than 3 months	11,083	12,304
TOTAL TRADE RECEIVABLES OVERDUE	**62,252**	**71,768**

The Group has set up several trade-receivable transfer contracts, notably in France and Europe. The principal features of these agreements are as follows:

- the implementation of a guarantee ceiling for the payment recovery of each trade receivable sold by the Company to the factor. This facility is contingent upon obtaining prior consent from the bank;
- a guarantee against insolvency of the debtor should it be put into receivership or liquidated by court order;
- the waiver of all recourse to claims against the Company within the limit of the authorized guarantee ceilings (factoring without recourse);
- the opening of a cash collateral account which is refundable on termination of the contract and where the amount is adjusted to match the level of guaranteed trade receivables assigned to the factor without recourse;
- the contract is open-ended and may be terminated at any time by either party:

1. Should the Group choose to do so: it is contractually bound to give notice of nine months for the trade-receivable transfer contract signed with BNP Paribas covering France, Portugal, the Netherlands, Switzerland, Sweden, the UK, Italy, Spain, Belgium and Germany,
2. The factor may terminate the contract if the Group fails to honor its obligations to ensure a regular flow of trade-receivable transfer, endures a significant deterioration in its financial situation or reduction in share capital, or if its business assets are placed under lease management.

The Group had available factoring lines totaling €405.0m at December 31, 2016. Within the context of the above factoring agreements, the amount of assigned trade receivables totaled €330.9m.

Recognition of receivables assigned without recourse had the following impact on the Group's financial statements (in thousands of euros):

Assets	Dec. 2016	Dec. 2015
Accounts receivable (client)	(241,764)	(169,501)
o/w unfunded portion of trade receivables and cancellation of deposits	17,287	10,793
	(224,477)	**(158,708)**

Liabilities	Dec. 2016	Dec. 2015
Current financial liabilities	(224,477)	(158,708)
	(224,477)	**(158,708)**

The Group is still responsible for recovering trade receivables whose payment is not guaranteed by the factor. These receivables are booked as assets and offset in "current financial liabilities" (see note 4.11).

The impact of these elements on the financial statements is detailed in the table below (in thousands of euros)

Assets	Dec. 2016	Dec. 2015
Accounts receivable (client)	89,159	70,986
Security deposit	(29,214)	(17,691)
	59,945	**53,295**

Liabilities	Dec. 2016	Dec. 2015
Current financial liabilities	59,945	53,295
	59,945	**53,295**

4.8 Other receivables

This item includes tax receivables, prepaid expenses, personnel and social-security receivables and other operating receivables.

The Group sold all of its 2016 CICE tax receivables worth a total amount of €16,357k within the framework of a trade-receivables discount contract, maturing at August 13, 2020. After deduction of a guarantee deposit and financing costs, Altran Technologies received €15,238k.

4.9 Current financial assets

This item includes deposits and guarantees maturing in less than one year (notably the security deposit attached to non-recourse factoring contracts in the amount of €17,287k) and €35,069k deposited in an escrow account opened for the acquisition of the German group Benteler Engineering Services, effect as of January 1, 2017.

4.10 Shareholders' equity and earnings per share

The following calculations are based on an average price of €12.42 per Altran Technologies share in 2016.

At December 31, 2016, the Company's share capital totaled €87,900,132.50 for 175,800,265 ordinary shares. The weighted average number of ordinary shares outstanding totaled 173,233,526 in 2016 and the weighted average number of ordinary and dilutive shares totaled 173,734,295.

Breakdown of equity capital	Number	Nominal value
Number of shares comprising the share capital at opening	175,800,265	€0.50
Cancellation of treasury stock	(3,101,191)	€0.50
Number of shares comprising the share capital at closing (excluding treasury stock)	**172,699,074**	**€0.50**

The Combined Ordinary and Extraordinary Shareholders' Meeting voted on April 29, 2016 to authorize, in accordance with the 18th resolution, the implementation of a share buyback program:

- for the purposes of retaining shares for subsequent payment or exchange in the event of an external-growth, merger, spin-off or capital-contribution transaction;
- the maximum number of shares that can be acquired is fixed at 10,000,000, i.e. close to 6% of the Company's share capital at December 31, 2015;
- the maximum purchase price per Altran Technologies share is capped at €15. In the event of transactions carried out on the share capital, notably by way of incorporation of reserves and allocation of free shares, and/or the division or consolidation of shares, this price shall be adjusted by applying a multiplying factor equal to the ratio between the number of shares comprising the share capital prior to the transaction, and the number after the transaction;
- this share buyback program was authorized for a period of eighteen months running from April 29, 2016, the date of the Combined Ordinary and Extraordinary Shareholders' Meeting, until October 30, 2017, at the latest.

At December 31, 2016:

- 58,099 Altran Technologies treasury shares valued at €727k and held within the framework of the Exane-BNP Paribas liquidity contract were booked under equity, and net capital gains of €75k on the Group's own shares were booked in consolidated reserves;
- 3,043,092 Altran Technologies treasury shares valued at €26,166k were booked under equity.

(in thousands of euros)	Dec. 2016	Dec. 2015
Net income (Altran Technologies)	**122,483**	**100,493**
Impact of dilutive share-based payments	1,454	610
Ordinary shares (weighted average number)	173,233,526	172,710,325
Options granted with a dilutive impact	500,769	123,980
Earnings per share *(in euros)*	**0.71**	**0.58**
Diluted earnings per share *(in euros)*	**0.71**	**0.58**

Free shares granted by the Group and which will have a dilutive impact concern the March 11, 2015 and June 1, 2016 plans involving a maximum number of 291,959 and 519,395 shares, respectively.

The characteristics of the Group's free-share plans are described in note 5.4.

4.11 Net debt

Net debt is the difference between total financial liabilities and cash and cash equivalents.

(in thousands of euros)	Dec. 2016	Dec. 2015
Cash and cash equivalent	478,330	524,541
Net cash	**478,330**	**524,541**
Bond loans (>1 year)	249,407	249,155
Credit establishment borrowings and debt (>1 year)	17,410	53,151
Other long-term financial liabilities	1,871	2,311
Current bond loans	3,681	3,657
Current borrowings	106,219	86,226
Bank overdrafts*	308,182	273,434
Other current financial liabilities	1,099	348
Gross financial debt	**687,869**	**668,282**
NET DEBT	**(209,539)**	**(143,741)**

* Including factoring, unsecured receivables assigned to the factor amounted to €59.9m at December 31, 2016 vs. €53.3m at December 31, 2015 (for total lines of €375.0m at December 31, 2016 vs. €362.1m at December 31, 2015) and commercial paper of €242.8m at December 2016, vs. €194.0m at December 31, 2015.

Consolidated net debt increased to €209,539k at end-2016, up €65,798k, year-on-year.

Cash equivalents

At December 31, 2016, the market value of cash equivalents totaled €285,093k. This breaks down as follows:

(in thousands of euros)	Dec. 2016	Dec. 2015
Certificates of deposit and other	285,093	264,391
SICAV and mutual funds	-	28,964
TOTAL	**285,093**	**293,355**

Debt repayment schedule

The table below gives the breakdown of the Group's financing costs by type of debt and by maturity including accrued interest and after taking into account the effect of hedging instruments:

(in thousands of euros)	<1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	> 5 yrs
Bond loans (>1 year)	-	(252)	134,817	9,893	104,949	-
Credit establishment borrowings and debts (>1 year)	-	17,815	(256)	(149)	-	-
Other non-current financial liabilities	-	876	125		-	870
Non-current financial liabilities	**0**	**18,439**	**134,686**	**9,744**	**104,949**	**870**
Current bond loans	3,681	-	-	-	-	-
Current borrowings	106,219	-	-	-	-	-
Bank overdrafts	308,182	-	-	-	-	-
Other current financial liabilities	1,099	-	-	-	-	-
Current financial liabilities	**419,181**	**0**	**0**	**0**	**0**	**0**
TOTAL	**419,181**	**18,439**	**134,686**	**9,744**	**104,949**	**870**
Accrued interest	**8,975**	**8,516**	**6,149**	**3,302**	**1,692**	**-**

In percentage terms, the maturity of the Group's financial liabilities (excluding accrued interest) at December 31, 2016 breaks down as follows:

- less than 1 year: 60,94%
- 1 to 5 years: 38.93%
- more than 5 years: 0.13%

Bond loans

The Group raised a total of €250m via several bonds issued in the form of dematerialized bearer shares at a nominal value of €100,000. These included:

- A €135m bond, issued on July 16, 2013 bearing an annual coupon of 3.75% and an initial maturity of 6 years. The normal date of redemption is set for July 16, 2019. Interest is payable in arrears on January 16 of each year;
- A €115m bond, issued in the summer of 2014 and comprising two tranches;
  - the first for €10m, bearing an annual coupon of 2.81% and an initial maturity of 6 years. The normal date of redemption is set for July 17, 2020. Interest is payable in arrears on July 17 of each year,
  - the second for €105m, bearing an annual coupon of 3.00% and an initial maturity of 7 years. The normal date of redemption is set for July 16, 2021. Interest is payable in arrears on July 17 of each year.

Early redemption can be initiated:

- by the Group, under the following conditions:
  - some or all of the bonds may be redeemed at any time via a purchase on a securities market, an over-the-counter transaction or by way of a public offer,
  - some or all of the outstanding bonds can be redeemed at any time and at any price and under any conditions;
- by bondholders,
  - who may request the early redemption of bonds for shares at their face value plus all accrued interest since the last coupon date, at any time under the following conditions:
    - in the event of non-payment of any borrowings by the issuer or one of its subsidiaries,
    - if the issuer is involved in conciliation proceedings with its creditors,
    - if the issuer or its main subsidiaries are dissolved, liquidated, merged, split or absorbed and fail to transmit all of the issuer's bonds to the corporate body that succeeds it/them,
    - if the issuer fails to respect the bond-repayment conditions including its financial ratio (covenant) commitments,
    - in the event of a change in Company control: as defined in Article L. 233-10 of the Commercial Code. This applies to the acquisition, by one person or a group of individuals acting in concert, of a direct or indirect stake in the Company exceeding 50% of the issuer's share capital or voting rights.

These credit lines require that the Company respects a leverage ratio (net financial debt including all assignment and factoring operations/EBITDA) of less than 2.75 for the first two years then less than 2.50 at the closing of each fiscal year until December 31, 2020.

If the annual net financial debt/EBITDA ratio exceeds 2.00, an additional interest charge will be applied to the following bond issues:

- +0.50% for the bond bearing a coupon of 3.75%;
- +0.70% for the bond bearing a coupon of 3.00%;
- +0.60% for the bond bearing a coupon of 2.81%.

In 2016, financial expenses attached to the above bond loans totaled €8,727k, of which €3,681k in accrued interest to be paid to bondholders on July 17, 2017.

Capex credit line – Bank Pool Loan

On January 29, 2013, Altran contracted a credit line with its pool of bankers (Société Générale, BNP Paribas, Natixis, Commerzbank and Crédit Agricole Ile-de-France) giving the Company access to a maximum of €150m to finance, either fully or partially, external growth operations carried out by Altran Technologies and its subsidiaries. This facility may also be used to refinance debt of acquired companies. A new amendment to this credit agreement was signed on July 29, 2015.

The main characteristics of this credit line include:

- a five-year maturity running from the date the new amendment contract was signed;
- half-yearly amortization, paid in eight installments, for the portion drawn down at January 29, 2014 and in six installments, for the additional portion drawn down on the Capex revolving credit (i.e. €18,042k) at January 29, 2015;
- access to a revolving credit. Taken together the total amount of the revolving credit and the Capex loan is capped at €300m;
- interest on the Capex loan is payable in arrears (every 3 or 6 months, as agreed upon between the borrower and the lender) with maturities scheduled for January 29, April 29, July 29 and October 29;
- for the revolving loan, interest is payable in arrears at specific intervals as agreed upon between the borrower and the lender and specified in the payment schedule (every 1, 2, 3, 6 months, etc.);
- for the Capex loan, interest is calculated on the basis of a maximum Euribor coupon +1.65%;
- for the revolving loan, interest is calculated on the basis of a maximum Euribor coupon 1.25%;
- this credit line requires that the Group respect a net financial debt/EBITDA ratio capped at 2.50 at June 30, and December 31 of each year until repayment of all sums due;
- the EBITDA used to calculate these covenants is the last consolidated EBITDA audited over 12 months adjusted on a pro forma basis so as to integrate (over 12 months) the EBITDA of all eligible companies acquired within the context of an external growth operation carried out during said period;
- net financial debt corresponds to the amount of net debt plus the addition of vendor loans and earn-out clauses relative to external growth operations.

Margin levels are revised every six months in relation to consolidated financial leverage (net financial debt/EBITDA).

Applicable margin	Capex loan	Revolving loan
Ratio >= 2.00	1.65% per year	1.25% per year
Ratio < 2.00	1.25% per year	0.85% per year
Ratio < 1.50	1.05% per year	0.65% per year
Ratio< 1.00	0.85% per year	0.55% per year

This credit agreement contains several clauses pertaining to:

- financial ratio threshold;
- early redemption: as soon as net income from the disposal of assets or holdings in subsidiaries exceeds €30m and this up to 100% of the non-invested portion, for the purposes of replacing assets relevant to the Company's activity or carrying out external growth operations.

Revolving credit facility agreement – Commerzbank

On July 4, 2013, Altran took out a €30m revolving credit facility with Commerzbank. An amendment to this credit agreement was signed on July 29, 2015.

The main characteristics of this credit line include:

- maturity: January 4, 2018;
- interest calculated on a maximum Euribor coupon +1.65%;
- this credit line requires that the Group respect a net financial debt/EBITDA ratio capped at 2.50 at June 30, and December 31 of each year until repayment of all sums due.

Margin levels are revised every six months in relation to consolidated financial leverage (net financial debt/EBITDA).

Applicable margin	Revolving loan
Ratio >= 2.00	1.65% per year
Ratio < 2.00	1.25% per year
Ratio < 1.50	1.05% per year
Ratio < 1.00	0.85% per year

The amortization schedule for the Group's medium-term credit lines is given in the table below:

(in millions of euros)	June 2013	Dec. 2013	June 2014	Dec. 2014	June 2015	Dec. 2015	June 2016	Dec. 2016	June 2017	Dec. 2017	June 2018	Dec. 2018	June 2019	Dec. 2019	June 2020	Dec. 2020	June 2021	Dec. 2021
Capex Loan	150.0	135.0	135.0	121.6	108.2	90.2	72.2	54.1	36.1	18.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond Loans	0.0	135.0	135.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	115.0	115.0	105.0	105.0	0.0
SUBTOTAL	**150.0**	**270.0**	**270.0**	**371.6**	**358.2**	**340.2**	**322.2**	**304.1**	**286.1**	**268.0**	**250.0**	**250.0**	**250.0**	**115.0**	**115.0**	**105.0**	**105.0**	**0.0**
Banking pool revolving loan	0.0	0.0	0.0	0.0	0.0	209.8	227.8	245.9	263.9	282.0	300.0	300.0	300.0	300.0	300.0	0.0	0.0	0.0
Commerzbank revolving loan	0.0	30.0	30.0	30.0	30.0	18.0	14.4	10.8	7.2	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**150.0**	**300.0**	**300.0**	**401.6**	**388.2**	**568.0**	**564.4**	**560.8**	**557.2**	**553.6**	**550.0**	**550.0**	**550.0**	**415.0**	**415.0**	**105.0**	**105.0**	**0.0**

Trends in the Group's financial ratios in 2016 are given in the table below:

	Dec. 2016	Dec. 2015
Net debt/EDITDA as defined in the bonds and credit facilities agreements	0.94	0.83

While the bulk of the Group's bank debt is contracted on a variable-rate basis indexed mainly to the Euribor or EONIA benchmark rates, the Group has set up a hedging strategy (see note 3, section 4 "Risks" of the present Registration Document).

In 2016, Altran booked changes in the fair value of interest rate swaps under:

- shareholders' equity, for a net amount of €783k, of which €1,194k in gross value terms, and -€411k in deferred taxes;
- financial result, for an amount of -€1,370k in gross value terms having generated deferred tax income of +€472k.

4.12 Provisions for liabilities and charges

Movements in provisions for short and long-term liabilities and charges over the period are given in the table below:

(in thousands of euros)	Dec. 2015	Provisions booked over the period	Write-backs (used)	Write-backs (not used)	Exchange rate differences	Scope of consolidation changes	Other changes	Dec. 2016
Provisions for labor disputes	916	275	(206)	(129)	-	-	-	856
Provision for other disputes	605	-	(3)	(1)	-	-	-	601
Provision for subsidiary risk	601	-	-	(335)	34	510	(11)	799
Provisions for warranties	-	95	-	(300)	2	-	304	101
Provision for other risks	48,699	20,325	(8,368)	(15,302)	(526)	-	(2,087)	42,741
Provision for restructuring	472	606	(82)	-	-	-	-	996
Other provisions for charges	712	3,079	-	-	145	208	-	4,144
TOTAL PROVISIONS FOR LONG-TERM LIABILITIES AND CHARGES	**52,005**	**24,380**	**(8,659)**	**(16,067)**	**(345)**	**718**	**(1,794)**	**50,238**
Provisions for labor disputes	4,768	3,776	(1,052)	(740)	-	-	39	6,791
Provision for other disputes	2,809	363	(631)	(25)	-	-	(2,039)	477
Provisions for warranties	130	-	-	-	(5)	-	-	125
Provision for legal disputes and tax penalties	942	-	(65)	(29)	(5)	-	(828)	15
Provision for losses on completion	223	822	-	(213)	-	-	-	832
Provision for other risks	3,100	2,576	(394)	(491)	-	-	1	4,792
Provision for restructuring	7,652	3 385	(4,687)	(1,358)	(35)	-	-	4,957
Provisions for other charges	1	71	-	-	-	-	-	72
TOTAL PROVISIONS FOR SHORT-TERM LIABILITIES AND CHARGES	**19,625**	**10,993**	**(6,829)**	**(2,856)**	**(45)**	**-**	**(2,827)**	**18,061**

Other changes notably concern re-classifications between "non-current" and "current" items arising from a change in forecast dates for the outlay of resources and the recognition of the Group's share of Altran Middle East's equity-accounted losses.

At December 31, 2016, net provision write backs for liabilities and charges totaled €962k. The breakdown of these in terms of operating loss on ordinary activities, financial expenses and non-recurring operating income is as follows:

- -€7,749k, booked under operating income on ordinary activities;
- -€2,147k under financial expenses;
- €10,858k under non-recurring operating income.

The bulk of provisions were booked to cover social and tax disputes, and restructuring costs.

- In 2014, Altran Technologies received a tax adjustment notice concerning part of its research and development tax credit declared in 2011 and 2012. The reassessment which is being disputed before the Administrative Court, stems from a divergence between Altran Technologies and the tax authorities regarding the interpretation of the tax doctrine;
- Altran Technologies was sued by a number of staff members and/or former employees who were demanding payment of overtime. After having been rejected at the first hearing, a number of the plaintiffs had their claims upheld by a Court of Appeal in Toulouse in September 2014. On November 4, 2015, the Supreme Court of Appeal (*Cour de cassation*) upheld the decision handed down by the Court of Appeal.

  The decisions of the Toulouse Court of Appeal and of the Supreme Court of Appeal have prompted around 1,000 referrals to the Labor Court (*Conseil des Prud'hommes*) initiated by Altran staff members or former employees. The full hearings are to be held between January 2017 and September 2018. At the date when the

Group's 2016 financial statements were approved, the decisions handed down by the Labor Courts concerned were completely contradictory.

- Altran was subject to a social security audit in 2015. Several elements of the reassessment have been contested and taken before the Social Security Tribunal.
- In March 2011, Altran concluded several contracts with a rental company and a printer manufacturer for the supply of printing machines, as well as printing and maintenance services, (the printers being rented to Altran). The rental company solicited the services of a financing company to whom it sold the rental contracts drawn up with Altran. A similar contract was concluded for the supply of computers.

  The Group has every reason to believe that these contracts were entered into under conditions which are suspect and disadvantageous for the Group and therefore suspended all payments relative to said contracts.

  In consequence, Altran Technologies was served with a civil suit demanding the cancellation of the rental contracts and the return of all materials or suffer a penalty and pay damages and interest. Furthermore, in August 2012, the original rental company sued Altran for unilateral breach of a framework contract before the Commercial Court of Paris, demanding damages and interest, notably as compensation for loss in profit.

  Altran is contesting the legitimacy of these claims against it and has filed a complaint against the various parties. In view of the ongoing inquiry, the Commercial Court of Paris ruled a stay of proceedings on June 17, 2013 and again on June 2, 2015 in respect to the claims cited above.

Contingent liabilities

- Following the publication of several articles in *Le Monde* in October 2002, and the findings of an additional audit carried out by the Statutory Auditors which resulted in the rectification of the consolidated 2002 interim financial statements, the Paris Public Prosecutor's office opened a preliminary inquiry into the misuse of company assets as well as fraud, forgery and the dissemination of misleading information likely to influence the share price.

  The scope of the investigation was extended, first in June 2004 to include misrepresentation of financial accounts and thus failing to give a true picture of the Company's situation and a second time, in September 2004 to cover insider trading.

  Altran Technologies became a civil plaintiff in this investigation and was declared admissible by court order dated March 6, 2003. Within the context of this investigation, thirteen parties (individuals and corporate bodies) also filed a civil action in November 2004.

  Several former Corporate Officers and a manager of the Group were indicted. Altran Technologies was also indicted for fraud, use of forged documents and disseminating misleading information likely to influence the share price. This indictment did not affect the Company's civil claim for damages.

  The investigation was closed on January 7, 2009. In the order for referral delivered on November 29, 2011, the indicted parties (several former managers and the corporate body, Altran Technologies) were summoned to appear before the Paris Criminal Court.

  The hearings were held from January 15 to 31, 2014. By decision passed down on June 4, 2014, the court sent the affair back to the Public Prosecutor with a view to appointing a new investigating judge. By court order dated May 11, 2015, the Vice-President in charge of the investigation summoned all of the parties to appear before the Paris Criminal Court. The full hearings were held at the end of November and the beginning of December 2016. On December 14, 2016, the prosecution called for suspended prison sentences and the payment of fines (notably €225k in the case of Altran) on the counts of forgery and falsification. In light of the law dated June 21, 2016 applying to the non-accumulation of administrative and criminal proceedings, the prosecution considered that public prosecution had been extinguished with regard to the offense of spreading false or misleading information. Judgment has been fixed for March 30, 2017.

  All of the above-mentioned proceedings concern events that took place in 2001 and 2002.
- A former corporate officer brought legal action against Altran Technologies for unfair dismissal. The court ruled a stay of proceedings.
- In January 2011, a former employee brought legal action against Altran Technologies before the Commercial Court of Paris. Dismissed by Altran in 1999 for professional misconduct, the plaintiff filed a joint action with three associates in the company he had formed after his dismissal. They are claiming compensation for having to postpone the flotation of their company because of criminal proceedings, taken by Altran against the former employee and for which he has since been acquitted. The judgment passed down on July 7, 2014, dismissed the claims of the employee, who has subsequently lodged an appeal. After having his case dismissed a second time by the Court of Appeal in a judgment handed down on September 29, 2016, the former employee lodged an appeal with the Supreme Court of Appeal.
- The Group is in dispute with several of its staff members and former employees.

Altran is doing everything in its power to limit the impact these liabilities could have on the Group's financial statements.

Provisions for restructuring

Trends in the Group's restructuring provisions are set out in the table below:

(in thousands of euros) Restructuring Plans	Dec. 2015	Provisions booked over the period	Write-backs	Exchange rate differences	Scope of consolidation changes	Dec. 2016
Payroll charges	6,404	1,871	(4,477)	(20)	-	3,778
Property lease rationalization	1,338	1,912	(1,590)	(14)	-	1,646
Other	382	209	(61)	(2)	-	528
TOTAL	**8,124**	**3,992**	**(6,128)**	**(36)**	**-**	**5,952**

4.13 Employee benefits

Liabilities arising from current and non-current employee benefits are detailed in the table below:

(in thousands of euros)	Dec. 2016	Dec. 2015
Personnel and social security charges	214,131	203,578
	214,131	**203,578**
Non-current employee benefits	32,824	28,855
	32,824	**28,855**
TOTAL	**246,955**	**232,433**

The bulk of the Group's total commitments regarding retirement plans and post-employment benefits booked as "long-term employee benefits" in the amount of €32,716k, concern France, Italy, and Switzerland. These break down as follows:

Reconciliation of provisions

	France		Other – EUR zone		India		Switzerland		Total	
(in thousands of euros)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Provisions at opening	(16,638)	(15,908)	(7,672)	(7,409)	(437)	(120)	(4,095)	(4,870)	(28,842)	(28,307)
Acquired/Sold/Transferred/Terminated plans	-	(16)	-	(585)	-	(196)	-	-	-	(797)
Recognized (charge)/revenue	(1,944)	(1,821)	(638)	(513)	(205)	(166)	(1,277)	(932)	(4,064)	(3,432)
Gains/(Losses) recognized through shareholder's equity	(1,542)	875	(473)	294	(62)	16	192	1,343	(1,885)	2,528
Employer contributions	-	-	271	192	-	24	1,125	920	1,396	1,136
Services paid	126	232	542	350	57	11	-	-	725	593
Exchange-rate differences	-	-	-	-	(10)	(5)	(36)	(556)	(46)	(561)
PROVISIONS AT CLOSING	**(19,998)**	**(16,638)**	**(7,970)**	**(7,671)**	**(657)**	**(436)**	**(4,091)**	**(4,095)**	**(32,716)**	**(28,840)**

Financial situation

	France		Other – EUR zone		India		Switzerland		Total	
(in thousands of euros)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Commitments	(19,998)	(16,638)	(17,880)	(15,505)	(841)	(610)	(19,437)	(18,260)	(58,156)	(51,013)
Value of hedging assets	-	-	9,910	7,834	184	174	15,346	14,165	25,440	22,173
(Deficit)/Surplus	**(19,998)**	**(16,638)**	**(7,970)**	**(7,671)**	**(657)**	**(436)**	**(4,091)**	**(4,095)**	**(32,716)**	**(28,840)**
Surplus cash reserve	-	-	-	-	-	-	-	-	-	-
PROVISIONS AT CLOSING	**(19,998)**	**(16,638)**	**(7,970)**	**(7,671)**	**(657)**	**(436)**	**(4,091)**	**(4,095)**	**(32,716)**	**(28,840)**

In France, retirement commitments concern end-of-career benefit schemes which allow for lump-sum payments awarded to employees when they take their retirement. The amount of these sums is based on the employee's salary and length of service at the time of departure.

Other plans in the Euro-zone concern Germany, Belgium, Italy (78% of total) and the Netherlands.

In Italy, commitments concern post-employment benefits (*Trattamento di Fine Rapporto* – TFR). This is a mandatory scheme stipulating that all employees leaving the Company (for whatever reason, including retirement) receive a lump-sum payment calculated on the employee's salary and length of service. Since 2007, it is no longer possible to acquire pension rights.

In Switzerland, commitments are related to pension and supplementary health plans, as specified in the Swiss Pension Law (*loi sur la prévoyance professionnelle* – LPP), and which are set up in a collective foundation. The benefits awarded under the Altran pension scheme relating to old-age liabilities (lump sum payments or annuity on retirement) and supplementary health insurance (covering death and invalidity) are higher than the LPP minimum. This is a cash-balance type plan: in regard to retirement savings funds, contributions are split between the employer and the employee. The employer's insurance contract guarantees a minimum rate of interest as well as the pension conversion rate at the time of retirement.

Assessment of commitments and provisions at December 31, 2016 and December 31, 2015

Reconciliation of commitments

	France		Other – EUR zone		India		Switzerland		Total	
(in thousands of euros)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Commitments at opening	16,638	15,908	15,506	8,067	609	256	18,260	15,294	51,013	39,525
Cost of services carried out	1,544	1,465	562	414	160	146	1,175	1,236	3,441	3,261
Net interest	399	355	346	248	56	34	106	207	907	844
Employee contributions	-	-	242	217	-	-	758	691	1,000	908
Administration costs	-	-	5	4	-	-	74	71	79	75
Actuarial (gains)/ losses	1,542	(875)	1,969	(141)	63	(28)	(244)	(1,293)	3,330	(2,337)
Services paid by employer	(125)	(232)	(543)	(350)	(57)	(11)	1	-	(724)	(593)
Services paid by fund	-	-	(67)	(8)	(2)	(9)	(871)	837	(940)	820
New-plan impact, reduction/ rationalization	-	-	(140)	(61)	-	-	-	(448)	(140)	(509)
Acquisitions/ (Disposals)	-	17	-	5,319	-	207	-	-	-	5,543
Transfer/Termination of plans	-	-	-	1,796	-	-	-	-	-	1,796
Exchange-rate differences	-	-	-	-	12	15	178	1,665	190	1,680
COMMITMENTS AT CLOSING	**19,998**	**16,638**	**17,880**	**15,505**	**841**	**609**	**19,437**	**18,260**	**58,156**	**51,013**

Reconciliation of financial assets

	France		Other – EUR zone		India		Switzerland		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Market value of assets at opening	-	-	7,834	850	174	136	14,165	10,424	22,173	11,410
Transfer	-	-	-	1,494	-	-	-	-	-	1,494
Acquisition/(Disposals)	-	-	-	4,844	-	12	-	-	-	4,855
Actuarial (gains)/ Losses	-	-	1,454	153	-	(13)	(51)	50	1,403	190
Return on hedging assets	-	-	176	92	11	14	78	134	265	240
Employer contributions	-	-	271	192	-	24	1,125	920	1,396	1,136
Employee contributions	-	-	242	217	-	-	758	692	1,000	909
Services paid	-	-	(67)	(8)	(2)	(9)	(871)	837	(940)	820
Liquidation	-	-	-	-	-	-	-	-	-	-
Exchange-rate differences	-	-	-	-	1	10	142	1,108	143	1,118
MARKET VALUE OF ASSETS AT CLOSING	**-**	**-**	**9,910**	**7,834**	**184**	**174**	**15,346**	**14,165**	**25,440**	**22,173**

Balance sheet commitments

(in thousands of euros)	France		Autres – Zone EUR		India		Switzerland		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Pension schemes: totally or partially financed	-	-	11,381	8,731	841	610	19,437	18,260	31,659	27,601
Pension schemes: not financed	19,998	16,638	6,499	6,774	-	-	-	-	26,497	23,412
TOTAL	**19,998**	**16,638**	**17,880**	**15,504**	**841**	**610**	**19,437**	**18,260**	**58,156**	**51,013**

Actuarial assumptions

	Euro zone		India		Switzerland	
	2016	2015	2016	2015	2016	2015
Discount rate	1.70%	2.20%	6.60%	7.75%	0.45%	0.55%
Inflation rate	1.85%	1.90%	N/A	N/A	1.20%	1.50%
Wage inflation	1.50%-2.00%	1.50%-2.00%	10.00%	10.00%	1.50%	1.50%

Duration of plans

	France	Italy	Switzerland
Duration	15.8 years	5.4 years	9.9 years

Sensitivity to discount rates (excluding Germany)

A. Sensitivity to a -0.25% change in discount rates

	Impact in thousands of euros on commitments at December 31, 2016	Impact as % of total commitments at December 31, 2016
France	802	4.01%
Other – EUR zone	749	4.54%
India	15	1.76%
Switzerland	424	2.18%
TOTAL	**1,990**	**3.50%**

B. Sensitivity to a +0.25% change in discount rates

	Impact in thousands of euros on commitments at December 31, 2016	Impact as % of total commitments at December 31, 2016
France	(771)	-3.86%
Other – EUR zone	(719)	-4.36%
India	(15)	-1.73%
Switzerland	(415)	-2.13%
TOTAL	**(1,920)**	**-3.38%**

C. Sensitivity to a -0.25% change in salary-increase rates

	Impact in thousands of euros on commitments at December 31, 2016	Impact as % of total commitments at December 31, 2016
France	(764)	-3.82%
Other – EUR zone	(14)	-0.09%
India	(13)	-1.54%
Switzerland	(46)	-0.24%
TOTAL	**(837)**	**-1.47%**

D. Sensitivity to a +0.25% change in salary-increase rates

	Impact in thousands of euros on commitments at December 31, 2016	Impact as % of total commitments at December 31, 2016
France	799	4.00%
Other – EUR zone	(2)	-0.01%
India	13	1.57%
Switzerland	57	0.29%
TOTAL	**867**	**1.53%**

Allocation of financial assets

	Other – EUR Zone		India		Switzerland		TOTAL	
(in thousands of euros)	2016	2015	2016	2015	2016	2015	2016	2015
Shares	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-
Cash	-	-	-	-	-	-	-	-
Other (general insurance-company assets)	9,910	7,834	184	174	15,346	14,165	25,440	22,173
TOTAL	**9,910**	**7,834**	**184**	**174**	**15,346**	**14,165**	**25,440**	**22,173**

No financial hedging assets are invested in financial instruments, property assets or any of the Group's other assets.

	Other – EUR Zone		India		Switzerland		TOTAL	
(in %)	2016	2015	2016	2015	2016	2015	2016	2015
Shares	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-
Cash	-	-	-	-	-	-	-	-
Other (general insurance-company assets)	38.95%	35.33%	0.73%	0.79%	60.32%	63.88%	100.00%	100.00%
TOTAL	**38.95%**	**35.33%**	**0.73%**	**0.79%**	**60.32%**	**63.88%**	**100.00%**	**100.00%**

Experience gains and losses on financial assets

	Other – EUR Zone		India		Switzerland		TOTAL	
(in thousands of euros)	2016	2015	2016	2015	2016	2015	2016	2015
Expected return	176	92	11	14	78	134	265	240
Actual return	1,630	245	11	1	27	184	1,669	430
GAINS/(LOSSES) ON FINANCIAL ASSETS	**1,454**	**153**	**-**	**(13)**	**(51)**	**50**	**1,404**	**190**

Historical trends

Actuarial differences

(in thousands of euros)	2016	2015	2014	2013
Discounted value of commitments	58,157	51,013	39,525	33,141
Fair value of hedges	25,440	22,173	11,410	10,053
(Deficit)/Surplus	**(32,717)**	**(28,840)**	**(28,115)**	**(23,088)**
Assumption differences				
▮ Demographic assumptions	(551)	(2,028)	(1,549)	(16,674)
▮ Financial assumptions	3,199	(453)	3,365	(3,516)
Experience differences on commitments	682	144	(276)	(767)
Experience differences on hedges	(1,403)	(191)	27	(66)

Estimated employer contributions in 2016

(in thousands of euros)	France	Other – EUR Zone	India	Switzerland
Unfunded plans	136	866	-	-
Externally funded plans: employer contributions	-	289	-	1,148

The impact on operating income on ordinary activities and consolidated income is analyzed as follows:

	France		Other – EUR Zone		India		Switzerland		Total	
(in thousands of euros)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Cost of services carried out	1,545	1,466	561	415	160	145	1,175	1,236	3,441	3,262
Change in plan impact: Reduction/Liquidation	-	-	(140)	(61)	-	-	-	(448)	(140)	(509)
Interest on commitments	399	355	346	248	56	35	106	207	907	845
Interest on assets	-	-	(176)	(92)	(11)	(14)	(78)	(134)	(265)	(240)
Interest on non-recoverable surplus	-	-	-	-	-	-	-	-	-	-
Administration costs	-	-	5	4	-	-	74	71	79	75
Instant recognition of (gains)/ losses	-	-	42	(1)	-	-	-	-	42	(1)
Error correction	-	-	-	-	-	-	-	-	-	-
RECOGNIZED CHARGE/ (REVENUE)	**1,944**	**1,821**	**638**	**513**	**205**	**166**	**1,277**	**932**	**4,064**	**3,432**

4.14 Other long-term liabilities

Other long-term liabilities are liabilities which are due in over 12 months.

4.15 Trade payables

Trade payables totaled €116,484k at December 31, 2016, compared with €108,749k at December 31, 2015.

	Dec. 2016			Dec. 2015		
(in thousands of euros)	Total	Matured	Not matured	Total	Matured	Not matured
Accounts payable	116,484	45,122	71,362	108,749	27,602	81,147

Trade and other payables which are overdue are listed in the following table:

(in thousands of euros)	Dec. 2016	Dec. 2015
Expiring in less than 1 month	36,445	14,195
Expiring 1-3 months	5,123	6,806
Due in more than 3 months	3,554	6,601
TOTAL MATURED	**45,122**	**27,602**

4.16 Other current liabilities

This item mainly comprises advance billing for products and services contributing to revenue, but also includes credits to be issued to customers, as well as advances and down payments received on client orders.

4.17 Debt on securities

Securities debt comprising the balance due on earn-out commitments and outstanding debt totaled €18,297k in 2016, compared with €40,378k in 2015.

4.18 Fair value

		Dec. 2016					Dec. 2015				
(in thousands of euros)	Fair value	Amortized cost	Fair value in income statement	Fair value in shareholders' equity	Accounting value	Fair value of elements booked at amortized cost	Amortized cost	Fair value in income statement	Fair value in shareholders' equity	Accounting value	Fair value of elements booked at amortized cost
Assets											
Shares in non-consolidated subsidiaries	Level 3	4,278	-	5,792	-	4,278	-	2	8,281	-	-
Equity-accounted shares	Level 3	-	(369)	-	-	-	-	(367)	-	-	-
Loans and receivables	Level 2	12,794	15,021	-	-	12,794	11,077	13,212	-	-	11,077
Cash equivalents	Level 1 & 2	-	285,093	-	-	-	-	293,355	-	-	-
Derivative instruments	Level 2	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS		**17,072**	**299,745**	**5,792**	**0**	**17,072**	**11,077**	**306,202**	**8,281**	**0**	**11,077**
Liabilities											
Convertible bond loans	Level 1	-	-	-	-	-	-	-	-	-	-
Bond loans	Level 1	250,000	-	-	-	246,143	250,000	-	-	-	249,095
Derivative instruments	Level 2	-	(869)	(960)	-	-	-	(97)	1,752	-	-
TOTAL LIABILITIES		**250,000**	**(869)**	**(960)**	**0**	**246,143**	**250,000**	**(97)**	**1,752**	**0**	**249,095**

Level 1: whereby the value of assets and liabilities is based on unadjusted quoted prices, to which the entity has access at the date of valuation, for identical assets or liabilities on an active market.

Level 2: whereby the criteria used to value assets and liabilities include elements other than the quoted prices included in level 1 data and which are directly or indirectly observable.

Level 3: whereby valuation criteria are based on unobservable data related to the asset or the liability.

The fair value of other financial assets and liabilities measured at amortized cost is close to their book value.

Note 5 Notes to the income statement

5.1 Segment reporting at December 31, 2016

In accordance with IFRS 8 – "Operating segments", Altran is required to present its financial segment reporting on the basis of internal reports that are regularly reviewed by the Group's Chief Operating Manager in order to assess the performance of each operating segment and allocate resources.

The extent of the Group's major-client revenue exposure is detailed in section 4 of the present Registration Document.

The Group's primary reporting segment is divided into four zones:

- France: France and Morocco;
- Northern Europe: Germany, Austria, the Benelux countries, the Czech Republic, Romania, the UK, the Scandinavian countries, Slovakia and Switzerland;
- Southern Europe: Spain, Italy, Portugal and Turkey;
- Rest of the World (RoW) zone: North and South America, Asia, Oceania and Ukraine.

Segment reporting by geographical region

At December 31, 2016 *(in millions of euros)*	France	Northern Europe	Southern Europe	ROW zone	Inter-segment eliminations	Total
Revenues						
External	862	669	430	159	-	2,120
Inter-segment eliminations	45	11	22	7	(85)	-
Total Revenues	**907**	**680**	**452**	**166**	**(85)**	**2,120**
Total operating income	952	693	460	167	(85)	2,187
Total operating expenses	(862)	(634)	(398)	(158)	85	(1,967)
Operating income on ordinary activities	90	59	62	9	-	220
Operating income on ordinary activities (%)	**9.9%**	**8.7%**	**13.7%**	**5.4%**	**0.0%**	**10.4%**
Assets by region	1 912	697	231	147	(732)	2,255
TOTAL ASSETS	**1,912**	**697**	**231**	**147**	**(732)**	**2,255**

At December 31, 2015* *(in millions of euros)*	France	Northern Europe	Southern Europe	ROW zone	Inter-segment eliminations	Total
Revenues						
External	802	618	397	127	-	1,945
Inter-segment eliminations	44	11	12	5	(72)	-
Total Revenues	**846**	**629**	**410**	**132**	**(72)**	**1,945**
Total operating income	890	639	414	132	(72)	2,004
Total operating expenses	(797)	(604)	(364)	(125)	72	(1,818)
Operating income on ordinary activities	93	36	51	7	-	186
Operating income on ordinary activities (%)	**11.7%**	**5.7%**	**12.7%**	**5.3%**	**0.0%**	**9.6%**
Assets by region	1,712	812	196	131	(694)	2,157
TOTAL ASSETS	**1,712**	**812**	**196**	**131**	**(694)**	**2,157**

* Reallocation of €7.9m of revenues from Rest of the World zone to France.

The French zone includes operating subsidiaries, as well as Group holding activities (head office and cross-functional services).

At December 31, 2016, consolidated revenues came out at €2,120.1m, up 9.0% on 2015.

The breakdown of consolidated revenues by geographic zone corresponding to the Group's internal organization is given in the table below:

	Dec. 2016				Dec. 2015*			
(in millions of euros)	Total segments	Inter-segment eliminations	Total Revenues	As % of revenues	Total Revenues	As % of revenue	% change	Economic growth
France	907.1	(45.5)	861.6	40.6%	802.3	41.2%	+7.4%	6.7%
Northern Europe	679.9	(10.7)	669.2	31.6%	618.1	31.8%	+8.3%	2.2%
Southern Europe	452.2	(22.1)	430.1	20.3%	397.5	20.4%	+8.2%	8.7%
ROW zone	166.1	(6.9)	159.2	7.5%	127.2	6.6%	+25.2%	8.5%
TOTAL	**2,205.3**	**(85.2)**	**2,120.1**	**100.0%**	**1,945.1**	**100.0%**	**+9.0%**	**5.8%**

* Reallocation of €7.9m of revenues from Rest of the World zone to France.

These tables show the inter-segment eliminations of the four regional segments.

Economic growth (i.e. on a like-for-like basis, excluding the exchange-rate impact and the change in the number of working days) came out at 5.8%, vs. 3.7% in 2015.

Factoring in the acquisitions carried out in 2016, revenues generated by operations in France accounted for 40.6% of consolidated revenues, compared with 41.2%, previously.

5.2 Revenues

The breakdown of Group revenues is given in the table below:

(in thousands of euros)	Dec. 2016	Dec. 2015	% Change
Sales of goods	19,645	14,785	+32.9%
Sales of services	2,099,065	1,928,961	+8.8%
Royalties	1,385	1,332	+4.0%
TOTAL	**2,120,095**	**1,945,078**	**+9.0%**

In 2016, fixed-price contracts generated revenues of €368,607k in 2016, compared with €427,015k in 2015. Note that, for the Group, these contracts may refer to fixed price contracts with a performance obligation clause or time-based contracts where Altran is only bound by a best-endeavor obligation.

5.3 External expenses

The breakdown of the Group's external expenses at December 31, 2016 is given in the following table:

(in thousands of euros)	Dec. 2016	Dec. 2015	% Change
Outsourcing	151,424	133,097	+13.8%
Operating lease and related expenses	67,741	62,694	+8.1%
Training	10,959	10,979	-0.2%
Professional fees and external services	26,125	29,163	-10.4%
Transport and travel expenses	68,566	65,369	+4.9%
Other purchases and external services	77,246	65,546	+17.9%
TOTAL	**402,061**	**366,848**	**+9.6%**

External expenses increased by +9.6% on 2015 levels and break down as follows:

- outsourcing costs; up 13.8% (+€18,327k);
- transport and travel expenses; up 4.9% (+3,197k);
- other purchases and external services; up 17.9% (+€11,700).

Rental costs increased to €67,741k in 2016 from €62,694k in 2015. The Group's lease commitments are basic rental agreements (mainly property leases). None of these contain any contingent lease payments or renewal options, or impose specific restrictions (notably with respect to dividends, additional debt or further leasing).

Group commitments regarding non-cancellable leases at December 31, 2016 are analyzed by maturity date and detailed in note 6.

5.4 Payroll expenses

The breakdown of personnel costs at December 31, 2016 is as follows:

(in thousands of euros)	Dec. 2016	Dec. 2015	% Change
Salaries & payroll taxes	1,492,092	1,389,394	+7.4%
Expenses related to share-based payments	1,454	610	+138.4%
Long-term employee benefits	3,290	2,798	+17.6%
TOTAL	**1,496,836**	**1,392,802**	**+7.5%**

Growth in personnel costs in 2015 was in line with trends in staff levels.

a) Share-based payments

Total share-based payments related to the Group's free-share plans maturing in or at the end of fiscal 2016 totaled €1,454k (vs. €610k in fiscal year 2015).

The main characteristics of the Group's free-share plans at December 31, 2016 are outlined in the table below:

	Free shares		
	2012 Outside France	2015	2016
Date of General Meeting	6/10/2011	6/01/2012	4/29/2016
Date of Board of Directors Meeting	1/31/2012	3/11/2015	6/01/2016
Total number of shares available for allocation on the date of attribution	232,500	291,959	519,395
o/w available to corporate officers	*0*	*0*	*0*
o/w available to 10 highest paid employees	*0*	*116,750*	*192,986*
Balance at 12/31/2016	*0*	*116,750*	*174,891*
Definitive granting of free shares	1/31/2016	3/11/2019	06/01/2019
End of lock-in period for free shares	1/31/2016	3/11/2019	06/01/2019
Reference share price (in euros)	€3.54	€8.53	€13.35
Valuation method used	Binomial	Binomial	Binomial
Number of shares available for allocation at 12/31/2015	143,438	281,959	0
Rights created in 2016	-	-	456,547
Rights forfeited in 2016	-	20,000	46,302
Rights granted in 2016	143,438	-	-
Number of shares available for allocation at 12/31/2016	0	261,959	410,245

On June 1, 2016, the Board of Directors voted to attribute 519,395 free shares to Group employees subject to their uninterrupted presence in the Company.

This decision was taken within the context of the authorization specified in the 24th resolution approved by the April 29, 2016 Combined Ordinary and Extraordinary Shareholders Meeting granting the Board of Directors, within a period of 38 months, the power to freely allocate existing or to-be-issued shares to staff members (or certain categories thereof) and/or corporate officers of Altran Technologies and the companies belonging to the Group. This capital increase is capped at 3% of the share capital on the day of free-share attribution by the Board.

No free shares were granted to the Group's corporate officers.

The 2016 free-share plan was valued on the date of allocation using the Binomial method and based on the recommendations of the ANC (French Accounting Standards Authority).

The main market criteria used to determine the notional cost of locked-in shares on the date of allocation, are as follows:

- Altran-share spot price at June 1, 2016: €13.35;
- vesting period: 3 years;
- acquisition of rights subject to continuous presence over 3-year vesting period.

The notional cost of subscribed locked-in shares expressed as a percentage of the spot price of the share on the date of allocation is negligible.

b) Long-term employee benefits

See note 4.13.

5.5 Depreciation and net provisions

(in thousands of euros)	Dec. 2016	Dec. 2015	% Change
Depreciation of intangible and fixed assets	(20,493)	(20,435)	+0.3%
Provisions for current assets	(2,184)	1,466	-249.0%
Provisions for risks and charges	7,749	(2,676)	-389.6%
TOTAL	**(14,928)**	**(21,645)**	**-31.0%**

5.6 Other non-recurring operating income and expenses

(in thousands of euros)	Dec. 2016	Dec. 2015
Net proceeds from fixed and intangible asset disposals	(1,738)	(245)
Net proceeds from divestment & liquidation of holdings in consolidated subsidiaries	-	(548)
Asset disposals	478	(177)
Costs and disputes related to acquisitions and legal reorganization	10,300	(6,695)
Trade-disputes	910	(870)
Social-disputes	(4,090)	(4,842)
Legal-disputes	(389)	-
Fiscal-disputes	(388)	(31)
Exceptional costs related to Strategic Plan	(8,567)	(2,088)
Restructuring costs and net provisions of write-backs	(18,923)	(11,076)
Other	(31)	6
TOTAL	**(22,438)**	**(26,566)**

Acquisition and legal reorganization costs and disputes

This item includes the cancelation of an earn-out payment in the amount of €15,821k.

Disposal and liquidation of consolidated shares

See note 2: Scope of consolidation

Restructuring costs

An exceptional operating loss of €22,438k includes the net impact of -€18,923k in costs related to the restructuring and rationalization plans detailed below:

Breakdown of net costs

(in thousands of euros)	Dec. 2016	Dec. 2015
Salaries	(15,525)	(7,518)
Property lease rationalization + furnishing write-offs	(2,906)	(2,499)
Other	(492)	(1,059)
TOTAL	**(18,923)**	**(11,076)**

5.7 Cost of net financial debt

(in thousands of euros)	Dec. 2016	Dec. 2015
Gains on cash and cash equivalents		
Income from cash and cash equivalents	4,577	5,360
	4,577	**5,360**
Cost of gross financial debt		
Interest expenses on bond loans	(8,727)	(8,746)
Interest expenses on other financing operations	(9,268)	(7,368)
	(17,995)	**(16,114)**
COST OF NET FINANCIAL DEBT	**(13,418)**	**(10,754)**

The cost of net financial debt, at €13,418k includes:

- financial income in the amount of €4,577k;
- net interest on bond loans for €8,727k;
- net interest related to other financing operations totaling €9,268k, of which:
  - €2,771k on factoring contracts and the assignment of receivables,
  - €1,147k on the Capex loan,
  - €1,021k on revolving loans,
  - €2,814k on Swap contracts,
  - €789k on commercial notes,
  - €726k on other loans.

5.8 Other financial income and expenses

(in thousands of euros)	Dec. 2016	Dec. 2015
Financial revenue		
Gains on other financial asset disposals	232	501
Financial gains from conversion to present value	495	455
Forex gains	9,754	11,716
Write-backs of provisions for non-consolidated assets and other non-current financial assets	-	5,000
Gains on financial instruments	122	-
Other financial income	1	5
	10,604	**17,677**
Financial expenses		
Loss on other financial asset disposals	(1)	(3,508)
Depreciation of non-consolidated holdings and other non-current financial assets	(5,641)	(20)
Provisions for risks and charges	-	(3,017)
Employee-benefit provisions	(721)	(678)
Debt waiver	-	(1,922)
Forex losses	(5,686)	(8,296)
Financial charges on conversion to present value	(465)	(582)
Loss on financial instruments	-	(46)
Other financial expenses	(58)	(8)
	(12,572)	**(18,077)**

5.9 Tax expenses

Analysis of deferred taxes in the balance sheet

The breakdown of net changes in deferred taxes in the balance sheet is given in the table below (in thousands of euros)

	Dec. 2015	Earnings impact	Other changes	Equity impact	Scope of consolidation changes	Translation adjust-ments	Dec. 2016
Deferred tax assets	106,484	(7,971)	(6,025)	162	(1,243)	49	91,456
Deferred tax liabilities	24,954	1,456	(7,508)	(35)	(1,566)	(602)	16,699
TOTAL	**81,530**	**(9,427)**	**1,483**	**197**	**323**	**651**	**74,757**

Deferred tax assets and liabilities of the consolidated entities are offset against each other for each balance-sheet entity in the above table.

Deferred taxes booked as equity over the period are as follows:

Fair value reserve: IAS 32/39	(411)
Revised IAS 19 reserve	608
TOTAL	**197**

Tax loss carry forwards likely to be deducted from future earnings (for up to a maximum of 10 years) totaled €320,032k. Their activation represents a tax saving of €81,707k.

Tax losses recognized as deferred tax assets, and depreciated at December 31, 2016 as it was uncertain that they would be deducted in the future, totaled €29,105k.

Tax losses	
expiring in less than 1 year	*949*
expiring in 1 to 5 years	*2,701*
expiring in over 5 years	*3,898*
with no expiration date	*21,557*
TOTAL	**29,105**

The breakdown of deferred tax assets and liabilities (before offsetting) at end-2016 is given in the table below (in thousands of euros):

	Dec. 2016	Dec. 2015
Deferred taxes assets by timing difference		
Employee benefits	13,191	6,587
Provisions for other assets and liabilities	-	6,149
Unused tax losses	81,707	100,981
Others	6,399	-
	101,297	**113,717**
Deferred taxes liabilities by timing difference		
Assets	(25,034)	(29,200)
Provisions for risks and charges	(1,506)	-
Others	-	(2,987)
	(26,540)	**(32,187)**
NET ASSETS	**74,757**	**81,530**

Analysis of tax expenses on earnings

Tax expenses are broken down as follows (in thousands of euros):

	Dec. 2016	Dec. 2015
Current taxes	**(43,031)**	**(35,840)**
▮ *for the period*	*(28,903)*	*(21,677)*
▮ *adjustment of current taxes based on previous reporting periods*	*(2,836)*	*(792)*
▮ *other taxes on earnings*	*(16,964)*	*(13,371)*
Deferred taxes	**(9,427)**	**(7,445)**
▮ *deferred taxes associated to changes in taxable base*	*(20,577)*	*(1,905)*
▮ *deferred taxes associated to changes in rate*	*(1,073)*	*11*
▮ *adjustment of current taxes based on previous reporting periods*	*285*	*(3,033)*
▮ *change in amortization of deferred tax assets*	*11,938*	*(2,518)*
TOTAL	**(52,458)**	**(43,285)**

Deferred tax expenses break down as follows (in thousands of euros):

	Dec. 2016	Dec. 2015
Timing differences	2,945	561
Tax losses	(768)	(1,348)
Consolidation restatements	(11,604)	(6,658)
TOTAL	**(9,427)**	**(7,445)**

Deferred taxes arising from changes in the tax base are mainly ascribable to tax losses activated in 2016 due to their imminent convertibility and timing differences.

Effective tax rate

The differences between the Company's actual corporate tax and the theoretical tax obtained by applying the French tax rate are outlined in the table below (in thousands of euros):

	Dec. 2016	Dec. 2015
Net income attributable to the Group	122,483	100,493
Minority interests	(88)	(198)
Tax expenses/income	(52,458)	(43,285)
Goodwill impairment	(2,552)	-
Group share of equity-accounted holdings	42	132
Pre-tax profit before goodwill impairment losses	**177,539**	**143,844**
Theoretical tax charge at rate applied to parent company (33.33%)	(59,179)	(47,947)
▮ *Other tax on earnings*	(16,964)	(13,392)
▮ *Change in amortization of deferred tax assets*	(1,881)	(2,518)
▮ *Difference in tax rates in foreign countries*	4,780	7,495
▮ *Other permanent differences*	20,786	13,077
Effective tax paid	**(52,458)**	**(43,285)**
EFFECTIVE TAX RATE	**30%**	**30%**

The bulk of other taxes on income comprise secondary tax credits in France (€11.9m) and Italy (€2.6m).

Note 6 Off balance sheet commitments

The Group's off-balance sheet commitments at December 31, 2016 are listed in the table below:

(in thousands of euros)	Dec. 2016	< 1 yr	1-5 yrs	> 5 yrs	Dec. 2015
Commitments granted					
Pledges, security deposits and guarantees					
▮ *On current operations*	*19,459*	*3,061*	*8,687*	*7,711*	*40,461*
▮ *On financing operations*	*17,176*	*9,724*	-	*7,452*	*14,207*
Operating lease (property, fittings)					
▮ *Minimum future payments (see note 5.3)*	*221,317*	*52,132*	*121,765*	*47,420*	*228,827*
Non-competition clause concerning former employees	***796***	***796***	-	-	***833***
▮ *Gross amount*	*538*	*538*	-	-	*563*
▮ *Social security contributions*	*258*	*258*	-	-	*270*
Commitments received					
Pledges, security deposits and guarantees					
▮ *Pledges, security deposits and guarantees*	*6,738*	*1,622*	*4,932*	*184*	*14,574*
▮ *On financing operations*	-	-	-	-	-

Commitments to buy out minority interests

The Group has no commitments to buy out minority interests, or any non-consolidated special purpose entities.

Note 7 Related-party transactions

Compensation and benefits paid to corporate officers

Gross compensation and benefits in kind paid to corporate officers (members of the Board of Directors and the Executive Committee) by Altran and the companies it controls totaled €7,677,887 in 2016. This breaks down as follows:

- *Short-term benefits:* *€7,119,897*
- *End-of-career benefits:* *€18,750*
- *Other long-term benefits:* *None*
- *End-of-contract benefits:* *None*
- *Share-based payments (free-share costs):* *€539,240*

Commitments made by Altran to its executive officers

Additional compensation allocated to the Chairman & Chief Executive Officer and the Senior Executive Vice-President: 2011-2013 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on August 28, 2012 to launch a Long-Term Incentive (LTI) plan. This plan provides for the possibility of awarding corporate officers an additional annual compensation, paid on a deferred basis, for achieving average EPS growth objectives.

The LTI plan is implemented over a period of four years. Additional compensation is paid in cash. The amount is calculated on the basis of the Altran Technologies' share price at the end of the four-year implementation period, applied to a number of shares determined in advance by the Board of Directors.

The four-year period is divided into two sub-periods:

- a two-year vesting period starting from the date the Board of Directors votes to implement an additional compensation program within the context of the Long-Term Incentive plan. This decision is made when the Board of Directors meets to approve the financial statements for the previous fiscal year and upon recommendations of the Appointment and Remuneration Committee. The Board of Directors fixes the initial number of value units that will serve as a basis to calculate the additional compensation to be attributed to the corporate officers concerned for having achieved 100% of the pre-determined objective. The vesting period runs until the Board meets two years later to approve the financial statements for the previous fiscal year;
- a two-year retention period beginning at the end of the vesting period. At this time, the Board of Directors determines the definitive number of value units that will serve as the basis to calculate the amount of additional compensation to be allocated to corporate officers relative to the percentage of the performance objective achieved. Additional compensation is not distributed at this stage but at the end of the retention period. The amount of compensation is calculated on the basis of the market value of the Altran Technologies share price at the end of the retention period multiplied by the definitive number of shares determined two years earlier.

The rights acquired during the vesting period are subject to the presence of the beneficiary within the Group.

A long-term incentive plan was implemented for the first time (corresponding to fiscal year 2012) as of March 8, 2012, when the Board of Directors met to approve the financial statements for fiscal year 2011. Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors:

- determined the initial number of value units serving as a basis to calculate the additional compensation to be attributed to the following corporate officers;
  - Philippe Salle, Chairman of the Board and Chief Executive Officer: 253,580,
  - Cyril Roger, Senior Executive Vice-President: 144,903;
- decided that corporate-officer rights to additional compensation would be acquired on the basis of the percentage of the performance objective achieved;
- fixed the performance-achievement objective and the criteria used for granting these rights. This information has not been disclosed for reasons of confidentiality.

In 2016, at the end of the 2-year retention period Mr. Salle and Mr. Roger received respective payments of €2,695,555 and €1,540,319.

Additional compensation allocated to the Senior Executive Vice-President: 2013-2015 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on March 11, 2015 to launch a Long-Term Incentive (LTI) plan which provides for the possibility of awarding Cyril Roger additional cash compensation, paid on a deferred basis, subject to achieving an objective based on average annual EPS (Earning Per Share) growth.

The implementation of the LTI plan decided by the Board of Directors covers a three-year period divided into two sub-periods:

- a vesting period running from January 1, 2015 to January 2, 2016;
- a two-year retention period: beginning at the end of the vesting period (running from January 2, 2016 to January 2, 2018). Additional compensation is not distributed at this stage.

The rights acquired during the vesting period are subject to the presence of the beneficiary within the Group.

Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors:

- determined the initial number of value units at 100,000 to serve as a basis to calculate the additional compensation to be attributed to the Senior Executive Vice-President for achieving 100% of the objective;

- decided that Senior Executive Vice-President rights to additional compensation would be acquired on the basis of the percentage of the performance objective achieved (to be determined at the beginning of the retention period);
- fixed the performance-achievement objective and the criteria used for granting these rights. This information has not been disclosed for reasons of confidentiality.

The corresponding additional compensation will be paid at the end of the two-year retention period mentioned above for the amount based on the average Altran Technologies share price in December 2015, applied to the definitive number of value unites determined by the Board of Directors.

On March 9, 2016, the Board of Directors observed that Mr. Roger had achieved 80% of his performance objective and fixed the number of value units thus acquired at 80,000. Based on an average closing share price of €12.32 for the month of December 2015, Mr. Roger will receive the sum of €985,600 at the end of the 2-year retention period on January 2, 2018.

Additional compensation allocated to the Chairman and Chief Executive Officer: 2015-2017 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on July 29, 2015 to launch a Long-Term Incentive (LTI) plan which provides for the possibility of awarding Dominique Cerutti additional cash compensation, paid on a deferred basis, subject to achieving an objective based on average annual EPS (Earning Per Share) growth.

The implementation of the LTI plan decided by the Board of Directors covers a period of roughly four years divided into two sub-periods:

- a vesting period of roughly eighteen months running from July 29, 2015 to January 2, 2017;
- a two-year retention period: beginning at the end of the vesting period (running from January 2, 2017 to January 2, 2019). Additional compensation is not distributed at this stage.

The rights acquired during the vesting period are subject to the presence of the beneficiary within the Group during this time.

Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors:

- determined the initial number of value units at 43,523 to serve as the basis to calculate the additional compensation to be attributed to the Chairman and Chief Executive Officer for achieving 100% of the objective;
- decided that Chairman and Chief Executive Officer rights to additional compensation would be acquired on the basis of the percentage of the performance objective achieved (to be determined at the beginning of the retention period);
- fixed the performance-achievement objective and the criteria used for granting these rights. This information has not been disclosed for reasons of confidentiality.

The corresponding additional compensation will be paid at the end of the two-year retention period mentioned above for the amount based on the average Altran Technologies share price in December 2016, applied to the definitive number of value unites determined by the Board of Directors.

On March 8, 2017, the Board of Directors observed that Dominique Cerutti had achieved 100% of his performance objective and fixed the number of value units thus acquired at 43,523. Based on an average closing share price of €13.11 for the month of December 2016, Mr. Cerutti will receive the sum of €570,587 at the end of the 2-year retention period on January 2, 2019.

Additional compensation allocated to the Chairman & Chief Executive Officer and the Senior Executive Vice-President: 2016-2018 LTI Plan

Upon the recommendation of the Appointment and Remuneration Committee, the Board of Directors voted on March 9, 2016 to launch a Long-Term Incentive (LTI) plan which provides for the possibility of awarding Dominique Cerutti and Cyril Roger additional cash compensation, paid on a deferred basis, subject to achieving an objective based on average annual EPS (Earning Per Share) growth.

The implementation of the LTI plan decided by the Board of Directors covers a period of roughly four years divided into two sub-periods:

- a vesting period of roughly eighteen months running from March 9, 2016 to January 2, 2018;
- a two-year retention period: beginning at the end of the vesting period (running from January 2, 2018 to January 2, 2020). Additional compensation is not distributed at this stage.

The rights acquired during the vesting period are subject to the presence of the beneficiary within the Group.

Upon recommendation of the Appointment and Remuneration Committee, the Board of Directors:

- determined the initial number of value units at 78,799 and 30,113 respectively for the Chairman and Chief Executive Officer and the Senior Executive Vice-President to serve as the basis to calculate the additional compensation to be attributed to them for achieving 100% of their respective objectives;
- decided that Chief Executive Officer and Senior Executive Vice-President rights to additional compensation would be acquired on the basis of the percentage of the performance objective achieved (to be determined at the beginning of the retention period);
- fixed the performance-achievement objective and the criteria used for granting these rights. This information has not been disclosed for reasons of confidentiality.

The corresponding additional compensation will be paid at the end of the two-year retention period mentioned above for the amount based on the average Altran Technologies share price in December 2017, applied to the definitive number of value unites determined by the Board of Directors.

In 2016, the Group provisioned additional compensation payments of €490,692 for Dominique Cerutti and €187,518 for Cyril Roger.

Other commitments in favor of the Executive Vice-President

Cyril Roger's employment contract with Altran was suspended as from the date of his appointment (October 28, 2011) and will remain until the end of his mandate. Mr. Roger's employment contract will be reactivated upon termination of his mandate. In the event of a breach of his employment contract initiated by the Company, and except in the case of serious or gross negligence on Mr. Roger's part, he would benefit from:

- a contractual severance package, equivalent to the total compensation (salaries, bonuses and profit-sharing) received during the 12-month period prior to the breach of contract;
- a fixed compensation for the non-competition commitment during the 12-month period following the termination of his employment contract, regardless of the cause; this payment would be equivalent to 75% of the monthly average of salaries, bonuses and profit-sharing income received during the 12-month period prior to the breach of contract. The Company reserves the right to waive the non-competition clause requirement and, thus, payment of the corresponding indemnity.

Transactions carried out with the reference shareholder

None.

Other

None.

Note 8 Risk exposure and risk management

Group exposure to risks and risk management are detailed in note 20.8 "Legal and arbitration proceedings" of the present Registration Document.

Note 9 Significant post-closure events at December 31, 2016

The major events that occurred between December 31, 2016 and March 8, 2017, when the Group's 2015 financial statements were approved by the Board of Directors, are listed below:

Acquisitions

January 2017: Benteler Engineering Services

On January 1, 2017, Altran finalized the acquisition (announced in October 2016), of Benteler Engineering Services, a German group specialized in design and engineering services for the automotive industry. This strategic acquisition:

- marks the beginning of the investment phase of the Group's recovery plan for Germany;
- significantly boosts the Group's market share in the German automotive market;
- provides strong client and services offering synergies.

Benteler Engineering Services boasts an impressive portfolio of blue-chip OEMs and Tier-1 suppliers such as BMW, Volkswagen, Volvo, Ford, Porsche and Daimler. Based in Munich and with a total workforce of 700 employees, Benteler Engineering operates primarily in Germany and also has operations in the Netherlands, Sweden and Romania.

February 2017: Pricol Technologies

In February, 2017, Altran finalized the acquisition of the Indian company Pricol Technologies, an operation (announced in December 2016) designed to step up the implementation of the Group's Strategic Plan, *Altran 2020. Ignition*:

- the acquisition of Pricol Technologies is completely in line with the Group's expansion plan in North America; the Indian company makes 60% of revenues in the US and has built up a portfolio of long-standing blue-chip clients;
- the firm's innovative and proprietary co-engineering offshore model, reputed for its efficiency and quality will enable Altran to boost its Industrialized GlobalShore© delivery network to over 4,500 engineers.

Pricol Technologies provides a wide range of engineering solutions and client support services from product conception to manufacturing in the fields of embedded systems, mechanical and industrial design, prototyping, testing and contract manufacturing, notably for the automobile, medical, consumer and industrial products sectors. With a team of 520 experienced and highly qualified employees, the firm operates five design centers in Coimbatore and Pune.

In addition to integrating its engineering teams into those of its clients, Pricol Tech has developed a smart engineering ecosystem to provide value added services, which serve to enhance the Group's existing expertise and savoir-faire. With sales offices located in Detroit (US), London (UK) and Shinagawa (Japan), Pricol Technologies has a well-garnished client portfolio and balanced market coverage which have ensured its rapid expansion over the past years.

The balance-sheet items contributed by the Benteler and Pricol groups are still being analyzed.

Partnerships

January 2017: EMG

Altran forged a strategic partnership with EMG (eMapgo), a leading Chinese provider of high-quality Location Based Services (LBS) data for the automotive industry, enabling Altran to offer car manufacturers the full range of its VueForge® services for Advanced Driver Assistance Systems (ADAS) solutions in China.

This control system will benefit from the Group's cutting-edge technology in ADAS and allow for:

- the management of large amounts of data gathered from in-service vehicle evaluation;
- the simulation and use of data gathered from vehicles and stored in the Cloud;
- real-time vehicle-fleet visualization and analysis of car user practices thanks to integrated sensors.

With this partnership Altran can now provide its clients in China a comprehensive range of autonomous driving services, spanning from vehicle construction and complete data management (storage and computing) to automotive performance testing.

Note 10 Statutory Auditors' fees

Statutory Auditors' fees totaled €2,494k in 2016. These break down as follows:

(in thousands of euros)	Mazars	Deloitte
Account certification	868	916
Others services (SACC)	138	572
TOTAL	**1,006**	**1,488**

20.3.2 Annual financial statements at December 31, 2016

Balance sheet – Assets

		Dec. 31, 2016			Dec. 31, 2015
(in euros)	Notes	Gross	Amort. & prov.	Net	Net
Fixed assets	*3.1 & 3.2*	**683,234,941**	**41,854,926**	**641,380,015**	**604,178,220**
Intangible assets					
Patents, licenses, trademarks		40,720,943	22,541,431	18,179,512	17,370,457
Other intangible assets		116,376,643	-	116,376,643	116,376,643
Intangible assets in progress		4,059,946	-	4,059,946	8,032,363
Tangible assets					
Other tangible assets		22,508,599	14,282,677	8,225,921	9,697,254
Tangible assets under construction		20,137	-	20,137	18,944
Long term investments					
Investments and related receivables		451,056,871	5,014,292	446,042,579	406,233,106
Loans and other long-term investments		48,491,804	16,525	48,475,279	46,449,454
Current assets		**1,012,911,869**	**4,458,123**	**1,008,453,746**	**913,292,306**
Inventories: raw materials		75,276	-	75,276	45,170
Work in progress		3,847,649	-	3,847,649	2,758,485
Inventories: goods		16,817	-	16,817	2,329
Advances paid		336,462	-	336,462	95,824
Trade receivables	*3.2 & 3.3*	108,959,711	910,634	108,049,077	104,676,159
Other receivables	*3.2 & 3.3*	890,628,434	3,547,490	887,080,944	778,350,235
Cash in hand and marketable securities		9,047,521	-	9,047,521	27,364,104
Adjustment accounts		**9,321,750**	**-**	**9,321,750**	**8,994,414**
Prepaid expenses	*3.2 & 3.13*	9,286,772	-	9,286,772	8,964,789
Unrealized foreign exchange gains/losses		34,979	-	34,979	29,625
TOTAL ASSETS		**1,705,468,559**	**46,313,049**	**1,659,155,510**	**1,526,464,940**

Balance sheet – Liabilities

(in euros)	Notes	Dec. 31, 2016	Dec. 31, 2015
Shareholders' equity	*3.4*	**631,248,893**	**633,310,807**
Capital	*3.5*	87,900,133	87,900,133
Share, merger premiums, and contribution premiums		397,069,527	429,991,448
Statutory reserve		8,790,013	8,748,952
Retained earnings		106,251,860	49,774,997
Net profit (loss) for the period		30,823,825	56,517,925
Tax-regulated provisions		413,534	377,354
Provisions for liabilities and charges	*3.2*	**86,654,211**	**68,811,102**
Liabilities		**918,222,053**	**808,967,610**
Bond loans	*3.7 & 3.9*	253,932,607	253,909,337
Bank borrowings	*3.7 & 3.9*	367,660,785	335,316,442
Other borrowings	*3.9*	741,440	1,174,957
Advances received	*3.9*	399,115	261,483
Trade payables	*3.9*	111,497,371	44,676,319
Tax and social security liabilities	*3.9*	169,605,510	157,634,684
Payables to suppliers of fixed assets	*3.9*	2,278,832	4,546,638
Other payables	3.9	12,106,393	11,447,750
Adjustment accounts		**23,030,354**	**15,375,421**
Deferred income	*3.9 & 3.13*	22,938,017	15,352,154
Unrealized foreign exchange gains/losses		92,337	23,267
TOTAL LIABILITIES		**1,659,155,510**	**1,526,464,940**

Income statement

(in euros)	Notes	Dec. 31, 2016	Dec. 31, 2015
Revenues	*4.1*	874,485,880	807,916,435
Production inventory		1,089,163	2,580,652
Capitalized in-house production		1,486,089	2,345,482
Grants and subsidies		829,567	713,921
Reversals of provisions, depreciation and transfer of charges		28,000,213	19,541,214
Other revenues		4,391,257	4,457,619
Operating income		**910,282,170**	**837,555,323**
Other purchases and external costs		(212,832,495)	(180,350,630)
Taxes and duties		(27,517,093)	(26,642,103)
Payroll expenses		(421,001,600)	(397,053,779)
Social charges		(185,536,482)	(175,389,253)
Depreciation and provisions		(14,836,920)	(12,391,048)
Other expenses		(6,042,429)	(3,501,283)
Operating expenses		**(867,767,020)**	**(795,328,095)**
Operating income		**42,515,151**	**42,227,228**
Recorded profit or transferred (loss)		-	36
Financial income		38,347,619	22,647,974
Financial expenses		(21,156,393)	(19,591,130)
Financial income/(loss)	*4.2*	**17,191,226**	**3,056,844**
Income on ordinary activities		**59,706,377**	**45,284,108**
Exceptional income		17,288,196	4,223,427
Exceptional expenses		(87,626,045)	(24,567,968)
Exceptional income/(loss)	*4.3*	(70,337,848)	(20,344,541)
Corporate income tax	*4.4*	41,455,297	31,578,358
NET INCOME/(LOSS)		**30,823,825**	**56,517,925**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note 1 Key data

At the operating level, sustained growth of 8.2% in revenues outpaced the 4.4% increase in the average headcount over the period, notably reflecting an improvement in the consultant utilization rate.

At the financial level, Altran Technologies received €32.4m in dividends (compared with €14.6m in 2015), and, at the same time, recapitalized the following subsidiaries mainly to enable them, or their own subsidiaries, to finance external growth; Altran UK Holding (€12.0m), Altran US (€23.7m) and Altran Norge (€2.3m).

The exceptional result was negatively impacted by a €45.5m charge arising from a tax audit whereby a liquidation loss previously borne by one of the French tax-integrated subsidiaries had to be reassigned to the parent company. The subsidiary in question subsequently booked an exceptional gain in the same amount.

Note 2 Rules and accounting methods

2.1 Basis for the preparation of the annual financial statements

The 2016 financial statements have been prepared in euros in accordance with the general accounting conventions laid down in the National Accounting Code, arising from ruling n° 2016.07 of the French Accounting Standards Authority (ANC) and its subsequent modifications, as well as with the valuation methods outlined below.

The general accounting conventions have been applied in compliance with the principle of prudence, in accordance with the basic assumptions of:

- going concern;
- consistency of accounting methods from one fiscal year to the next;
- fiscal year independence;
- the general rules governing the preparation and presentation of the annual financial statements.

The basic method used to value the items booked in the Company's accounts is the historical cost method.

2.2 The use of estimates

The preparation of the Company's annual financial statements is based on estimates and assumptions which may have an impact on the book value of certain balance-sheet and income-statement items, as well as the information in some notes to these annual financial statements. Altran reviews these estimates and assessments on a regular basis to take into account its past experience and other factors considered relevant to the economic environment.

These estimates, assumptions and assessments are compiled on the basis of information available and the actual situation at the time when the financial statements are prepared and could turn out to differ from future reality.

These estimates mainly concern provisions for liabilities and charges and the assumptions underpinning the business plans used to measure investments (or equity holdings) and certain intangible assets (notably goodwill).

2.3 Intangible assets

Intangible fixed assets include trademarks, licenses, software programs, goodwill and technical merger losses. These are booked at acquisition or production cost.

2.3.1 Trademarks

Trademarks are valued at brand-registration cost (essentially Altran trademarks and logos) and are not amortized.

2.3.2 Software

This includes software that is either bought or created by the Company.

Software created for internal or commercial use is, for the most part, booked as costs. However, this can be booked as assets if the following conditions are met:

- the project must be clearly identified and monitored in an individual and reliable way;
- the project must have a strong chance of being technically successful;
- software products for rental, sale or marketing must offer strong prospects of commercial profitability;
- the Company makes known its intention to produce, market or make in-house use of the software concerned;
- costs (internal or external) are directly incurred during the software organic-analysis, programming, testing and development stages.

Software is amortized on a straight-line basis over its estimated life span of between 12 months and 8 years.

2.3.3 Other intangible assets

Other intangible assets include:

- the historical cost of goodwill acquired by merged companies;
- technical merger losses. These correspond to the difference between the net value of the investments in the merged companies (showing in the Company's books as assets) and the carrying value of the net assets transferred from these companies.

  The bulk of these concern technical losses arising from the mergers of 26 companies in 2006 and 11 firms in 2013. Considered exclusively as goodwill, these merger losses are not amortized but are subject to annual impairment testing based on forecast discounted cash flows generated by company activities.

2.4 Tangible assets

Tangible assets include fixtures and fittings, office and IT equipment and furniture.

These are booked at acquisition cost, which includes all costs directly attributable to the tangible asset in question.

For the most part, depreciation is calculated on a straight-line basis relative to the expected life span of the asset:

buildings	10 - 30 years
fixtures and fittings	9 - 10 years
vehicles	5 years
office and IT equipment	2 - 5 years
office furniture	9 - 10 years

2.5 Financial assets

Financial assets include equity holdings and long-term loans and receivables.

The gross value of equity holdings and other financial assets are booked in the balance sheet at acquisition cost, which includes all expenses that are directly attributable to the fixed assets in question.

The inventory value of these assets corresponds to their respective value in use for the Company. This is determined by taking account of the enterprise value, determined by the profitability prospects (revenues, EBIT, cash flow, growth rate) based on the business plans (discounted cash flow method). In the absence of available data on these measures, the value in use corresponds to net worth.

Depreciation is recorded when the inventory value thus defined is lower than the acquisition cost.

2.6 Inventories and work in progress for services provided

2.6.1 Goods and supplies

Inventories are measured at their weighted average unit cost.

The gross value of goods and supplies includes the purchase price plus related costs, with the exception of value added.

Depreciation is recorded when the inventory value is lower than the nominal cost.

2.6.2 Transition and/or transformation costs

Expenses incurred during the initial stages of projects (transition and/or transformation costs) can be deferred when they are:

- specific to the projects in question;
- connected to an activity likely to generate future economic advantages;
- recoverable.

These expenses are therefore booked under work in progress and released to the profit and loss account as the economic advantages are recognized.

When a contract becomes loss-making, all transition costs are depreciated for up to the amount of the expected loss and an additional provision for loss-upon-completion is written, if necessary.

2.7 Debts and receivables

Debts and receivables are valued at nominal value.

Provisions for depreciation are recognized when the fair value of a receivable (excluding advances to subsidiaries), based on the probability of recovery, is lower than its book value. With regard to advances to subsidiaries, the fair value of these receivables is calculated by using the depreciation method for equity holdings.

2.8 Treasury stock

In accordance with the authorizations granted, and the ceilings and objectives fixed by the Shareholders' General Meeting, Altran may buy back, exchange or transfer its own shares.

The method used to recognize and depreciate treasury stock depends on the underlying objective of the acquisition.

2.8.1 Specific assignation for the distribution of free shares to employees

Shares acquired for the distribution of free shares to beneficiaries are written to the balance sheet at their purchase value in subsections of the "Cash in hand and marketable securities" accounting item.

Shares covered by a provision for charges are not subject to depreciation, their book value remaining the same as their entry cost until they are distributed to the beneficiaries.

Shares not covered by contingent liability provisions are subject to general depreciation rules. Depreciation applies when the entry cost of the shares exceeds the current value, determined as the average stock market value of the share during the last month of the fiscal year.

2.8.2 Other objectives

Acquired shares are written to the balance sheet at their purchase price in subsections of the "Loans and other financial assets" accounting item.

Depreciation applies when the entry cost of the shares exceeds the current value, determinated as the average stock market value of the share during the last month of the fiscal year.

2.9 Provisions for liabilities and charges

Provisions for liabilities and charges are booked when, at the close of the fiscal year, Altran has an obligation to a third party which will probably, or certainly, result in a cash outlay for the Company to the third party, without, at least, any equivalent consideration expected from the third party.

A provision is written for the estimated amount of costs the Company will probably have to bear in order to meet its commitment.

The Company's main provisions for liabilities and charges include:

- estimated costs for disputes, lawsuits and claims brought by third parties, administrations or former employees;
- estimated restructuring costs.

In the event of restructuring, provisions are made as soon as the Company announces, draws up or starts implementing a detailed restructuring plan before the close of the fiscal year.

2.10 Retirement benefit commitments

In accordance with recommendation 2013-R02 of the ANC (French Accounting Standards Authority), the Company has adopted the preferential method of accounting retirement commitments, which entails booking all such commitments as provisions in the annual financial statements.

Retirement commitments, based on applicable laws and provisions set forth in the Syntec collective agreement are assessed by Willis Towers Watson actuaries.

Costs related exclusively to end-of-career benefits are valued in accordance with the projected credit-unit method and booked under:

- operating income/expenses, for the portion relative to services costs and the amortization of actuarial gains/losses;
- financial expenses, for the portion relative to discounted interest.

Differences between the valuation and the provisioning of end-of-career commitments (depending on forecasts used or new assumptions employed) are defined as actuarial gains and losses. Commitment differences, arising from changes in assumptions are also an integral part of actuarial differences.

Actuarial differences are booked to the income statement using the corridor method, whereby the portion exceeding the higher of 10% of the liabilities or of 10% of the fair value of the plan assets at the closing date is spread over the remaining working life of the beneficiaries.

Actuarial assumptions are based on the following data (see note 3.2.2):

- mortality table;
- staff turnover;
- discount rate;
- inflation rate;
- salary trends.

2.11 Foreign currency operations and translation differences

Revenues and costs denominated in foreign currencies are booked in euros on the date of operation. All debts, receivables and available cash denominated in foreign currencies are booked in euros in the balance sheet on the basis of the end-year exchange rate.

All gains and losses resulting from the conversion of debt and receivables in non-Eurozone currencies based on closing exchange rates are booked as translation adjustments in the balance sheet and a provision is written to cover any latent foreign-exchange losses.

2.12 Long-term operations and revenue recognition

Revenue includes all income generated by Company's services.

The accounting treatment of revenues and costs depends on the type of service rendered.

Time and material services

Revenues generated on time and material (T&M) services are identified as the project advances.

Fixed price contracts

For fixed-price contracts with a performance guarantee clause attached, revenues and earnings are booked according to the stage of progress of the contract in question. This is determined by the percentage of costs incurred on work carried out relative to the total estimated cost. When the total estimated costs of a contract are expected to exceed the total revenues generated by the contract itself, a provision is written immediately to cover the losses expected to be incurred upon completion.

2.13 Corporate tax and tax consolidation

In 2004, Altran Technologies set up fiscal consolidation for itself and its subsidiaries.

All of the Group's French subsidiaries benefit from fiscal integration.

All of the tax agreements involved are based on the following principles:

General principle

In compliance with the principal of neutrality, Altran subsidiaries must, as far as possible, book all of the tax charges and credits recorded during their period of consolidation that they would have paid or received had they not been consolidated.

Corporate income tax

For each fiscal year, Altran subsidiaries must record the amount of corporate income tax that they would have paid had they never been consolidated within the group.

In practical terms, this is determined after tax losses have been carried forward.

For Altran Technologies, the recognition of this tax translates into a receivable equal to the individual amounts declared by the subsidiaries.

Subsidiaries cannot book loss carry backs during the period in which they belong to the group.

Tax credits

Tax credits, whether reimbursable by the Exchequer or not, are attributed to the tax due by the subsidiaries.

Receivables from loss carry backs

Receivables on loss carry backs of subsidiaries prior to their consolidation within the tax group cannot be deducted from their tax liability.

In exchange, subsidiaries may sell the receivable(s) in question to Altran Technologies in accordance with the conditions laid down in Article 223G of the French General Tax Code.

Tax payment procedure

During the first fiscal year of tax consolidation, subsidiaries pay their quarterly tax installments directly to their own tax office as well as any contribution installments that may be due.

As of the second fiscal year, the subsidiaries pay all income tax installments, additional contributions and settlements directly to Altran Technologies, in accordance with the standard conditions laid down by law.

The recording of these amounts in the subsidiaries' current account at Altran Technologies bears no interest.

Duration

The agreement initially drawn up for the subsidiary consolidation period (five years as of January 1, 2004) is renewed every five years by tacit agreement.

Exit from the tax group

Subsidiaries failing to meet all of the conditions set forth in Article 223-A of the French General Tax Code, qualifying them for tax consolidation, must leave the group.

The date of removal from the group's scope of consolidation is retroactive to the first day of the fiscal year in which the subsidiary leaves the group.

Upon disqualification, these subsidiaries become directly taxable on their individual earnings and long-term capital gains published at the end of the fiscal year during which the disqualifying incident occurred.

Altran Technologies conserves the tax income generated by its subsidiaries' tax loss carry-forwards before they exit from the scope of tax consolidation.

2.14 CICE tax credit

The CICE (*crédit d'impôt pour la compétitivité et l'emploi*) tax credit was introduced in France with effect from January 1, 2013.

The amount of this tax credit is calculated on the gross remuneration paid out during the calendar year, provided this remuneration does not exceed 2.5 times the minimum wage. In 2016, it was applied at a rate of 6% of eligible gross salaries paid.

The CICE tax credit is deducted from the amount of corporate tax due. The surplus which is not deducted is booked as a tax receivable that can be used to cover tax payments for the next three years. After this time, the unused portion of the tax credit must be reimbursed.

CICE tax receivables may be assigned to credit institutions:

- as soon as the amount of the receivable has been established, which is the case for all receivables;
- when the amount is still being calculated, that is to say before the sale has been finalized.

The CICE tax credit is booked in a dedicated sub-account as a deduction applying to personnel costs.

Note 3 Notes relative to certain balance sheet items

3.1 Fixed assets and depreciation

Fixed assets *(in euros)*	Gross value at opening	Acquisitions	Sold/ discarded/ transferred assets	Gross value at closing
Intangible assets				
Patents, licenses, trademarks	37,840,934	4,029,643	(1,149,634)	40,720,943
Goodwill	23,012,083	-	-	23,012,083
Other intangible assets [(a)]	93,364,560	-	-	93,364,560
Intangible assets in progress [(b)]	8,032,363	3,511,271	(7,483,688)	4,059,946
Total 1	**162,249,939**	**7,540,913**	**(8,633,321)**	**161,157,531**
Tangible assets				
Other tangible assets	22,250,959	1,574,959	(1,317,319)	22,508,599
Tangible assets under construction	18,944	20,137	(18,944)	20,137
Total 2	**22,269,903**	**1,595,096**	**(1,336,263)**	**22,528,736**
Long term investments				
Investments and related receivables	410,086,358	40,970,513	-	451,056,871
Loans and other long-term investments	46,466,106	8,936,198	(6,910,500)	48,491,804
Total 3	**456,552,463**	**49,906,711**	**(6,910,500)**	**499,548,674**
TOTAL (1+2+3)	**641,072,305**	**59,042,720**	**(16,880,084)**	**683,234,941**

(a) "The bulk of "Other intangible assets" totaling €93m correspond to technical losses incurred on the mergers within Altran Technologies of 26 companies in 2006 and 11 firms in 2013.

(b) The bulk of intangible assets under construction comprise software (bought or created) that are still in development.

Total breaks down as follows:

External development costs:	€3,596k
▮ *o/w external purchases:*	*€2,624k*
▮ *o/w intra-Group purchases:*	*€972k*
Internal development costs:	€464k
Total	**€4,060k**

Amortization/depreciation of fixed assets *(in euros)*	Opening value	Increase	Decrease	Closing value
Intangible assets				
Patents, licenses, trademarks	20,470,477	4,327,176	(2,256,221)	22,541,431
Total 1	**20,470,477**	**4,327,176**	**(2,256,221)**	**22,541,431**
Tangible assets				
Other tangible assets	12,553,705	2,351,515	(622,542)	14,282,677
Total 2	**12,553,705**	**2,351,515**	**(622,542)**	**14,282,677**
TOTAL (1+2)	**33,024,181**	**6,678,691**	**(2,878,763)**	**36,824,109**

3.2 Provisions and depreciation

(in euros)	Opening value	Increase	Decrease	Closing value
Investments and related receivables	3,853,252	1,881,801	(720,761)	5,014,292
Other long-term investments	16,651	-	(127)	16,525
Total financial investments	**3,869,905**	**1,881,801**	**(720,888)**	**5,030,817**
Trade receivables	**850,305**	**200,188**	**(139,859)**	**910,634**
Other provisions for depreciation	**3,547,490**	**-**	**-**	**3,547,490**
Provisions for charges and disputes	35,809,397	27,807,520	(10,895,127)	52,721,790
Provisions for pensions and similar commitments	32,972,081	1,050,193	(124,832)	33,897,442
Provisions for foreign exchange losses	29,625	34,979	(29,625)	34,979
Total provisions for liabilities and charges	**68,811,102**	**28,892,692**	**(11,049,584)**	**86,654,211**
TOTAL	**77,078,801**	**30,974,681**	**(11,910,331)**	**96,143,152**

3.2.1 Provisions for liabilities and charges

(in euros)	Provision write-backs taken up	Provision write-backs not taken up	Total
Charges and disputes	8,398,942	2,496,185	10,895,127
Pensions and similar commitments	124,832	-	124,832
Foreign exchange losses	29,625	-	29,625
TOTAL	**8,553,399**	**2,496,185**	**11,049,584**

3.2.2 Provisions for pensions and similar commitments

Transactions during the period

	(in euros)
Cost of services carried out	1,432,517
Net interest	342,771
Amortization of cost of past services	214,054
Amortization of actuarial losses/(gains)	(939,149)
Provisions booked over the period	**1,050,193**
Use	124,832
Write-backs booked over the period	**124,832**

Actuarial assumptions

	2016 expenses	Commitments at Dec. 31, 2016
Mortality table	TH TF 10-12	TH TF 11-13
Staff turnover	rate difference by age group	rate difference by age group
Discount rate	2.20%	1.70%
Inflation rate	1.90%	1.85%
Salary trends	rate difference by age group	rate difference by age group

Actuarial gains/(losses) on inventory

	(in euros)
Unrecognized actuarial gains/(losses)	17,908,464
Unrecognized past services	(1,276,942)

3.3 Schedule of receivables

(in euros)	Gross amount	Up to 1 year	More than 1 year
Long-term receivables	**51,416,389**	**3,277,630**	**48,138,759**
Receivables from controlled entities	2,928,110	2,928,110	-
Loans	21,026,403	-	21,026,403
Other long-term investments	27,461,876	349,520	27,112,357
Short-term receivables	**1,008,874,916**	**900,288,426**	**108,586,490**
Trade receivables	108,959,711	107,087,692	1,872,019
Personnel and social security charges	1,626,276	1,626,276	-
State	135,951,348	34,707,011	101,244,337
Group and associates	726,607,873	726,607,873	-
Other receivables	26,442,936	22,150,295	4,292,641
Prepaid expenses	9,286,772	8,109,279	1,177,493
TOTAL	**1,060,291,305**	**903,566,056**	**156,725,249**

Altran Technologies makes significant recourse to factoring. Outstanding receivables assigned to the factor and booked as off-balance sheet commitments totaled €187,048k at December 31, 2016, compared with €139,988k at December 31, 2015 (see note 6).

Factoring-operation data

(in euros)	2016	2015
Client receivables	187,048,322	139,988,379
Current account and factor guarantees	19,332,523	11,507,870
Factor's short-term advances	167,715,798	128,480,509

Altran Technologies assigned its 2016 CICE tax receivables amounting to €16,357k, within the framework of a receivables-discount contract maturing on August 13, 2020. After deduction of a guarantee deposit and financing costs, Altran Technologies received €15,238k.

3.4 Changes in shareholders' equity

(in euros)	Opening value	Equity movements		Allocation of results Y-1	Year Y	Closing value
		Increase	Decrease			
Capital	87,900,133	-	-	-	-	87,900,133
Share premium	358,353,121	-	(32,921,920)	-	-	325,431,201
Merger premium	71,638,327	-	-	-	-	71,638,327
Statutory reserve	8,748,952	-	-	41,061	-	8,790,013
Retained earnings	49,774,997	-	-	56,476,864	-	106,251,860
Net profit (loss) for the period	56,517,925	-	-	(56,517,925)	30,823,825	30,823,825
Tax-regulated provisions	377,354	36,181	-	-	-	413,534
SHAREHOLDERS' EQUITY	**633,310,807**	**36,181**	**(32,921,920)**	**-**	**30,823,825**	**631,248,893**

3.5 Breakdown of share capital

At December 31, 2016, the Company's share capital totaled €87,900,132.50 for 175,800,265 ordinary shares.

Breakdown of share capital	Number of shares	Nominal value
Number of shares at opening	175,800,265	€0.5
Increase in share capital subsequent to exercise of stock options	0	€0.5
Number of shares at closing	175,800,265	€0.5

The Combined Ordinary and Extraordinary Shareholders' Meeting on April 29, 2016, ruling under the quorum and majority conditions required for Ordinary General Meetings, resolved in the 18th resolution to terminate, with immediate effect, for the unused portion, the share buyback authorization granted by the Combined Ordinary and Extraordinary Shareholders Meeting on April 30, 2015. The Board of Directors was granted the power, for a period of eighteen months, to buy back, exchange or transfer a maximum of 10 million Altran Technologies shares (equivalent to around 6% of the Company's share capital at December 31, 2015) at a maximum purchase price of €15 per share. This share buyback authorization is granted for the purposes of:

- stimulating the market for Altran Technologies shares via a liquidity contract concluded with an investment services provider in accordance with the AMF ethical charter;
- granting stock purchase options to employees and/or corporate officers of the Altran Technologies group within the context of the stock-option plans implemented in accordance with Articles L. 225-179 et seq. of the French Commercial Code;
- allocating free shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code;
- issuing or exchanging shares when rights attached to securities giving access to the Company's share capital are exercised;
- retaining shares for subsequent payment or exchange purposes in the event of an external-growth, merger, spin-off or capital-contribution transaction;
- cancelling shares, subject to the adoption by the General Meeting of the twelfth resolution in accordance with the terms and conditions specified therein or any another authorization of this kind.

At December 31, 2016:

- 58,099 Altran Technologies treasury shares valued at €727k were held within the framework of the Exane-BNP Paribas liquidity contract. The Company recognized a net capital gain (less capital losses) of €75k generated on this contract;
- 3,043,092 Altran Technologies treasury shares valued at €26,166k were also held by the Company.

3.6 Stock options and free shares

The main characteristics of the Group's free-share plans outstanding at December 31, 2016 are outlined in the table below:

	Free shares		
	2012 Outside France	2015	2016
Date of General Meeting	06/10/2011	06/01/2012	04/29/2016
Date of Board of Directors Meeting	01/31/2012	03/11/2015	06/01/2016
Total number of shares available for allocation on the date of attribution	232,500	291,959	519,395
o/w available to corporate officers	*0*	*0*	*0*
o/w available to the ten highest-paid employees	*0*	*116,750*	*192,986*
Balance at 12/31/2016	*0*	*116,750*	*174,891*
Definitive granting of free shares	01/31/2016	03/11/2019	06/01/2019
End of lock-in period for free shares	01/31/2016	03/11/2019	06/01/2019
Reference share price (in euros)	€3.54	€8.53	€13.35
Valuation method used	Binomial	Binomial	Binomial
Number of shares available for allocation at 12/31/2015	143,438	281,959	0
Rights created in 2016	0	0	456,547
Rights forfeited in 2016	0	20,000	46,302
Rights granted in 2016	143,438	0	0
Number of shares available for allocation at 12/31/2016	0	261,959	410,245

2015 Plan

Progressive acquisition of rights in accordance with continuous presence:

- 50% after 2 years of presence;
- 75% after 3 years;
- 100% after 4 years.

The definitive granting of free shares is subject to fulfilling a set of financial targets for the Group set by the Board of Directors on March 11, 2015.

2016 Plan

On June 1, 2016, the Board of Directors voted to grant a maximum of 519,395 free shares to Group employees. This decision was taken within the context of the authorization specified in the 24th resolution approved by the April 29, 2016 Combined Ordinary and Extraordinary Shareholders Meeting granting the Board of Directors, within a period of 38 months, the power to freely allocate existing or to-be-issued shares to staff members (or certain categories thereof) and/or corporate officers of Altran Technologies and the companies belonging to the Group. This capital increase is capped at 3% of the share capital on the day of free-share attribution by the Board.

No free shares were granted to the Group's corporate officers.

The 2016 free-share plan was valued on the date of allocation using the Binomial method as recommended by the ANC.

The main market criteria used to determine the notional cost of locked-in shares on the date of allocation, are as follows:

- Altran-share spot price at June 1, 2016: €13.35;
- Vesting period: 3 years.

The notional cost of subscribed locked-in shares expressed as a percentage of the spot price of the share on the date of allocation is negligible.

The 3-year vesting period runs from the date of attribution.

The definitive granting of free shares is subject to:

- the uninterrupted presence of the beneficiary during the vesting period;
- the fulfillment of a set of Group-performance objectives set by the Board of Directors on June 1, 2016.

Since the Company assigned treasury shares to cover this plan, a charge of €3,261k was booked in the 2016 financial statements against a provision for charges.

3.7 Borrowings

3.7.1 Bonds

Altran Technologies raised a total of €250m via several bonds issued in the form of dematerialized bearer shares at a nominal value of €100,000. These included:

- a €135m bond, issued on July 16, 2013 bearing an annual coupon of 3.75% and an initial maturity of 6 years. The normal date of redemption is set for July 16, 2019. Interest is payable in arrears on July 16 of each year;
- a €10m bond, issued on July 17, 2014 bearing an annual coupon of 2.81% and an initial maturity of 6 years. The normal date of redemption is set for July 17, 2020. Interest is payable in arrears on July 17 of each year;
- a €105m bond, issued on July 17, 2014 and August 1, 2014, bearing an annual coupon of 3.00% and an initial maturity of 7 years. The normal date of redemption is set for July 16, 2021. Interest is payable in arrears on July 17 of each year.

Early redemption can be initiated:

- by Altran Technologies, under the following conditions:
  - some or all of the bonds may be redeemed at any time via a purchase on a securities market, an over-the-counter transaction or by way of a public offer,
  - some or all of the outstanding bonds can be redeemed at any time and at any price and under any conditions;
- by bondholders:
  - who may request the early conversion and/or exchange of bonds for shares at their face value plus all accrued interest since the last coupon date, at any time under the following conditions:
    - in the event of non-payment of any borrowings by the issuer or one of its subsidiaries,
    - if the issuer is involved in conciliation proceedings with its creditors,
    - if the issuer or its main subsidiaries are dissolved, liquidated, merged, split or absorbed and fail to transmit all of the issuer's bonds to the corporate body that succeeds it,
    - if the issuer fails to respect the bond conditions including its financial ratio (covenant) commitments,
    - in the event of a change in Company control: as defined in Article L. 233-10 of the Commercial Code. This applies to the acquisition, by one person or a group of individuals acting in concert, of a direct or indirect stake in the Company exceeding 50% of the issuer's share capital or voting rights.

These credit lines require that the Company respect a leverage ratio (net financial debt including all assignment and factoring operations/EBITDA) of less than 2.75 for the first two years then less than 2.50 at the closing of each fiscal year until December 31, 2020.

If the annual ratio exceeds 2.00, an additional interest charge will be applied to the following bond loans:

- +0.50% for the bond bearing a coupon of 3.75%;
- +0.70% for the bond bearing a coupon of 3.00%;
- +0.60% for the bond bearing a coupon of 2.81%.

In 2016, financial expenses attached to the above bond loans totaled €8,727k, of which €3,933k in accrued interest to be paid to bondholders on July 17, 2017.

3.7.2 Capex credit line and revolving credit facility agreement – Bank Pool

On January 29, 2013, Altran Technologies contracted a credit line with its pool of bankers (Société Générale, BNP Paribas, Natixis, Commerzbank and Crédit Agricole Ile-de-France) giving the Company access to a maximum of €150m to finance, either fully or partially, external growth operations carried out by the Company and its subsidiaries. This facility may also be used to refinance debt of acquired companies. A new amendment to this credit agreement was signed on July 29, 2015.

The main characteristics of this credit line and its latest amendment include:

- a five-year maturity running from the date the contract was signed;
- half-yearly amortization, paid in eight installments, for the portion drawn down at January 29, 2014;
- half-yearly amortization, paid in six installments, for the additional portion drawn down at January 29, 2015;
- access to a revolving credit. Taken together the total amount of the revolving credit and the Capex loan is capped at €300m;
- interest on the Capex loan is payable in arrears (every 3 or 6 months, as agreed upon between the borrower and the lender) with maturities scheduled for January 29, April 29, July 29 and October 29;
- for the Capex loan, interest is calculated on the basis of a maximum Euribor coupon +1.65%;
- for the revolving loan, interest is payable in arrears at specific intervals as agreed upon between the borrower and the lender and specified in the payment schedule (every 1, 2, 3, 6 months, etc.);
- interest on the revolving loan is calculated on the basis of a maximum Euribor coupon +1.25%;
- these credit lines require that the Group respect a net financial debt/EBITDA ratio capped at 2.50 at June 30 and December 31 of each year until repayment of all sums due;
- the EBITDA used to calculate these covenants is the last consolidated EBITDA audited over 12 months, adjusted on a proforma basis in order to take into account (on a 12 month basis) the EBITDA of any Eligible Entreprise acquired under an Authorized External Growth Operation over that 12 month period;
- net financial debt corresponds to the amount of net debt, excluding profit sharing, plus vendor loans and earn-out clauses relative to external growth operations.

Margin levels are revised every six months in relation to consolidated financial leverage (net financial debt/EBITDA).

	Capex loan	Revolving credit
Ratio ≥ 2.00	1.65% per year	1.25% per year
Ratio < 2.00	1.25% per year	0.85% per year
Ratio < 1.50	1.05% per year	0.65% per year
Ratio < 1.00	0.85% per year	0.55% per year

These credit agreements contain several clauses pertaining to:

- financial ratio thresholds;
- early redemption: as soon as net income from the disposal of assets or holdings in subsidiaries exceeds €30m and this up to 100% of the non-invested portion, for the purposes of replacing assets relevant to the Company's activity or carrying out external growth operations.

3.7.3 Revolving credit facility agreement – Commerzbank

On July 4, 2013, Altran took out a €30m revolving credit facility with Commerzbank. An amendment to this credit agreement was signed on July 29, 2015.

The main characteristics of this credit line include:

- maturity: January 4, 2018;
- interest calculated on the basis of a maximum Euribor coupon +1.65%;
- this credit line requires that the Group respect a net financial debt/EBITDA ratio capped at 2.50 at June 30 and December 31 of each year until repayment of all sums due.

Margin levels are revised every six months in relation to consolidated financial leverage (net financial debt/EBITDA).

	Revolving credit
Ratio ≥ 2.0	1.65% per year
Ratio < 2.00	1.25% per year
Ratio < 1.50	1.05% per year
Ratio < 1.00	0.85% per year

The amortization schedule for Altran Technologies' medium-term credit lines is given in the table below:

(in millions of euros)	June 2017	Dec. 2017	June 2018	Dec. 2018	June 2019	Dec. 2019	June 2020	Dec. 2020	June 2021	Dec. 2021
Capex loan	36.1	18.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond loans	250.0	250.0	250.0	250.0	250.0	115.0	115.0	105.0	105.0	0.0
Total	**286.1**	**268.0**	**250.0**	**250.0**	**250.0**	**115.0**	**115.0**	**105.0**	**105.0**	**0.0**
Revolving – Bank pool	263.9	282.0	300.0	300.0	300.0	300.0	300.0	0.0	0.0	0.0
Revolving – Commerzbank	7.2	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**557.2**	**553.6**	**550.0**	**550.0**	**550.0**	**415.0**	**415.0**	**105.0**	**105.0**	**0.0**

Trends in the Group's financial ratio in 2016 are given in the table below:

	Dec. 2016	Dec. 2015
Net debt/EDITDA (financial leverage) as defined in the bonds and credit facilities agreements	0.94	0.83

While the bulk of bank debt is contracted on a variable-rate basis, indexed mainly to the Euribor or EONIA benchmark rates, the Group has set up a hedging strategy (see note 4, section 4 "Risks" of the present Registration Document).

3.8 Other credit lines and cash management

3.8.1 Factoring

In addition, at end-2016, Altran Technologies had factoring lines of credit amounting to €168m which are free of any long-term commitment and are automatically renewed.

3.8.2 Cash management

Altran Technologies' surplus cash is held by GMTS, a subsidiary set up by the Group to centralize cash-management and reduce liquidity risk.

This mechanism regulates the use of cash flows at subsidiary and Group levels and is essentially based on two main principles, namely:

- all subsidiary cash surpluses are invested exclusively in the Group's centralized cash-management subsidiary GMTS (Global Management Treasury Services), a company incorporated in France;
- GMTS invests these funds in money market instruments with sensitivity and volatility rates of less than 1% per annum.

Altran Technologies also issues commercial paper (with a maximum 1-year maturity) within the framework of a program registered with Banque de France. The level of borrowings attached to this program is capped at €500m.

3.8.3 Interest cover

At December 31, 2016, the main characteristics of the Group's hedging contracts were as follows:

	Start date	Maturity	Type	Fixed rate	Nominal	Initial rate	Currency
BNP	01/29/2016	01/29/2017	Progressive-rate swap maturing at 01/29/2018	1.50%	37,500,000	Euribor3M	EUR
BNP	01/29/2017	01/29/2018	Progressive-rate swap maturing at 01/29/2018	1.95%	37,500,000	Euribor3M	EUR
SG	01/29/2016	01/29/2017	Progressive-rate swap maturing at 01/29/2018	1.46%	37,500,000	Euribor3M	EUR
SG	01/29/2017	01/29/2018	Progressive-rate swap maturing at 01/29/2018	1.95%	37,500,000	Euribor3M	EUR
Natixis	08/01/2012	02/01/2017	Swap	0.00%	50,000,000	Euribor6M +11 bp	EUR
Natixis	01/29/2016	01/29/2017	Progressive-rate swap maturing at 01/29/2018	1.30%	37,500,000	Euribor3M	EUR
Natixis	01/29/2017	01/29/2018	Progressive-rate swap maturing at 01/29/2018	1.80%	37,500,000	Euribor3M	EUR
CA	01/29/2016	01/29/2017	Progressive-rate swap maturing at 01/29/2018	1.15%	37,500,000	Euribor3M	EUR
CA	01/29/2017	01/29/2018	Progressive-rate swap maturing at 01/29/2018	1.80%	37,500,000	Euribor3M	EUR

Interest risk management is ensured by the Group's financial management team.

3.9 Schedule of liabilities

(in euros)	Gross amount	Up to 1 year	Between 1 and 5 years	More than 5 years
Bond loans	253,932,607	3,932,607	250,000,000	-
Bank borrowings	367,660,785	279,619,118	88,041,667	-
Other borrowings	741,440	741,440	-	-
Trade payables	111,497,371	111,497,371	-	-
Tax and social security liabilities	169,605,510	169,605,510	-	-
Payables to suppliers of fixed assets	2,278,832	2,278,832	-	-
Other payables	12,106,393	12,106,393	-	-
Deferred income	22,938,017	22,938,017	-	-
TOTAL	**940,760,954**	**602,719,287**	**338,041,667**	**-**

3.10 Associates and equity holdings

Assets and liabilities related to associates and equity holdings *(in euros)*	
Equity holdings	448,111,695
Equity holding depreciation	(3,113,139)
Trade receivables	42,978,671
Other receivables and prepaid expenses	728,379,552
Cash and cash equivalent	365,593
Provision for risks and charges	338,799
Other borrowings	1,345
Trade payables	55,541,827
Payables to suppliers of fixed assets	300,000
Deferred income and prepaid expenses	397,863

Income and expenses related to associates and equity holdings *(in euros)*	
Operating income	61,926,776
Operating expenses	58,431,386
Financial income	34,927,984
Financial expenses	1,088,669
Exceptional income	836,510
Exceptional expenses	45,473,302

No information need be given concerning transactions carried out between related parties (as defined under Article R. 123-198 11 of the French Commercial Code) since these operations were executed under normal market conditions.

3.11 Accrued income

(in euros)	
Trade receivables	39,527,394
Other receivables	2,301,310
Tax and social security receivables	6,212,600
Group and associates	3,250,000
Cash and cash equivalent	365,593
TOTAL	**51,656,897**

3.12 Accrued expenses

(in euros)	
Bond loans	3,932,607
Bank borrowings	617,483
Other borrowings	50,486
Trade payables	33,122,712
Tax and social security liabilities	92,366,719
Payables to suppliers of fixed assets	1,148,368
Other payables	7,348,625
TOTAL	**138,587,001**

3.13 Deferred income and prepaid expenses

(in euros)	Expenses	Income
Operating expenses/Income	7,157,421	22,938,017
Financial expenses/Income	2,129,351	-
TOTAL	**9,286,772**	**22,938,017**

3.14 Leasing

(in euros)	Office equipment
Original value	**2,558,201**
Cumulative amortization for previous periods	2,558,201
Provisions booked over the period	-
TOTAL	**2,258,201**
Cumulative royalties paid for previous periods	3,022,145
Fiscal year	-
TOTAL	**3,022,145**
Royalties outstanding: due < 1 year	-
Royalties outstanding: due 1-5 years	-
TOTAL	**-**
Residual value 1 - 5 years	-
AMOUNT BOOKED OVER THE PERIOD	**-**

Value derived from assets and their amortization is not booked in Altran Technologies' annual financial statements.

Note 4 Notes to the income statement

4.1 Breakdown of net revenues

(in euros)	
By activity segment	
Sales of bought-in goods	1,191,566
Sales of goods & services	873,294,314
TOTAL	**874,485,880**
By geographical segment	
Sales in France	783,197,117
Sales abroad	91,288,763
TOTAL	**874,485,880**

4.2 Net financial income/(loss)

(in euros)	Financial expenses	Financial income
Interest on Group current account	738,865	-
Interest on commission	580,282	-
Interest on bank overdrafts	215,769	-
Interest on bond loans	8,726,644	-
Interest on employee profit-sharing	27,480	-
Interest on revolving loan	2,171,023	-
Interest on commercial paper	789,464	-
Interest on hedging instruments	1,444,647	-
Interest on trade receivables	105,159	-
Discounts granted	97,844	-
Foreign exchange losses	339,359	-
Financial expenses on factoring activities	1,075,258	-
Other financial expenses	2,246,247	-
Provisions for risks and charges	34,979	-
Provision for depreciation of investments	11,004	-
Provision for negative equity of subsidiaries	338,799	-
Provisions for financial asset write-downs	1,870,797	-
Provision for end-of-career commitments	342,771	-
Dividends received	-	32,399,486
Interest on Group current account	-	1,807,738
Write-back of financial provisions	-	3,047,360
Write-back of provision for depreciation of investments	-	720,761
Foreign exchange gains	-	357,878
Discounts granted	-	(6,054)
Trade receivables	-	90
Income on sale of marketable securities	-	(48)
Other financial income	-	20,408
TOTAL FINANCIAL INCOME AND EXPENSES	**21,156,393**	**38,347,619**

4.3 Exceptional income/(loss)

(in euros)	Exceptional expenses	Exceptional income
Exceptional restructuring expenses	13,552,268	-
Other exceptional expenses incurred on non-Group operations	3,464,119	-
Other exceptional expenses incurred on Group operations	45,473,302	-
Net book value of fixed assets withdrawn from the balance sheet	8,142,675	-
Provisions for risk and exceptional expenses	16,810,000	-
Provisions for restructuring risk and exceptional restructuring costs	147,500	-
Provisions for accelerated depreciation	36,181	-
Other exceptional income generated by non-Group operations	-	9,434,223
Other exceptional income generated by Group operations	-	836,510
Income on fixed asset disposals	-	5,668,486
Write back of restructuring provisions	-	258,500
Write back of other exceptional provisions	-	1,090,478
TOTAL EXCEPTIONAL INCOME AND EXPENSES	**87,626,045**	**17,288,196**

The bulk of exceptional restructuring costs totaling €13,552k correspond to the removal of operating expenses (personnel costs, fees, rentals and sundry charges) from operating costs and their reclassification as exceptional items.

The charge of €45,473k arises from a tax audit whereby a liquidation loss, previously borne by one of the French tax-integrated subsidiaries, had to be reassigned to the Company. The subsidiary has compensated the Company by the amount of the corporation tax (see "Previous years' tax" below).

4.4 Corporate tax and impact of tax consolidation

(in euros)	Pre-tax income/ (loss)	Tax	Net income/ (loss)
Income on ordinary activities	59,706,377	(19,902,126)	39,804,251
Exceptional income/(loss)	(70,337,848)	23,445,949	(46,891,899)
Accounting result	**(10,631,472)**	**3,543,824**	**(7,087,648)**
Permanent differences	*(23,580,093)*	*7,860,031*	*7,860,031*
Temporary differences	*(1,837,493)*	*612,498*	*612,498*
Individual taxable result	*(36,049,058)*	*12,016,353*	*1,384,881*
Restated for fiscal integration	*51,200,444*	*(17,066,815)*	*(17,066,815)*
Tax-loss carry-forwards taken up	*(8,075,693)*	*2,691,898*	*2,691,898*
Tax consolidation group	*7,075,693*	*(2,358,564)*	*(12,990,036)*
Additional contributions		(1,040,312)	(1,040,312)
Corporate tax and contributions from profit-making subsidiaries		4,789,831	4,789,831
Tax credits		31,296,632	31,296,632
Previous years' tax		8,767,710	8,767,710
NET INCOME/(LOSS)	**(10,631,472)**	**41,455,297**	**30,823,825**

The tax consolidation agreement is based on the principle of neutrality whereby each subsidiary determines its own tax charge and contributes to group tax payments as if it were not consolidated.

Tax savings or surcharges resulting from the tax consolidation regime are booked to the accounts of the parent company, Altran Technologies.

Since the tax consolidation group was profit-making in 2016, a corresponding tax charge of €2,358,564 was booked by the parent company.

Tax contributions from profit-making subsidiaries, totaling €4,789,831 were booked as revenue by Altran Technologies.

This amount breaks down as follows:

Corporate income tax	€4,685,206
Additional contributions	€104,625

4.5 Increases/decreases in the deferred tax base

Type of temporary difference *(in euros)*	Amount	Tax
French C3S	1,259,284	433,571
End-of-career benefits	33,565,675	11,556,662
Other provisions for liabilities and charges	7,645,686	2,632,410
Tax-group loss carry-forwards	198,065,012	68,193,784
DEFERRED TAX ASSET BASE	**240,535,657**	**82,816,427**
Tax loss carry forwards belonging to tax consolidated subsidiaries	11,988,861	4,127,765
DEFERRED TAX LIABILITY BASE	**11,988,861**	**4,127,765**

As head of the tax consolidation group, Altran Technologies is eligible to use the tax losses generated by its consolidated subsidiaries. In accordance with the principle of neutrality underpinning the tax consolidation agreement, Altran Technologies must return the benefits of these tax losses to its subsidiaries when they return to profit.

This commitment is reflected in the deferred tax liability base.

4.6 Staff

Average number of salaried personnel

Category	At Dec. 31, 2016	At Dec. 31, 2015
Management	8,787	8,457
Employees	934	858
TOTAL	**9,721**	**9,315**

4.7 Corporate-officer compensation

In 2016, Altran Technologies paid total corporate-officer compensation of €3,656k (including €322k in attendance fees).

No loans or advances were granted to Board members in 2016.

Note 5 Information on significant ongoing litigation and disputes

- Following the publication of several articles in Le Monde in October 2002, and the findings of an additional audit carried out by the Statutory Auditors which resulted in the rectification of the consolidated 2002 interim financial statements, the Paris Public Prosecutor's office opened a preliminary inquiry into the misuse of company assets as well as fraud, forgery and the dissemination of misleading information likely to influence the share price.

The scope of the investigation was extended, firstly in June 2004 to include misrepresentation of financial accounts and thus failing to give a true picture of the Company's situation and then, a second time, in September 2004 to cover insider trading.

Altran Technologies became a civil plaintiff in this investigation and was declared admissible by court order dated March 6, 2003. Within the context of this investigation, thirteen parties (individuals and corporate bodies) also filed a civil action in November 2004.

Several former corporate officers and a manager of the Group were indicted. Altran Technologies was also indicted for fraud, use of forged documents and disseminating misleading information likely to influence the share price. This indictment did not affect the Company's civil claim for damages.

The investigation was closed on January 7, 2009. In the order for referral delivered on November 29, 2011, the indicted parties (several former managers and the corporate body, Altran Technologies) were summoned to appear before the Paris Criminal Court.

The hearings were held from January 15 to 31, 2014. By decision passed down on June 4, 2014, the court sent the affair back to the Paris Public Prosecutor's office with a view to appointing a new investigating judge. By court order dated May 11, 2015, the Vice-President in charge of the investigation summoned all of the parties to appear before the Paris Criminal Court. The full hearings were held at the end of November and the beginning of December 2016. On December 14, 2016, the prosecution called for suspended prison sentences and the payment of fines (notably €225k in the case of Altran) on the counts of forgery and falsification. In light of the law dated June 21, 2016 applying to the non-accumulation of administrative and criminal proceedings, the prosecution considered that public prosecution had been extinguished with regard to the offense of spreading false or misleading information.

Judgment has been fixed for March 30, 2017.

All of the above-mentioned proceedings concern events that took place in 2001 and 2002.

- In January 2011, a former employee brought legal action against Altran Technologies before the Commercial Court of Paris. Dismissed by Altran in 1999 for professional misconduct, the plaintiff filed a joint action with three associates in the company he had formed after his dismissal. They are claiming compensation for having to postpone the flotation of their company because of criminal proceedings, taken by Altran against the former employee and for which he has since been acquitted. The judgment passed down on July 7, 2014, dismissed the claims of the employee, who has subsequently lodged an appeal. After having his case dismissed a second time by the Court of Appeal in a judgment handed down on September 29, 2016, the former employee lodged an appeal with the Supreme Court of Appeal (*Cour de cassation*).
- Altran Technologies was sued by a number of staff members and/or former employees who were demanding payment of overtime.

  After having been rejected at the first hearing, a number of the plaintiffs had their claims upheld by a Court of Appeal in Toulouse in September 2014. On November 4, 2015, the Supreme Court of Appeal upheld the decision handed down by the Court of Appeal.

  In light of the situation created by the decision of the Supreme Court and of the risks incurred by the Company with regard to all of its employees who benefit from an individual 38.5hr/week agreement, and notwithstanding the fact that Altran considers the hours-per-week package agreed with its employees to be perfectly valid, the Company has had no choice but to accept that all its employees will henceforth be subject to the common law governing the length of the working week (no hourly package per week, strict application of the 35 hour per week, with no ceiling for the number of days worked and thus no extra rest days – DNW (Days Not Worked)).

  However, in order to find a satisfactory solution for its employees, Altran signed a collective agreement on February 29, 2016 introducing, amongst other measures, a specific "Altran" working hours' agreement package of 158 hours per month plus a maximum of 10 DNW per annum. This package has been proposed to all employees with a remuneration below the annual social security ceiling (*PASS*) and subject to a 35-hour working week as of January 1, 2016 (as a consequence of the Supreme Court decision).

  The decisions of the Toulouse Court of Appeal and the Supreme Court have prompted around 1,000 referrals to the Labor Courts (*Conseils des prud'hommes*) initiated by Altran staff members or former employees. The full hearings are to be held between January 2017 and September 2018. At the date when the Group's financial statements for 2016 were approved, the decisions that had been handed down by the Labor Courts were completely contradictory.
- Altran Technologies is in dispute with several of its employees or former employees.
- A former corporate officer brought legal action against Altran Technologies for unfair dismissal. The court ruled a stay of proceedings.
- In March 2011, Altran Technologies concluded several contracts with a rental company and a printer manufacturer, for the supply of printing machines, as well as printing and maintenance services, (the printers being rented to Altran). The rental company solicited the services of a financing company to whom it sold the rental contracts drawn up with Altran Technologies. A similar contract was concluded for the supply of computers.

  Altran has every reason to believe that these contracts were entered into under conditions which were both suspect and disadvantageous for the Group and therefore suspended all payments relative to said contracts.

  In consequence, Altran was served with a civil suit demanding the cancellation of the rental contracts and the return of all materials or suffer a penalty and pay damages and interest. Furthermore, in August 2012, the original rental company sued Altran for unilateral breach of a framework contract before the Commercial Court of Paris, demanding damages and interest, notably as compensation for loss in profit.

  Altran Technologies is contesting the legitimacy of these claims against it and has filed a complaint against the various parties. In view of the ongoing inquiry, the Commercial Court of Paris ruled a stay of proceedings on June 17, 2013 and again on June 2, 2015 in respect to the claims cited above.

Note 6 Off balance sheet commitments

6.1 Commitments given

(in thousands of euros)	Total	Executive Directors	Subsidiaries	Equity holdings	Related parties	Other
Rentals and office equipment leases	57,872	-	-	-	-	57,872
Guarantees	28,271	1,678	4,015	-	-	22,578
Swap/Cap/Tunnel	200,000	-	-	-	-	200,000
Factoring commitments	187,048	-	-	-	-	187,048
Other commitments: vehicle rental	7,093	-	-	-	-	7,093
Non-competition clauses	19	-	-	-	-	19

6.2 Commitments received

(in thousands of euros)	Total	Executive Directors	Subsidiaries	Equity holdings	Related parties	Other
None	-	-	-	-	-	-

Note 7 Post-closure events

There have been no events liable to have a significant impact on Altran Technologies' financial or commercial situation since the close of the 2016 financial year.

Note 8 Information on Group subsidiaries and holdings

Altran subsidiaries	Capital	Other Shareholder equity	Group share of equity holding (%)	Book value of investment		Loans & advances granted by Altran Technologies still outstanding	Guarantees provided by Altran Technologies	Latest-year net revenues	Latest-year net profit/ (loss)	Dividends received by Altran Technologies over the period
				Gross	Net					
Stakes of more than 50% in French subsidiaries *(in thousands of euros)*										
Altran Education Services	550	(799)	100.00%	3,063	1	-	-	1,526	(250)	-
Logiqual	37	431	100.00%	37	37	-	-	1,932	383	1,900
Altran Prototypes Automobiles	20	(5)	100.00%	54	15	-	-	0	(3)	-
Altran Participations	37	101	100.00%	37	37	-	-	0	(2)	900
GMTS	200	4,832	80.00%	160	160	711,813	-	0	33,104	-
Altran Allemagne	10	(96)	100.00%	10	0	-	-	0	(94)	-
Altran Lab	20,000	6,829	100.00%	23,762	23,762	2	-	45,619	3,788	-
Altran Connected Solutions	10,000	4,106	100.00%	9,993	9,993	(10)	-	7,427	(203)	-
OXO	118	324	100.00%	3,077	3,077	1	-	3,764	(279)	-
Altran Participations 1	1	(2)	100.00%	1	0	-	-	0	(2)	-
Altran Participations 2	1	(2)	100.00%	1	0	-	-	0	(2)	-
Stakes of less than 50% in French subsidiaries *(in thousands of euros)*										
R2I	-	-	-	16	0	-	-	-	-	-

Altran subsidiaries	Capital	Other Shareholder equity	Group share of equity holding (%)	Book value of investment		Loans & advances granted by Altran Technologies still outstanding	Guarantees provided by Altran Technologies	Latest-year net revenues	Latest-year net profit/ (loss)	Dividends received by Altran Technologies over the period
				Gross	Net					
Foreign subsidiaries – *(IFRS standards in thousands of respective currency)*										
	Currency	*Currency*		*Euros*	*Euros*	*Euros*	*Currency*	*Currency*	*Currency*	*Euros*
Altran Innovación (Spain)	2,000	108,910	100.00%	84,142	84,142	3,250	-	190,027	12,628	3,250
Altran Belgium (Belgium)	62	48,461	99.84%	31	31	-	-	72,256	5,143	7,987
Altran UK Holding (UK)	22,500	3,884	100.00%	32,927	32,927	-	-	5,643	3,112	-
Altran Italia (Italy)	5,000	77,593	100.00%	70,305	70,305	-	-	218,343	20,171	13,000
Altran Sverige (Sweden)	596	119,903	100.00%	12	12	-	-	526,992	23,877	2,605
Altran (Switzerland)	1,000	11,325	100.00%	2,397	2,397	-	-	38,408	968	2,758
Altran International (The Netherlands)	125,000	28,313	100.00%	124,998	124,998	-	-	0	3,458	-
Altran Norge (Norway)	250	4,517	100.00%	2,350	2,350	-	-	24,070	(8,462)	-
Altran Telnet Corporation (Tunisia)	360	820	50.00%	400	400	-	-	0	149	-
Altran Australia (Australia)	0	0	100.00%	0	0	-	-	0	0	-
Altran Middle East (UAE)	50	(7,907)	30.00%	3	3	2,915	-	16,566	(435)	-
Altran US (US)	100,300	(10,251)	100.00%	90,352	90,352	-	-	56,108	(9,505)	-
Stakes *(in thousands of euros)*										
CQS	-	-	-	1	0	13	-	-	-	-

20.4 Verification of the financial statements

The Statutory Auditors Reports on the consolidated financial statements of the Altran group and the annual financial statements of Altran Technologies are presented in appendix 2 of the present Registration Document.

20.5 Latest financial information

None.

20.6 Intermediary and other financial information

20.6.1 Q1 2016 revenue press release published April 28, 2016

Accelerated growth in Q1 2016: +10.5% to €522m, with 6% organic growth

The Altran group's consolidated revenues amounted to €522.4m in Q1 2016 versus €472.8m in Q1 2015, implying a +10.5% reported growth and an organic growth [1] of +6% (+6.2% economic growth [2]) over the period.

Commenting on the Group's Q1 2016 revenues, Altran Chairman and Chief Executive Officer Dominique Cerutti declared: "*Altran has achieved an excellent first quarter, generating record revenues. The organic growth of the Group is very strong, we are gaining market shares, notably in France, and we can see the dynamism of our activity in most countries where we operate. I am especially pleased to record this performance while intensively implementing the execution of our plan* Altran 2020. Ignition."

Quarterly trends in Group revenues are as follows:

(in millions of euros)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Revenues, excluding contributions from companies acquired and/or divested (A)	455.1	463.3	449.8	496.2	499.8
Contribution of companies acquired and/or divested (B)	17.7	18.4	20.4	24.3	22.6
TOTAL REVENUES (A)+(B)	**472.8**	**481.7**	**470.2**	**520.5**	**522.4**

By geographic zone, the Group's Q1 2016 organic growth of 6% breaks down as follows:

- France: +6.8%, notably thanks to the automotive, the aeronautics and the health industries;
- Southern Europe: +11.2%, with a continued dynamism of our operations in Italy, Spain and Portugal;
- Germany: -8.9% (-7.1% of economic growth). This performance marks the first step in the revenues turnaround compared to the -18% evolution recorded in Q4 2015 (-16.5% in 2015), and is in line with the action plan we previously presented. This trend should continue in Q2 2016 with positive organic growth;
- Northern Europe (excluding Germany): +3.2%;
- Rest of the World: +23.1%.

(1) Organic growth = like-for-like growth at constant exchange rates.
(2) Economic growth = organic growth restated for the change in the number of working days.

Trends in invoicing rate

The Group's invoicing rate in Q1 2016 remained stable on the Q1 2015 level of 86.7%.

Trends in staff levels

As of March 31, 2016, the total headcount of the Group stood at 26,681 employees, up 746 new staff members compared with December 31, 2015, mainly spread between Southern Europe, France, Morocco and India.

Outlook

Based on the information currently at its disposal, Altran expects 2016 to be another year of profitable growth.

20.6.2 H1 2016 revenue press release published July 28, 2016

Publication of H1 2016 revenues

Strong growth in H1 2016: +11% to €1,058m, with +8% organic growth

The Altran group's consolidated revenues amounted to €1,057.6m in H1 2016 versus €954.5m in H1 2015, implying a 10.8% reported growth and an organic growth of 7.9% (6.2% economic growth) over the period.

This performance results from a reported growth of 11.1% (9.6% organic growth) in the second quarter, higher than the already sustained growth of the Group in the first quarter (6.0%).

Commenting on the Group's H1 2016 revenues, Altran Chairman and Chief Executive Officer Dominique Cerutti declared: *"The first half of 2016 was a very intensive period for Altran with the first major steps of the* Altran 2020. Ignition *strategic plan. The growth we have registered this semester confirms the dynamism of the market and the relevance of our new positioning. This excellent performance has been achieved while our teams are accelerating the execution of our Strategic Plan in several domains, from strategic acquisitions announced in July such as Synapse and Lohika in the United States, to the deployment of our World Class Centers or the industrialization of our Delivery Centers. This pace of transformation confirms our ability to achieve all the objectives of the* Altran 2020. Ignition *strategic plan."*

Quarterly trends in Group revenues are as follows:

(in millions of euros)	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Revenues, excluding contributions from companies acquired and/or divested (A)	463.3	449.8	496.2	499.8	523.6
Contribution of companies acquired and/or divested (B)	18.4	20.4	24.3	22.6	11.6
TOTAL REVENUES (A)+(B)	**481.7**	**470.2**	**520.5**	**522.4**	**535.2**

By geographic zone, the Group's H1 2016 organic growth breaks down as follows:

- France: +8.7% (+6.4% economic growth), confirming the growth dynamics of the automotive, aeronautics and health industries;
- Southern Europe: +11.9% (+10.8% economic growth);
- Northern Europe: +2.5% (+1.1% economic growth). The Group stabilized its organic growth in Germany during Q2 2016;
- Rest of the World: +17.4% (+16.4% economic growth).

Trends in invoicing rate

The invoicing rate of the Group in Q2 2016, at 87.2% (+0.5% compared with the Q1 2016 level), remained stable compared with the same period last year.

Trends in staff levels

As of June 30, 2016, the total headcount of the Group stood at 27,150 employees, compared with 26,681 at the end of March 2016 and 23,908 a year ago.

Outlook

Based on the information currently at its disposal, Altran expects 2016 to be another year of profitable growth.

20.6.3 H1 2016 results press release published September 8, 2016

Strong growth and sharp rise in profitability

- Revenues: €1,057.6m (+11%)
- Operating income on ordinary activities: €92.0m (+28%)
- Net income: €51.6m (+36%)

Commenting on the Group's H1 2016 results, Altran Chairman and Chief Executive Officer Dominique Cerutti declared: *"Altran experienced an excellent first half of 2016, both in terms of business growth and increased profitability. We are especially proud to report this strong performance, as it was achieved while actively transforming our Group, as per our* Altran 2020. Ignition *strategic plan. Combined with the recently finalized acquisitions of two US companies, Lohika and Synapse, which endows the Group with new strategic assets for its future development, these results reinforce our ambition with determination to meet our strategic objectives for 2020."*

(in millions of euros)	H1 2016	H1 2015	%
Revenues	**1,057.6**	**954.5**	**+10.8%**
Gross margin	285.2	256.7	+11.1%
As a % of revenues	*27.0%*	*26.9%*	-
Overheads	(193.2)	(184.6)	+4.7%
Operating income on ordinary activities	**92.0**	**72.1**	**+27.6%**
As a % of revenues	*8.7%*	*7.6%*	-
Other non-recurring operating income and expenses	(10.7)	(10.7)	-
Amortization of customer-relationships and other intangible assets	(2.1)	(2.2)	-
Operating income	**79.2**	**59.2**	**+33.8%**
Financial income/(expenses)	(6.4)	(3.9)	-
Tax (expenses)/ income	(21.2)	(17.2)	-
Net income	**51.7**	**38.1**	-
Minority interests	(0.1)	(0.1)	-
Net income attributable to Group	**51.6**	**38.0**	**+35.8%**
EPS *(in euros)*	0.30	0.22	-

Results

Altran reported H1 2016 **revenues** of €1,057.6m vs €954.5m in H1 2015 (up 10.8%), representing organic growth (1) of 7.9% and economic growth (2) of 6.2%.

The Group's **gross margin** stood at €285.2m, representing 27.0% of revenues vs. the prior year's level of 26.9%. This stability is consistent with the trend observed in invoicing rates, which remained at a level comparable to last year's.

Indirect costs as a percentage of revenues fell to 18.3% in H1 2016 vs. 19.3% in H1 2015, on the back of a very tight cost management over this period of strong business growth.

The Group's **operating income** on ordinary activities (EBIT) came in at €92.0m, representing 8.7% of revenues, or a 110bps increase compared to H1 2015 when the EBIT (at €72.1m) was 7.6% of revenues.

The Group's **non-recurring expenses** remained at H1 2015 levels of €10.7m, and are largely attributable to restructuring charges in Germany and Benelux (€5.8m vs. €6.9m last year), acquisition charges (€1.7m) and other expenses.

Thanks to these favorable elements, the Group's net income increased from €38.0m at end-June 2015 to €51.6m in H1 2016, representing a growth of almost 36%.

Cash and debt

Altran significantly reduced its days sales outstanding (DSO) levels to 83.3 days vs. 90 days in June 2015.

The Group's WCR recorded an increase in H1 2016 due in part to its seasonal business cycle but above all to a sharp rise in organic growth in H1 2016 (+7.9%), which further accelerated in Q2 2016 (+9.6%).

(1) Organic growth = like-for-like growth at constant exchange rates.
(2) Economic growth = organic growth restated for the change in the number of working days.

At the end of H1 2016, the Group's free cash flow [1] was -€37m vs. -€25m at end-June 2015.

The Group's net debt came out at €208m in H1 2016, versus the year-earlier level of €212m and €138m at end-December 2015.

At the end of H1 2016, the Group had available cash of €423m, vs. €383m at end-June 2015.

Acquisitions of Synapse and Lohika

Over the summer period, Altran finalized (closing) the strategic acquisition of two companies based on the US West coast: Synapse and Lohika, both fully aligned with implementation of the *Altran 2020. Ignition* strategic plan:

- the acquisition of Synapse allows the Group to accelerate the growth of Cambridge Consultants, which aims to have a global workforce of over 1,000 innovative product development specialists;
- with the integration of Lohika, the Group takes a new step towards positioning Altran as a leader in software engineering and R&D in North America;
- the United States is now the second largest business area for Altran, in keeping with the Group's objective of achieving €500m in revenues by 2020.

These combined capabilities will be offered to the Group's clients across the various sectors and regions where it maintains a presence, improving the Group's overall global value proposition.

Outlook

Based on the information currently at its disposal, Altran expects 2016 to be another year of profitable growth.

Additional information

The Group's Board of Directors met on September 7, 2016 to approve the H1 2016 financial statements. The Statutory Auditors have performed a limited review of the Group's H1 2016 and H1 2015 financial data.

20.6.4 Q3 2016 revenue press release published October 27, 2016

Strong growth path recorded in Q3 revenues:

+6.5% reported growth (+5.1% economic growth)

Invoicing ratio up 30bp

The Altran group reported revenues up +6.5% in Q3 2016 vs. Q3 2015, amounting to €501m. Economic growth [2] stands at +5.1%, a record for a third quarter, and organic growth [3] at +3.7% over the period.

Commenting on the Group's Q3 2016 revenues, Altran Chairman and Chief Executive Officer Dominique Cerutti declared: *"Once again, Altran turned in a very satisfying performance this quarter, with strong dynamics in France, Iberia and the UK, where the Group recorded economic growth rates above 5%. We are focused on delivering our* Altran 2020. Ignition *plan and the performance recorded this quarter bodes well for the future."*

(in millions of euros)	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Revenues, excluding contributions from companies acquired and/or divested (A)	449.8	496.2	499.8	523.6	479.0
Contribution of companies acquired and/or divested (B)	20.4	24.3	22.6	11.6	21.9
TOTAL REVENUES (A)+(B)	**470.2**	**520.5**	**522.4**	**535.2**	**500.9**

Geographic breakdown for Q3 2016 performance

- France: +4.6% (+5.8% economic growth), driven by the continued growth dynamics of the automotive, aeronautics and life sciences industries;
- Southern Europe: +5.6% (+7.4% economic growth), Iberia continuing its dynamics and Italy managing contextual business transition;
- Northern Europe: +4.8% (+1.3% economic growth), with significant sequential improvement in Germany, and turnaround on track;
- Rest of the World: +29.2% (+8.8% economic growth), with India continuing to show double digit economic growth.

(1) Free Cash-Flow = (EBIT + depreciation and amortisation) - exceptional costs - tax - capex +/- change in WCR.
(2) Economic growth = organic growth restated for the change in the number of working days.
(3) Organic growth = like-for-like growth at constant exchange rates.

In October, Altran announced the acquisitions of Benteler Engineering and Swell, rebuilding the Group's capacity and capabilities in Germany, and marking the beginning of the investment phase of its turnaround plan in this priority market. The closing of Benteler Engineering acquisition is expected to take place at the end of the year while the Company expects to be in a position to close the Swell acquisition shortly.

Trends in invoicing rate

The invoicing rate of the Group came in at 87.5% for Q3 2016 (compared with 87.2% at the same period last year).

Trends in staff levels

As of September 30, 2016, the Group's total headcount stood at 28,467 employees, compared with 27,150 at the end of June 2016, and 24,903 a year ago.

Outlook

Based on the information currently at its disposal, Altran expects 2016 to be another year of profitable growth.

20.6.5 Q4 2016 revenue press release published January 27, 2017

Excellent growth dynamic in Q4: +7.9% reported growth (+6.2% economic growth)

Record annual revenues, at €2.120bn: +9.0% reported growth (+5.8% economic growth)

The Altran group delivered consolidated revenues up 7.9% at €561.6m in Q4 2016, compared to €520.5m in Q4 2015. Both organic [(1)] and economic [(2)] growth were very strong at +4.5% and +6.2%, respectively.

Over the full year, Altran generated consolidated revenues of €2.120bn, up 9.0% year-on-year (FY2015 revenues: €1.945bn).

This performance comes as a result of acquisition momentum and sustained organic +5.9% and economic +5.8% annual growth.

Dominique Cerutti, Altran Chairman and Chief Executive Officer, declared: *"The fourth quarter is a reflection of both our strong achievements across geographies, and of initiatives taken to turn around our German operations, now yielding returns. I am delighted to report the strongest quarter ever for Altran, and outstanding economic growth out-stripping our* Altran 2020. Ignition *plan. I feel confident that we are well positioned to fully execute our Strategic Plan."*

Quarterly trends in Group revenues are as follows:

(in millions of euros)	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Revenues, excluding contributions from companies acquired and/or divested (A)	496.2	499.8	523.6	479.0	535.9
Contribution of companies acquired and/or divested (B)	24.3	22.6	11.6	21.9	25.7
TOTAL REVENUES (A)+(B)	**520.5**	**522.4**	**535.2**	**500.9**	**561.6**

Geographic breakdown of Q4 2016 performance

- France: +6.7% reported growth (+8.1% economic growth), driven by the continued growth dynamics of the automotive, aeronautics and life sciences industries;
- Southern Europe: +3.7% reported growth (+6.6% economic growth), with solid growth in all countries of the region;
- Northern Europe: +9.8% reported growth (+6.0% economic growth), with Germany returning to growth as expected (+9.3% reported growth), the UK and Scandinavia showing very good performance;
- Americas and Asia: +18.6% reported growth (-3.1% economic growth), with India showing double digit economic growth, and United States operations on a good path due to ongoing portfolio rationalization.

Note: the footprint of Altran in the US now exceeds €230m per year, taking into account the recent acquisitions, all the Group's operations in North America, and the gradual phase-out of the material re-sale legacy business.

(1) Organic growth = like-for-like growth at constant exchange rates.
(2) Economic growth = organic growth restated for the change in the number of working days.

Trends in invoicing rate

The invoicing rate in Q4 2016 reached 87.8%, compared with 87.6% in Q4 2015. Over the full year, the invoicing rate increased 10 basis points from 87.2% in 2015 to 87.3%.

Trends in staff levels

As of December 31, 2016, the total headcount of the Altran group stood at 29,106 employees, compared with 28,467 at end-September 2016 and 25,935 at end-December 2015. With recent acquisitions, the Group headcount now exceeds 30,000 employees.

Business update

In Q4 2016, the following key events are noteworthy:

- the signing of the acquisition of Pricol Technologies, an India-based engineering solutions provider, which will support the Group's expansion plan in North America, by further expanding the Group's *Industrialized GlobalShore*© delivery capabilities;
- the closing of the acquisitions of Swell and Benteler Engineering, both specialists of engineering services for the German automotive industry.

On the course of 2016, Altran completed or signed five bolt-on acquisitions (Synapse, Lohika, Swell, Benteler Engineering and Pricol Technologies) fully supporting our strategic imperatives. As a result, Altran is expecting the contribution of acquisitions to growth in 2017 to be well in excess of the 4.2% it achieved in 2016.

Outlook

Based on the information currently at its disposal, Altran expects 2017 to be another year of profitable growth.

20.7 Dividend payout policy

	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Number of shares	143,704,532	144,721,424	144,849,856	174,751,320	174,979,045	175,800,265
Dividend per share (excluding tax credit)	None	None	None	None	None	None
Total amount of dividends paid out	None	None	None	None	None	None

20.8 Legal and arbitration proceedings

- Following the publication of several articles in Le Monde in October 2002, and the findings of an additional audit carried out by the Statutory Auditors which resulted in the rectification of the consolidated 2002 interim financial statements, the Paris Public Prosecutor's office opened a preliminary inquiry into the misuse of company assets as well as fraud, forgery and the dissemination of misleading information likely to influence the share price.

  The scope of the investigation was extended, firstly in June 2004 to include misrepresentation of financial accounts and thus failing to give a true picture of the Company's situation and then, a second time, in September 2004 to cover insider trading.

  Altran Technologies became a civil plaintiff in this investigation and was declared admissible by court order dated March 6, 2003. Within the context of this investigation, thirteen parties (individuals and corporate bodies) also filed a civil action in November 2004.

  Several former corporate officers and a manager of the Group were indicted. Altran Technologies was also indicted for fraud, use of forged documents and disseminating misleading information likely to influence the share price. This indictment did not affect the Company's civil claim for damages.

  The investigation was closed on January 7, 2009. In the order for referral delivered on November 29, 2011, the indicted parties (several former managers and the corporate body, Altran Technologies) were summoned to appear before the Paris Criminal Court. The hearings were held from January 15 to 31, 2014. By decision passed down on June 4, 2014, the court sent the affair back to the Paris Public Prosecutor's office with a view to appointing a new investigating judge.

By court order dated May 11, 2015, the Vice-President in charge of the investigation summoned all of the parties to appear before the Paris Criminal Court. The full hearings were held at the end of November and the beginning of December 2016. On December 14, 2016, the prosecution called for suspended prison sentences and the payment of fines (notably €225k in the case of Altran) on the counts of forgery and falsification. In light of the law dated June 21, 2016 applying to the non-accumulation of administrative and criminal proceedings, the prosecution considered that public prosecution had been extinguished with regard to the offense of spreading false or misleading information.

Judgment has been fixed for March 30, 2017.

All of the above-mentioned proceedings concern events that took place in 2001 and 2002.

- In January 2011, a former employee brought legal action against Altran Technologies before the Commercial Court of Paris. Dismissed by Altran in 1999 for professional misconduct, the plaintiff filed a joint action with three associates in the company he had formed after his dismissal. They are claiming compensation for having to postpone the flotation of their company because of criminal proceedings, taken by Altran against the former employee and for which he has since been acquitted. The judgment passed down on July 7, 2014, dismissed the claims of the employee, who has subsequently lodged an appeal. After having his case dismissed a second time by the Court of Appeal in a judgment handed down on September 29, 2016, the former employee lodged an appeal with the Supreme Court of Appeal *(Cour de cassation)*.
- Altran Technologies was sued by a number of staff members and/or former employees who were demanding payment of overtime.

  After having been rejected at the first hearing, a number of the plaintiffs had their claims upheld by a Court of Appeal in Toulouse in September 2014. On November 4, 2015, the Supreme Court of Appeal upheld the decision handed down by the Court of Appeal.

  In light of the situation created by the decision of the Supreme Court of Appeal and of the risks incurred by the Company with regard to all of its employees who benefit from an individual 38.5hr/week agreement, and notwithstanding the fact that Altran considers the hours-per-week package agreed with its employees to be perfectly valid, the Company has had no choice but to accept that all its employees will henceforth be subject to the common law governing the length of the working week (no hourly package per week, strict application of the 35 hour week, with no ceiling for the number of days worked and thus no extra rest days – DNW (Days Not Worked)).

  However, in order to find a satisfactory solution for its employees, Altran signed a collective agreement, on February 29, 2016, introducing, amongst other measures, a specific "Altran" working hours agreement package of 158 hours per month plus a maximum of 10 DNW per annum. This package has been proposed to all employees with remuneration below the annual social security ceiling (PASS), and subject to a 35-hour working week as of January 1, 2016 (as a consequence of the Supreme Court Decision).

  The decisions of the Toulouse Court of Appeal and the Supreme Court of Appeal have prompted around 1.000 referrals to the Labor Court (Conseil des prud'hommes) initiated by Altran staff members or former employees. The full hearings are to be held between January 2017 and September 2018. To date, the decisions handed down by the Labor Courts concerned have been completely contradictory.
- The Group is in dispute with several of its employees or former employees.
- A former corporate officer brought legal action against Altran Technologies for unfair dismissal. The court ruled a stay of proceedings.
- In March 2011, Altran Technologies concluded several contracts with a rental company and a printer manufacturer, for the supply of printing machines, as well as printing and maintenance services, (the printers being rented to Altran). The rental company solicited the services of a financing company to whom it sold the rental contracts drawn up with Altran Technologies. A similar contract was concluded for the supply of computers.

  Altran has every reason to believe that these contracts were entered into under conditions which were both suspect and disadvantageous for the Group and therefore suspended all payments relative to said contracts.

  In consequence, Altran was served with a civil suit demanding the cancellation of the rental contracts and the return of all materials or suffer a penalty and pay damages and interest. Furthermore, in August 2012, the original rental company sued Altran for unilateral breach of a framework contract before the Commercial Court of Paris, demanding damages and interest, notably as compensation for loss in profit.

  Altran is contesting the legitimacy of these claims against it and has filed a complaint against the various parties. In view of the ongoing inquiry, the Commercial Court of Paris ruled a stay of proceedings on June 17, 2013 and again on June 2, 2015 in respect to the claims cited above.

20.9 Significant changes in the Group's financial and commercial positions

There have been no events liable to have a significant impact on the Group's financial or commercial situation since the close of the 2016 financial year.

Additional information

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21.1 Share capital

Changes in share capital and rights attached to shares

All changes in the share capital and rights attached to the Company's shares are subject to governing regulations. The Company's by-laws do not contain any more restrictive clauses and conditions regarding such changes.

At December 31, 2016, the share capital of Altran Technologies stood at €87,900,132.50, comprising 175,800,265 fully paid up shares at a nominal value of €0.50, all of the same category.

Share capital

There were no changes in the Company's share capital in 2016.

Authorized, unissued share capital

Type of Authorization	Maximum amount (nominal value)	Duration	Date of expiry
Increase the share capital by incorporation of reserves, profits or premiums, and this by issuing new free shares or increasing the nominal value of the shares, or by a combination of the two	€15m	26 months from the April 30, 2015 Annual General Meeting	June 30, 2017
Increase the share capital by issuing shares and/or debt securities giving access to the Company's capital, with preferential subscription rights maintained ▮ Shares ▮ Other securities	€15m* €250m**	26 months from the April 30, 2015 Annual General Meeting	June 30, 2017
Increase the share capital by issuing shares and/or debt securities giving access to the Company's capital, without preferential subscription rights maintained, by way of a public offering launched on the shares of another listed company ▮ Shares ▮ Other securities	€7.5m* €112.5m**	26 months from the April 30, 2015 Annual General Meeting	June 30, 2017
Increase the share capital by issuing shares and/or debt securities giving access to the Company's capital without preferential subscription rights maintained, by way of offers referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code ▮ Shares ▮ Other securities	€7.5m* €112.5m**	26 months from the April 30, 2015 Annual General Meeting	June 30, 2017
Increase the share capital by issuing shares and/or debt securities giving access to the Company's capital, without preferential subscription rights maintained, by way of a public offering ▮ Shares ▮ Other securities	€7.5m* €112.5m**	26 months from the April 30, 2015 Annual General Meeting	June 30, 2017
Increase the share capital by issuing shares and/or securities giving access to the Company's capital, for the purposes of compensating contributions-in-kind ▮ Shares ▮ Other securities	€7.5m* €112.5m**	26 months from the April 30, 2015 Annual General Meeting	June 30, 2017
Authorization to grant subscription options or stock options without preferential subscription rights maintained to employees and/or companies belonging to the Altran group	3% of the number of shares comprising the share capital (this amount is to be deducted from the maximum amount for stock-option and/or subscription option attributions)	38 months from the April 30, 2015 Annual General Meeting	June 30, 2018
Authorization to freely allocate existing or to-be-issued shares, without preferential subscription rights maintained to employees and/or companies belonging to the Altran group	3% of the number of shares comprising the share capital	38 months from the April 29, 2016 Annual General Meeting	June 29, 2019
Authorization to freely allocate existing or to-be-issued shares, without preferential subscription rights maintained to corporate officers of the Company	3% of the number of shares comprising the share capital (this amount is to be deducted from the maximum amount for stock-option and/or subscription option attributions)	38 months from the April 29, 2016 Annual General Meeting	June 29, 2019

* This amount shall be included in the global €15m ceiling applied to several authorizations.

** This amount shall be included in the global €250m ceiling applied to issuances of securities giving access to the share capital.

As indicated below, and in section 20.3 (note 6.4) of the present Registration Document, the Altran Technologies Board of Directors exercised the authority granted to it by the 2016 Annual General Meeting to freely allocated shares.

Potential share capital

Free shares

In 2015 and 2016, Altran Technologies implemented several new free-share plans, the main features of which are given in note section 20.3, note 5.4 of the present Registration Document.

The main characteristics of the Group's free-share plans maturing during the fiscal year or outstanding at December 31, 2016 are outlined in the table below:

	Free shares		
	2012 Outside France	2015	2016
Date of General Meeting	06/10/2011	06/01/2012	04/29/2016
Date of Board of Directors Meeting	01/31/2012	03/11/2015	06/01/2016
Total number of shares available for subscription or allocation on the date of attribution	232,500	291,959	519,395
o/w available to corporate officers	*0*	*0*	*0*
o/w available to the ten highest-paid employees	*0*	*116,750*	*192,986*
Balance at December 31, 2016	*0*	*116,750*	*174,891*
Definitive granting of free shares	01/31/2016	03/11/2019	06/01/2019
End of lock-in period for free shares	01/31/2016	03/11/2019	06/01/2019
Subscription price of options/reference share price *(in euros)*	€3.54	€8.53	€13.35
Valuation method used	Binomial	Binomial	Binomial
Number of shares available for subscription or allocation at 12/31/2015	143,438	281,959	0
Rights created in 2016	0	0	456,547
Rights forfeited in 2016	0	20,000	46,302
Rights granted in 2016	143,438	0	0
Number of shares available for allocation at 12/31/2016	0	261,959	410,245

Summary table

Type of potentially dilutive security	Date of rights allocation	Dilution potential at date of rights allocation	Instruments outstanding at Dec. 31, 2016	Dilution rate
Free shares	03/11/2015	291,959	261,959	0.15%
Free shares	06/01/2016	519,395	410,245	0.23%
TOTAL	**-**	**811,354**	**672,204**	**0.38%**

Share buybacks

The Combined Ordinary and Extraordinary Shareholders' Meeting on April 29, 2016, ruling under the quorum and majority conditions required for Ordinary General Meetings, resolved in the 18th resolution to terminate, with immediate effect, for the unused portion, the share buyback authorization granted by the Combined Ordinary and Extraordinary Shareholders Meeting on April 30, 2015, and to grant the Board of Directors the power, for a period of eighteen months, to buy back, exchange or transfer a maximum number of 10,000,000 Altran Technologies shares (equivalent to up to 6% of the Company's share capital at December 31, 2015) at a maximum purchase price of €15 per share. This share buyback authorization is granted for the purposes of:

- stimulating the market for Altran Technologies shares via a liquidity contract concluded with an investment services provider in accordance with the AMF ethical charter;
- granting stock purchase options to employees and/or corporate officers of the Altran Technologies group within the context of the stock-option plans implemented in accordance with Articles L. 225-179 et seq. of the French Commercial Code;
- allocating free shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code;

- issuing or exchanging shares when rights attached to securities giving access to the Company's share capital are exercised;
- retaining shares for subsequent payment or exchange purposes in the event of an external-growth, merger, spin-off or capital-contribution transaction;
- cancelling shares, subject to the adoption by the General Meeting of the twenty-third resolution in accordance with the terms and conditions specified therein or any another authorization of this kind.

At December 31, 2016:

- Altran Technologies owned 58,099 treasury shares within the framework of the Exane-BNP Paribas liquidity contract.

Within the context of a prior authorization, the Company concluded a liquidity contract with Exane Paribas in July 2011, in the amount of €2m. The purpose of this contract, which is still valid, is to enhance the liquidity of transactions, stabilize the price of Altran Technologies shares and prevent any swings in the share price not caused by market trends. During the 2016 fiscal period, 980,750 Altran Technologies shares were acquired at an average unit price of €12.12 and 983,202 shares sold at an average unit price of €12.18;

- Altran Technologies also owned 3,043,092 treasury shares. In 2016, the Board of Directors exercised the power granted to it by the Shareholders' General Meeting on April 29, 2016 to buy back shares and bought back 568,000 shares not included in the liquidity contract over the period.

Changes in the Company's share capital since March 25, 1998

Date	Operation	Change in number of shares	Nominal *(in euros)*	Amount of capital *(in euros)*	Share premium or additional paid-in capital *(in euros)*	Number of Company shares
March 25, 1998	Free shares	7,343,130	11,194,529.52	14,926,039.36	-	9,790,840
June 25, 1998	Merger of Altran International and cancellation of old shares	19,018	28,992.75	14,955,032.11	1,940,710.75	9,809,858
December 21,1999	Option exercise	195,236	297,635.36	15,252,667.48	3,207,021.03	10,005,094
December 21,1999	Conversion into euros	-	(5,247,573.48)	10,005,094.00	-	10,005,094
December 21,1999	Free shares	20,010,188	20,010,188.00	30,015,282.00	-	30,015,282
January 2, 2001	Two-for-one share split	30,015,282	30,015,282.00	30,015,282.00	-	60,030,564
January 2, 2001	Incorporation of retained earnings	30,015,282	15,007,641.00	45,022,923.00	-	90,045,846
December 31, 2001	OCEANE conversion	27	13.50	45,022,936.50	-	90,045,873
December 31, 2001	Option exercise	1,670,508	835,254.00	45,858,190.50	9,104,268.60	91,716,381
December 31, 2002	OCEANE bond conversion	21	10.50	45,858,201.00	-	91,716,402
December 31, 2002	Option exercise	1,917,729	958,864.50	46,817,065.50	11,352,955.68	93,634,131
December 23, 2003	Capital increase in cash	20,807,584	10,403,792.00	57,220,857.50	135,522,971.80	114,441,715
February 10, 2004	OCEANE bond conversion	147	73.50	57,220,931.00	-	114,441,862
March 9, 2004	OCEANE bond conversion	3	1.50	57,220,932.50	-	114,441,865
December 22, 2004	OCEANE bond conversion	230	115.00	57,221,047.50	-	114,442,095
December 23, 2004	OCEANE bond conversion	16	8.00	57,221,055.50	-	114,442,111
December 27, 2004	OCEANE bond conversion	16	8.00	57,221,063.50	-	114,442,127
December 27, 2004	OCEANE bond conversion	87	43.50	57,221,107.00	-	114,442,214
May 23, 2006	Capital increase reserved for employees	2,872,255	1,436,127.50	58,657,234.50	24,276,744.57	117,314,469
December 29, 2006	Capital increase linked to merger	1,768	884.00	58,658,118.50	-	117,316,237
July 26, 2007	Option exercise	596,029	298,014.50	58,956,133.00	1,472,191.63	117,912,266
October 31, 2007	Option exercise	289,034	144,517.00	59,100,650.00	713,913.98	118,201,300
February 4, 2008	Option exercise	37,070	18,535.00	59,119,185.00	91,562.90	118,238,370
June 2, 2008	Option exercise	38,367	19,183.50	59,138,368.50	94,766.49	118,276,737
July 29, 2008	Capital increase in cash	24,900,364	12,450,182.00	71,588,550.50	114,088,144.15	143,177,101
February 5, 2009	Option exercise	23,571	11,785.50	71,600,336.00	57,510.30	143,200,672
December 18, 2009	Option exercise	6,181	3,090.50	71,603,426.50	15,081.64	143,206,853

Date	Operation	Change in number of shares	Nominal *(in euros)*	Amount of capital *(in euros)*	Share premium or additional paid-in capital *(in euros)*	Number of Company shares
December 21, 2009	Free shares	371,240	185,620.00	71,789,046.50	-	143,578,093
December 21, 2009	OCEANE bond conversion	1,234	617.00	71,789,663.50	-	143,579,327
January 14, 2010	OCEANE bond conversion	1,114	557.00	71,790,220.50	-	143,580,441
February 2, 2010	OCEANE bond conversion	350	175.00	71,790,395.50	-	143,580,791
March 12, 2010	Option exercise	18,565	9,282.50	71,799,678.00	45,298.60	143,599,356
April 2, 2010	OCEANE bond conversion	63	31.50	71,799,709.50	-	143,599,419
May 4, 2010	OCEANE bond conversion	147	73.50	71,799,783.00	570.36	143,599,566
July 5, 2010	OCEANE bond conversion	285	142.50	71,799,925.50	1,105.80	143,599,851
August 3, 2010	OCEANE bond conversion	4	2.00	71,799,927.50	15.52	143,599,855
November 4, 2010	OCEANE bond conversion	32	16.00	71,799,943.50	124.16	143,599,887
December 2, 2010	OCEANE bond conversion	36	18.00	71,799,961.50	139.68	143,599,923
December 29, 2010	Option exercise	104,609	52,304.50	71,852,266	255,245.96	143,704,532
January 4, 2011	OCEANE bond conversion	4,020	2,010.00	71,854,276	15,597.60	143,708,552
March 3, 2011	OCEANE bond conversion	31	15.50	71,854,291.50	120.28	143,708,583
April 7, 2011	OCEANE bond conversion	107	53.50	71,854,345	415.16	143,708,690
July 5, 2011	OCEANE bond conversion	21	10.50	71,854,355.50	81.48	143,708,711
September 2, 2011	OCEANE bond conversion	105	52.50	71,854,408	407.40	143,708,816
December 21, 2011	Option exercise	831,608	415,804.00	72,270,212	2,029,123.52	144,540,424
December 21, 2011	Free shares	181,000	90,500.00	72,360,712	-	144,721,424
August 1, 2012	OCEANE bond conversion	2	1.00	72,360,713	7.76	144,721,426
December 31, 2012	Option exercise	128,430	64,215.00	74,424,928	481,612.50	144,849,856
May 6, 2013	Option exercise	78,516	39,258.00	74,464,186	294,435.00	144,928,372
May 6, 2013	OCEANE bond conversion	29,644,052	14,822,026.00	87,286,212	115,018,921.76	174,572,424
June 25, 2013	Option exercise	108,068	54,034.00	87,340,246	405,255.00	174,680,492
June 28, 2013	Option exercise	5,000	2,500.00	87,342,746	18,750.00	174,685,492
October 30, 2013	Option exercise	65,828	32,914.00	87,375,660	239,517.22	174,751,320
March 12, 2014	Option exercise	66,590	33,295.00	87,408,955	241,721.70	174,817,910
June 30, 2014	Option exercise	161,135	80,567.50	87,489,522.50	584,235.46	174,979,045
January 29, 2015	Option exercise	59,664	29,832.00	87,519,354.50	206,437.44	175,038,709
June 18, 2015	Option exercise	340,071	170,035.50	87,689,390	1,175,201.79	175,378,780
December 16, 2015	Option exercise	370,051	185,025.50	87,874,415.50	1,198,965.24	175,748,831
December 30, 2015	Option exercise	51,434	25,717.00	87,900,132.50	166,646.16	175,800,265

21.2 Deed of incorporation and Articles of Association

Date of incorporation and lifetime

Altran Technologies was created on February 14, 1970 until February 14, 2045, unless the Company is dissolved before this date or its life is extended beyond this date by law and the Company's Articles of Association.

Corporate purpose

At the Combined Ordinary and Extraordinary Shareholders' Meeting on June 23, 2009, Altran shareholders voted, in the 5th resolution, to alter the description of the Company's corporate purpose in order to make a more clear-cut distinction between the Group's various activities.

Article 3 of the Articles of Association now reads as follows:

"The Company's purpose is to exercise the following activities in France and abroad:

- technology and innovation consulting;
- organization and information systems consulting;
- strategy and management consulting;
- the design and marketing of software and/or software packages;
- component and equipment design, supply, production and/or distribution;
- provision of related support services including maintenance, human-resource consulting and/or training;
- more generally, all industrial, commercial, financial, movable or immovable activities that are, or could be, directly or indirectly associated with the activities included in the corporate purpose listed above or which are likely to facilitate their development and expansion."

Trade and Company registration

Trade and Companies Register number: 702 012 956 RCS Nanterre.

Company registration number (Siren): 702 012 956.

Company headquarters registration number (Siret): 702 012 956 00653.

Business activity code: 7112 B.

Shareholders' right to information

Pursuant to legal and regulatory dispositions, Shareholders can exercise their right to information at the Company's administrative headquarters.

Fiscal year

Altran Technologies' fiscal year runs from January 1 to December 31 of each calendar year.

Statutory allocation of earnings (Article 20 of the Articles of Association)

At least 5% of the Company's net annual earnings (less previous losses, if any) are first allocated to the legal reserve until this reserve reaches 10% of the Company's share capital.

The remainder, plus any retained earnings from previous years and minus any other reserve allocations required either by law or by the Articles of Association, constitutes the distributable earnings for the year.

Upon the recommendation of the Board of Directors, the Shareholders' General Meeting may decide whether or not to carry forward all or part of these distributable earnings to the next year, or to allocate them to the general and special reserves.

The remainder, if any, is then divided in full among the Company's shareholders.

At the General Meeting, shareholders may vote to allocate funds from available reserves. In this case, the specific reserves from which the funds are to be taken must be clearly indicated in the shareholders' resolution.

If necessary, an exception may be made to this Article for the allocation of earnings to a special employee profit-sharing reserve, pursuant to the legal conditions.

Upon the recommendation of the Board of Directors, the Shareholders' General Meeting may decide to carry forward all, or part, of the annual earnings to the next year, or to allocate all or part of the retained earnings to one or more reserves.

Dividend payout

The Annual General Meeting held to approve the Group's annual financial statements for the previous fiscal year may give shareholders the option to receive some or all of that year's payout in the form of cash or new shares issued, in accordance with the law. This option also applies to advance payments granted on dividends.

Shareholders may claim dividends up to five years after the dividend distribution date. After a period of five years, any unclaimed dividends become the property of the French Treasury Department, as required by law. No dividends have been claimed in the last five fiscal years.

General Shareholders' Meetings (Article 19 of the Articles of Association)

General Shareholders' Meetings are convened and deliberate under the conditions provided for by law.

These take place at Company headquarters unless another location is explicitly specified in the convening notice.

The Works Council may appoint two of its members to attend General Meetings. The opinions of these members must, at their request, be heard in connection with all resolutions requiring unanimous shareholder approval.

Shareholders may be represented by proxy at General Meetings by an authorized intermediary with a general voting mandate, having satisfied the criteria set forth in the 7th and 8th paragraphs of Article L. 228-1 of the French Commercial Code. Before casting the shareholder's vote or the proxy vote at the General Meeting, the authorized intermediary must, upon the request of the Company or the Company's agent, provide a list of the non-resident shareholders represented by proxy. This list must meet all the conditions required by the regulations in force. Votes or proxy votes submitted by an intermediary who is not declared as such or who does not disclose the identity of the shareholders represented will not be taken into account.

All shareholders may attend General Meetings, regardless of the number of shares owned, provided that their shares are fully paid up. All shareholders may vote irrespective of the number of shares owned, upon proof of identity and shareholder ownership, and providing that the number of shares held is recorded by the Company no later than midnight (Paris time), two working days before the General Meeting, as follows:

- registered shares are recorded under the name of the holder in the registered-share register held by the Company;
- bearer shares are recorded under the name of the intermediary acting on behalf of the shareholder in the bearer-share register kept by the authorized intermediary;
- if necessary, all information pertaining to the holder's identity must be submitted to the Company, in accordance with the dispositions in force. The recording of shares in the bearer-share register held by the authorized intermediary is attested to by a certificate of participation delivered by the intermediary in accordance with the applicable legal and regulatory dispositions. The right to participate in General Meetings is subject to the respect of the conditions laid down by the legislative and regulatory texts in force.

All shareholders may vote by mail. The conditions under which the voting-by-mail form may be obtained are indicated in the convening notice. Under French law, the conditions for a quorum at General Meetings depend on the type of meeting and the number of shares with voting rights attached. Votes submitted by mail will only be taken into account in the calculation of the quorum providing the Company receives the voting forms, correctly completed, within the time-frame specified by decree of the Council of State. Likewise, if they wish, shareholders may submit questions to be discussed at the meeting. All questions must be addressed in writing to the Board of Directors, in accordance with Article L. 225-108 of the French Commercial Code, and received by the Board of Directors within the legal deadline. Depending on the type of General

Meeting, the conditions for a majority are based on the number of voting rights attached to the shares owned by the shareholders present, represented, or voting by mail. Any undeclared shares belonging to one or more shareholders failing to meet the disclosure requirements stipulated in Article L. 233-7 of the French Commercial Code will be deprived of their voting rights attached to the number of undeclared shares upon the request of shareholders owning at least 5% of the Company's shares. This request will be recorded in the minutes of the General Meeting.

The Chairman of the Board of Directors, or the Vice-Chairman in the Chairman's absence, presides over General Meetings. If neither is available, a Director will be specially delegated by the Board of Directors to preside over the meeting. Failing this, the President will be elected by the members of the meeting.

The Board of Directors may decide, when convening the Shareholders' Meeting, to broadcast the entire meeting through video-conferencing or any other authorized remote transmission system, including Internet. In this event, the decision will be stated in the notice of meeting published in the French official legal announcement bulletin (BALO). If the Board of Directors so decides, all shareholders may participate in General Meetings, via video-conferencing or other remote transmission systems, including the Internet, in accordance with the legislative and regulatory directives in force at that time of broadcasting. In this event, the decision will be stated in the Notice of Meeting published in the BALO.

The minutes of General Meetings are drawn up and the copies duly certified and delivered in accordance with the law.

Double voting rights (Article 9 of the Articles of Association)

Double voting rights were adopted by the Shareholders' General Meeting on October 20, 1986.

Each share in the Company carries one voting right. The number of votes attached to shares is proportional to the percentage of the Company's capital that the shares represent.

However, holders of registered shares (or their representatives) have double voting rights at Ordinary and Extraordinary General Meetings if the shares have been registered in their name for at least four years and are fully paid-up, or if the shares arise from the reverse stock split of fully paid-up shares that have been registered in their name for at least four years.

All shares converted to bearer shares or transferred to another shareholder lose the double voting rights mentioned above.

However, the cancellation of the mandatory four-year holding period and loss of double voting rights mentioned above does not apply in the case of share transfers resulting from an inheritance, the liquidation of spouses' jointly-owned assets, or an inter-vivo donation to a spouse or family member who is an entitled successor.

Share-ownership thresholds (Article 7 of the Articles of Association)

Pursuant to Articles L. 233-7 et seq. of the French Commercial Code, any shareholder acting alone or in concert who exceeds or falls below the thresholds of one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the Company's shares or voting rights, must inform the Company and the French Markets Regulator (the AMF) of the number of shares and voting rights held.

Any shareholder, acting alone or in concert, who exceeds the threshold of owning, directly or indirectly, 0.5% (or any multiple thereof) of the Company's shares, voting rights, or securities giving access to the Company's share capital, must notify the Company, within five days of breaking through the threshold, by registered letter with return receipt stating the total number of shares, voting rights, or securities giving access to the Company's share capital that it holds either alone or in concert, directly or indirectly.

Failure to comply with these regulations will result in the suspension of voting rights attached to the undeclared shares. The suspension of voting rights will be applied at all Shareholders' Meetings held during the two year period following the date of regularization of the aforementioned notification, if the application of this sanction is requested by one or more shareholders owning a minimum of 5% of the capital or voting rights of the Company. This request will be recorded in the minutes of the General Meeting. Intermediaries, authorized in accordance with paragraph 7 of Article L. 228-1 of the French Commercial Code, are bound, without prejudice to the obligations of the shareholder, to make the appropriate declarations in accordance with the present Article for the entire number of shares that he or she has recorded in the register. If this obligation is not respected, sanctions provided for under Article L. 228-3-3 of the French Commercial Code will be applied.

Any shareholder, acting alone or in concert, whose capital stake or voting rights cross below, or break through, any one of the thresholds mentioned in the second part of the present paragraph, must notify the Company within five days.

Identifiable bearer securities (Article 7 of the Articles of Association)

In order to facilitate shareholder identification, the Company may ask its settlement agent for the information outlined in Article L. 228-2 of the French Commercial Code.

Material Contracts

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At the time the 2016 Registration Document was filed, the only material contracts concluded by the Group, other than those entered into during the normal course of business, were the refinancing agreements referred to in sections 4.2 “Liquidity risk” and 20.3.1 “Consolidated Financial Statements at December 31, 2016” of the present Registration Document.

Third-party information, expert statements, and declarations of interest

23

None.

Documents made available to the public

24

Altran financial press releases are distributed to the press (agencies and newspapers). All Company financial information (press releases, presentations, reports, etc.) is available on the Group's website: *http://www.altran.com.*

Financial press releases issued since January 1, 2016

Publication	Date
Publication of Q4 2015 revenues	January 28, 2016
Publication of 2015 results	March 10, 2016
Publication of Q1 2016 revenues	April 28, 2016
Shareholders' Annual General Meeting	April 29, 2016
Publication of Q2 2016 revenues	July 28, 2016
Publication of H1 2016 results	September 8, 2016
Publication of Q3 2016 revenues	October 27, 2016
Publication of 2016 revenues	January 27, 2017
Publication of 2016 results	March 9, 2017

Investor calendar

Publication	Date
Publication of Q1 2017 revenues	April 28, 2017
Shareholders' Annual General Meeting	April 28, 2017
Publication of Q2 2017 revenues	July 28, 2017
Publication of H1 2017 results	September 7, 2017
Publication of Q3 2017 revenues	October 27, 2017

Information on equity holdings

25

All information pertaining to the Group's scope of consolidation is given in sections 7 and 20.3.1 (note 2) of the present Registration Document.

Appendix 1

A1

Chairman's Report at year ending December 31, 2016

In accordance with Article L. 225-37 of the French Commercial Code, this report lists the members of the Board of Directors (with a notable reference to the application of the principle of balanced representation of women and men on the Board), outlines the manner in which the work of the Board is prepared and organized, and provides an overview of the Company's internal-control and risk management procedures.

The present report was drawn up by the Chairman of the Board (who also exercises the role of Chief Executive Officer of the Company), with contributions from the Group's General Counsel and internal audit department.

This report was reviewed by the Audit Committee and approved by the Board of Directors on March 8, 2017. In accordance with Article L. 225-235 of the French Commercial Code, the Statutory Auditors have issued a report concerning internal-control and risk-management procedures implemented for the preparation and treatment of accounting and financial information contained in the Chairman's Report, and delivered a statement on the preparation of other information, as required under Article L. 225-37 of the French Commercial Code.

This report covers the following topics:

- the manner in which the work of the Board of Directors was prepared and organized during fiscal year 2016;
- the limitations imposed by the Board on the powers of the Chief Executive Officer and the Senior Executive Vice-President;
- the conditions of shareholder participation at General Meetings;
- the Group's internal-controls procedures, as well as its risk management and its accounting and financial information systems.

1. Preparation and organization of work carried out by the Board of Directors and its Special Committees

1.1. Corporate governance

On December 12, 2008, the Board of Directors adopted the AFEP-MEDEF Corporate Governance Code as the Company's reference code. Details of the AFEP-MEDEF Corporate Governance Code are available on the MEDEF website (*http://www. medef.com*).

The Board of Directors and its Committees are governed by the Board's internal set of rules of procedure outlining their specific purpose and way of functioning. The rules of procedures, initially adopted by the Board of Directors on July 25, 2008, were last updated on April 29, 2016.

The Articles of Association do not provide any specific guidelines concerning the participation of shareholders at General Meetings.

1.2. Rights and obligations of Directors

The main obligations of the Directors are defined in the Board's internal regulations specifying that all Directors:

- are bound by a strict code of professional confidentiality which is more than a simple obligation of discretion. This obligation also applies to Censors, staff representatives and all other persons invited to attend Board or Committee meetings;
- must attend all meetings of the Board of Directors, Committees of which they are members, and Shareholders' General Meetings;
- are required to devote the necessary time and attention to preparing meetings of the Board of Directors and the Committees of which they are members;
- are obliged to inform the Board of any existing or potential conflicts of interest and must abstain from voting on any related subjects;
- must be registered owners of a set number of Company shares throughout the duration of their mandate, as specified in the Articles of Association (i.e. one share). After due deliberation, the Board of Directors on March 12, 2014, fixed the required minimum level of stock ownership at 3,800 Company shares per Director. This obligation does not concern the Director(s) representing employees on the Board. This level is significant given the amount of attendance fees received, as provided by the recommendations of the AFEP-MEDEF Code.

A guide to the prevention of insider-trading, provided in an appendix to the Board of Director's internal regulations, lays down the rules of conduct for all Managers and Directors, as well as Company and Group employees having access to insider information or wishing to trade Company securities. The guide to the prevention of insider-trading stipulates trading restrictions for Company shares by specifying black-out periods during which Altran Technologies stock cannot be traded, and underscores the obligation to report all Company share transactions and notably those which Directors have to carry out.

By appointing Dominique Cerutti Chairman and Chief Executive Officer of the Company at the June 18, 2015 Board meeting, the Board of Directors maintained its decision not to separate the functions of Chairman from those of CEO in order to optimize the speed and efficiency of the decision making process.

The combining of Chairman and CEO roles shall be carried out in accordance with the procedures and rules of balanced governance, notably with respect to:

- the presence of Independent Directors on the Board and each of its Committees, with the chairs of the Audit Committee and the Committee of Appointment and Remuneration held by Independent Directors, in compliance with the recommendations set forth in the AFEP-MEDEF Code;
- balanced relations between General Management and the Board, underpinned by limitations imposed on the powers of the Chief Executive Officer (see paragraph 1.8);
- an annual assessment of the composition, organization and functioning of the Board of Directors and its Committees to highlight any areas for potential improvement.

1.3. The Board of Directors

Since the June 30, 2008 Annual General Meeting, the Company has been administered by a Board of Directors, whose members are appointed by the Shareholders General Meeting for a period of four years. At December 31, 2016, the Board comprised twelve Directors: Dominique Cerutti, Chairman of the Board and Chief Executive Officer, Jean-Pierre Alix, Apax Partners (represented by Maurice Tchenio), Christian Bret, Martha Heitzmann Crawford, Sylvain Michel, Florence Parly, Nathalie Rachou, Gilles Rigal, Jacques-Étienne de T'Serclaes, Renuka Uppaluri and Thomas de Villeneuve.

Dominique Cerutti was appointed a Director of the Company at the Shareholders' General Meeting on June 18, 2015 and, on the same day, Chairman of the Board and Chief Executive Officer of the Group by the Board of Directors. In accordance with the notion of mandate rotation introduced at the April 29, 2016 Annual General Meeting, the mandates of Florence Parly, Apax Partners and Jacques-Étienne, de T'Serclaes are due to expire at the end of the Annual General Meeting held to approve the financial statements for the financial year ending December 31, 2016; those of Jean-Pierre Alix and Christian Bret at the end of the Annual General Meeting called to approve the accounts for year ending December 31, 2017; those of Nathalie Rachou and Thomas de Villeneuve at the end of the Annual' General Meeting called to approve the accounts for year ending December 31, 2018 and those of Martha Heitzmann Crawford, Renuka Uppaluri and Gilles Rigal at the end of the Annual General Meeting called to approve the accounts for year ending December 31, 2019.

The mandate of Sylvain Michel, Staff-Representative Director on the Board, is due to expire at the end of the Annual General Meeting held to approve the financial statements for the fiscal year ending December 31, 2017, in accordance with the Articles of the Company.

For the most part, the Directors are French, with the exception of Martha Heitzmann Crawford and Renuka Uppaluri, who are both American. The presence on the Board of Nathalie Rachou, who has been working in the UK for more than fifteen years, together with that of Martha Heitzmann Crawford and Renuka Uppaluri has heightened the international profile of the Board of Directors.

The Board of Directors has ensured that the Company is in compliance with (i) Article L. 823-19 of the French Commercial Code, stipulating that at least one independent member of the Audit Committee have the adequate financial and accountancy skills, and (ii) EC recommendation dated April 30, 2009 advocating that at least one member of the Appointment and Remuneration Committee be skilled and experienced in compensation strategies.

Excluding the Staff-representative Director, four of the Company's eleven remaining Directors of the Board are independent, in accordance with the all criteria laid down in chapter 8 of the AFEP-MEDEF Code and which are included in the internal regulations of the Board of Directors. Qualification for Independent-Director status is reviewed every year, in accordance with the recommendations set forth in the AFEP-MEDEF Code. On January 26, 2017, the Board of Directors, upon the recommendation of the Appointment and Remuneration Committee, confirmed the Independent-Director status of five of its members: Martha Heitzmann Crawford, Florence Parly, Nathalie Rachou, Renuka Uppaluri and Jacques-Étienne de T'Serclaes. None of these Directors are involved in any direct or indirect business relations with the Company or its Group.

At present, 45% of the Group's Directors are independent. This level does not comply with the AFEP-MEDEF recommendation of 50% Independent-Director representation on Boards in companies with fragmented capital structures and which do not have a controlling shareholder. Nevertheless, given that both the Audit Committee and the Appointment and Remuneration Committee are chaired by Independent Directors and that two thirds of the members of these Committees are also Independent Directors, this percentage does not prevent the correct functioning of the Board of Directors.

It is noted that on the basis of the Individual Director statements submitted, no conflicts of interest were recorded in 2016, in compliance with recommendations stipulated in the internal regulations of the Board of Directors.

At present, four women serve on the Board: Martha Heitzmann Crawford, Florence Parly, Nathalie Rachou and Renuka Uppaluri. Female representation on the Board, currently at 36%, will be increased to 40% at the end of the 2017 AGM.

At December 31, 2016, the Board of Directors was assisted by Henry Capelle in his capacity as Censor. While Censors have access to the same information as Directors and can take part in Board meetings they have no voting rights.

Jean-Christophe Durieux represents the Works Council at Board meetings, in accordance with Article L. 2323-65 of the French Labor Code to this effect.

1.4. Functioning of the Board of Directors

The Board-of-Directors' internal regulations as well as the applicable legal rules of procedure and the Company's Articles of Association provide the guidelines for the functioning of the Board. Following the modification made to the internal regulations on October 30, 2013, the internal rules of procedure of each of the Special Committees are now included in the internal regulations of the Board-of-Directors.

The internal regulations are divided into ten sections, the principle elements of which are:

- the composition of the Board (number of Directors, Director mandate-duration and age limit, as well as Independent-Director status and Censors, etc.);
- the functioning of the Board (meetings, agenda, administration and subjects for deliberation);
- the role of the Board of Directors;
- Director compensation;
- assessment of work carried out by the Board;
- information concerning the Directors and the Censor;
- the prevention of insider trading;
- Special Committees (composition and duties);
- Director duties;
- confidentiality.

1.5. Work achieved by the Board of Directors in 2016

The Board of Directors meets as often as is required in the interests of the Group. In 2016, it met ten times with an attendance rate of 92%.

The main points reviewed by the Board of Directors in 2016 were:

- a review of the 2016-2020 Strategic Plan implementation;
- reviews of Board-of-Director activity reports, the state of the Company's businesses and subsidiaries, management forecasts and the Group's budget;
- quarterly revenue performances, the 2015 full-year and the 2016 interim financial statements, as well as the preparation of the Shareholders' General Meeting;
- the implementation of the share buyback plan;
- authorizations granted with respect to pledges, security deposits and guarantees;
- Company governance reorganization of the Board's Committees to integrate the Directors appointed on April 29, 2016;
- corporate-officer compensation and the allocation of free-shares;
- review and follow-up of the Group's external-growth projects and reorganization;
- progress reports on the work carried out by the Board's Special Committees (Audit Committee, Investments and Acquisitions Committee, and Appointment and Remuneration Committee) and the Statutory Auditors.

The Directors also reserved one day to hold a strategic seminar for the Board of Directors.

1.6. Assessment of work carried out by the Board and the Committees

Every year, the Board of Directors carries out a survey to assess its functioning, composition and organization. At the January 26, 2017 meeting, the Directors reviewed the feedback on the Board's evaluation survey. This survey revealed that in all but one area, the composition and functioning of the Board meet the requirements of the AFEP-MEDEF Code. Findings of the survey also showed that the Board and its Committees function well, are dynamic and extremely efficient. Specific improvement areas included Director-mandate rotation, increase of the percentage of Independent Directors on the Board (raised to 45%) and of the number of women Directors on the Board, as well as obtention of a greater diversity of professional profiles and nationalities among Board members.

With respect to the individual participation of each Director in the work carried out by the Board, the members found this to be satisfactory with regard to the level of Director attendance at Board and Committee meetings, and the quality of their contributions in Board and Committee debates on subjects under their review.

1.7. Special Committees

To improve the functioning of the Board and prepare the grounds for the decisions it makes, the Board of Directors has set up three Special Committees; the Audit Committee, the Appointment and Remuneration Committee and the Investments and Acquisitions Committee. The regulations applying to each Committee, which figure in the Board of Directors' internal regulations, notably define the objectives of the Committees and the way in which they function. A detailed report of the work carried out by these different bodies is presented at Board meetings. The Committees can also issue non-binding written or oral recommendations to the Board of Directors.

The Audit Committee

The Audit Committee comprises four Directors, three of whom are Independent Directors, in compliance with the recommendations set forth in the AFEP-MEDEF Code and the Board of Director's internal regulations. Two members of the Audit Committee are chartered accountants.

The members of the Audit Committee are:

- Nathalie Rachou: Independent Director and Committee Chairman (since April 29, 2016);
- Jean-Pierre Alix : Director;
- Martha Heitzmann Crawford: Independent Director (since April 29, 2016);
- Jacques-Étienne de T'Serclaes: Independent Director and Committee Chairman (until April 29, 2016).

The purpose of the Audit Committee is to assist the Board of Directors with respect to the accuracy and reliability of the consolidated and annual financial statements, as well as to oversee the quality of internal controls and the financial information communicated to the shareholders and to the market. The Committee reviews the annual and interim consolidated financial statements and notably assesses the relevance and continuity of the accounting principles and regulations used in drawing up the accounts. In addition, the Committee ensures that the procedures used for the elaboration of financial data are respected.

The Committee monitors the efficiency of internal controls and risk management, examines the risks that could have a major impact on the Group's accounting and financial information, and gives its opinion on the organization of the internal audit department, the work carried out and its work plan.

In addition, the Committee monitors the regulatory controls applying to the statutory audit of the consolidated and annual financial statements, ensures that the rules governing the independence of the Statutory Auditors are respected, and gives its opinion on Auditor choices, duties, fees and scope of intervention, as well as on the accounting calendar.

The Audit Committee may consult external chartered accountants if needs be providing that they are competent and independent.

In 2016, the Audit Committee met six times with an attendance rate of 94%. The Executive Vice-President and CFO, as well as the Internal Audit Director (depending on the agenda) and the Statutory Auditors take part in Audit Committee meetings.

Before every Audit Committee meeting, preparatory sessions are held enabling Committee members to exchange their views on the documentation received and review the items on the agenda.

All relevant documentation is dispatched at least three days before meetings to allow Committee members enough time to examine the accounts. In view of the travelling constraints of three of its members who live abroad, Audit Committee meetings are generally held in the morning of the same day as Board meetings, rather than two days before as recommended in the AFEP-MEDEF Code. At the beginning of these meetings, the members of the Audit Committee meet with the Statutory Auditors, without any management officials being present.

In 2016, the main points examined by the Audit Committee were:

- the 2015 annual and the 2016 interim and quarterly financial statements;
- the latest accounting-related items and their impact on Group accounts;
- income-tax and deferred-tax management, as well as risks related to major litigation issues;
- the preparation procedures for the elaboration of the Group's financial statements;
- the Company's cash and debt position and overview of acquisitions carried out;
- internal-audit work plans and findings;
- review of Statutory-Auditor independence and fees;
- analysis of the results of the tender procedure organized for the mandate expiry of one of the Group's Statutory Auditors and one of its substitute Statutory Auditors, and the proposed decision of the Board;
- review of the Chairman's Report on internal controls for 2015.

The Audit Committee reviewed the present report for the first time at the Committee meeting held on March 8, 2017 at which time it also examined the 2016 annual financial statements.

The Appointment and Remuneration Committee

The Appointment and Remuneration Committee comprises four members, three of which are Independent Directors, in compliance with provisions of the AFEP-MEDEF Code:

- Florence Parly: Independent Director and Committee Chairman;
- Martha Heitzmann Crawford: Independent Director (since April 29, 2016);
- Gilles Rigal: Director;
- Jacques-Étienne de T'Serclaes: Independent Director.

Since the Committee deals with appointments and remuneration, the Staff-representative Director cannot be a member but is systematically invited to attend meetings that deal with the subject of remuneration.

The Appointment and Remuneration Committee examines all candidate applications for Board-membership and corporate-officer mandates. The Committee drafts succession plans for executive officers that are submitted to the Chairman for his advice, defines the procedure for selecting future Independent Directors and carries out background checks on potential candidates before actually approaching them. The Appointment and Remuneration Committee reviews the qualification criteria for Independent-Director status every year.

The Committee advises the Board on the subject of executive-officer compensation, notably regarding the amount of fixed compensation and the rules determining variable components, by ensuring that these rules are consistent with the annual performance appraisals of corporate officers and Company strategy, and by overseeing the annual application of these rules. To calculate executive-officer compensation, the Committee takes into account the following criteria: the completeness of, and the balance between, the different compensation components, as well as the benchmark, coherence and intelligibility of the rules and method of assessment. The Committee submits its opinion on the overall envelope of attendance-fees and how this is to be distributed among Board members. The Committee also makes recommendations concerning free-share plans and employee profit-sharing schemes.

The Chairman and Chief Executive Officer is involved in the work carried out by the Appointment and Remuneration Committee relative to appointments, but, like all corporate officers, is excluded from debates concerning remuneration.

In 2016, the Committee met three times, with an attendance rate of 100%.

The Committee submitted recommendations to the Board concerning the principles and rules used to determine Director compensation (fixed, variable and long term) and reviewed the compensation components of the members of the Executive Committee.

In addition, the Committee:

- laid out the characteristics of free-share plans allocated to Group employees who are not corporate officers;
- reviewed the Board's Independent-Director situation in relation to the recommendations set forth in the AFEP-MEDEF Code;

- organized the succession of the Chairman and Chief Executive Officer in the event of his unexpected departure;
- proposed the Director-mandate rotation schedule;
- identified Director candidates and submitted their names to the Board;
- examined the resolutions related to say-on-pay issues submitted for shareholder approval in 2016.

Investments and Acquisitions Committee

The Investments and Acquisitions Committee comprises five members:

- Dominique Cerutti, Director and Committee Chairman;
- Christian Bret: Director;
- Gilles Rigal: Director;
- Renuka Uppaluri: Independent Director (since April 29, 2016);
- Thomas de Villeneuve: Director.

The purpose of the Investments and Acquisitions Committee is to put forward recommendations concerning the main strategic policies of the Group in order to foster the development of its existing activities, as well as its new activities both in France and abroad. The Committee assesses Company strategy with regard to internal growth (debt and equity growth) acquisitions and strategic partnerships, as well as prospective investments and divestments that could have a significant impact on the Group.

In 2016, the Committee met ten times, with an attendance rate of 94%.

In 2016, the Investments and Acquisitions Committee examined a number of external-growth projects and carried out the strategic monitoring of several potential company acquisitions, before submitting the projects to the Board of Directors.

1.8. Limitations to the power of the Chief Executive Officer and the Senior Executive Vice-President

The General Management of the Company is ensured by Dominique Cerutti, appointed Chairman and Chief Executive Officer by the Board of Directors on June 18, 2015. By doing so, the Board of Directors maintained its decision not to separate the functions of Chairman from those of CEO (see paragraph 1.2 above).

The Board decided not increase the legal and regulatory limitations on the Chairman's power beyond those applying to operations and decisions requiring the approval of the Board, as specified in the internal regulations of the Board (notably concerning operations on the capital, securities issues, allocation of stock options and free share plans, mergers, acquisitions, disposals and financing projects).

Likewise, the Articles of Association do not stipulate any additional restrictions.

At the Board meeting on October 28, 2011, Cyril Roger was appointed Senior Executive Vice-President of the Company. The Board of Directors limited Mr. Roger's powers to Southern Europe (France, Italy, Spain and Portugal) on December 20, 2011. It extended his authority a first time to include the Middle-East at the March 13, 2013 Board meeting and a second time to all of Europe on October 28, 2015.

2. Internal controls and accounting and financial information systems

The Group has adopted the guidelines laid down by the AMF as the framework for its internal-controls system and for the preparation of this Registration Document.

The internal-controls system defined by the Company and implemented under its responsibility aims to ensure:

- compliance with the laws and regulations in force;
- implementation of the instructions and directives given by General Management;
- the correct functioning of the Group's internal procedures, notably those related to the security of its assets;
- the reliability of financial information.

The internal-controls system thus enables the Group to monitor its activities, optimize its operations and use its resources efficiently.

By helping to anticipate and keep a check on the risks that could prevent Altran from achieving its objectives, the internal-control system plays a key role in enabling the Company to conduct and monitor its different activities.

Like any other control system, however, it can monitor risks to a certain extent but, under no circumstances, can it guarantee total risk control.

In accordance with the AMF internal-controls reference framework, internal-control systems require the following components:

- an organizational structure with clearly defined responsibilities, access to adequate resources and skills, and which is supported by appropriate procedures, means of functioning, information systems, tools and practices;
- the internal distribution of relevant and reliable information enabling those involved to exercise their responsibilities;
- a system designed to (i) identify and analyze the main risks related to the Company's objectives and (ii) ensure that the procedures needed to manage these risks are in place;
- control activities corresponding to the specific implications of each procedure and which are designed to limit related risks that could prevent the Company from attaining its objectives;
- the permanent monitoring of the internal-control system and regular assessment of its functioning to allow for the modification of the internal-controls tool if necessary.

To ensure the continued reinforcement of internal controls within the Group, Altran has progressively set up the structures and undertaken specific measures necessary to define its internal-control procedures and ensure their application throughout all the Group's subsidiaries, as well as to standardize and strengthen the security of the IT systems used in the direct treatment of accounting and financial information.

2.1. Organization, IT systems and procedures

2.1.1. Organization

Group governance is ensured by the Board of Directors and the Executive Committee.

The members of the Executive Committee comprise:

- the Chairman and Chief Executive Officer;
- the Senior Executive Vice-President in charge of Europe, and key accounts;
- the Executive Vice-President in charge of strategy and innovation, solutions and Group communications;
- the Executive Vice-President in charge of transformation;
- the Executive Vice-President and CFO;
- the Executive Directors of Germany, Spain, the US, France and Italy.

In addition, the Altran Management Committee is made up of members of the Executive Committee, the Executive Directors of the Group's Geographies, Industries and Solutions divisions, as well as Group Directors who report directly to the Chairman and Chief Executive Officer, or one of his Executive Vice-Presidents in charge of Human Resources, communications, general secretariat functions and organization, and IT systems.

2.1.2. Information systems

In February 2016, Altran implemented the vertical integration of its Information Systems at the Group level. The IT department Heads of regional subsidiaries report directly to the Group's IT department and, at the operating level, to local management.

Within the context of the Group's strategic plan, *Altran 2020. Ignition*, the information systems department is organized, at the global level across eight regions, around five axes of competency: Information Security, Infrastructures, Enterprise Corporate Applications, User Support, Wealth and Operational Performance Management.

For each of these axes, a new manager has been appointed and a transformation project implemented.

In 2016, the Group pursued its enterprise application roll-out program, with the deployment of tools in several areas, including: the roll-out of the business management tool, ERP (Enterprise Resource Planning) in France, Scandinavia, Switzerland and Belgium; the completion of the Customer Relationship Management application, except in North America where CRM roll-out is scheduled for 2017; the further deployment of Consultant Competency Management applications and their assignment to ERM projects, as well as the ATS (Application Tracking Systems) recruitment management tool. In addition, three new programs were implemented: the global deployment of immersive collaboration solutions, as well as, personal printing and the ISO 27001 certification of important client segments.

2.1.3. Procedures

The efficiency of Altran corporate governance, both at the Group and operating-entity levels, depends on the extent to which the internal-control procedures are respected.

Framework for key controls and self-assessment

The key processes within this framework, which is updated every year, identify the areas of potential risk which, if they were to become a real threat, would trigger the control mechanism and thus ensure the effective management of risk.

Based on this internal-control framework, the Group introduced an annual self-assessment survey for all of its operating entities. This helps raise the awareness of Altran subsidiaries to the key control concepts, to better assess risks and to adhere to a continuous improvement plan to achieve Group objectives.

The Internal Audit analyzes the self-assessment questionnaires completed by the Directors of the Group's entities, as well as its human resources departments, Project Managers and IT heads, and draws up specific plans of action on the basis of its findings.

Procedures used in the elaboration of accounting and financial information

Altran has implemented a rigorous set of procedures to ensure the efficient management of accounting and financial monitoring (budgets, reporting, consolidation, management control and results communication). These procedures are designed to generate financial information that is reliable and compliant with legal and regulatory specifications and the Group's own standards, as well as to protect its assets.

The procedure developed by the Group to prepare accounts is based on a set of rules that guarantee the reliability and accuracy of the financial statements.

This procedure is completed by notes and instructions from the Group's financial department on specific subjects, such as the accounting calendar (closing dates), methods for intra-Group reconciliation, specific points related to complex subjects, control procedures to be implemented for consolidated financial-statement preparation, and new internal procedure implementation, etc. These notes are sent to the subsidiaries at the end of each closing period.

The Group's Corporate Accounting Methods Guide outlines the main accounting principles employed within the Group, and the accounting methods used to treat the most important operations.

The Group uses a combined consolidation/reporting tool, BFC, for the treatment of financial information. This ensures transfer reliability and regularity as well as the exhaustiveness of the data processed. The subsidiaries prepare individual financial statements that are consolidated at the Group level, with no sub-level consolidation.

All of these procedures have been updated and developed and are available on the "CFO Book" Intranet site, together with the accounting calendar, engagement rules, best practices, the internal-control framework, and other reference documents. This is available to the finance teams of the Group's subsidiaries.

Under the aegis of the management control department, Altran operating managers are involved in the preparation of the Group's budget which is based on strategic recommendations passed down by General Management. Individual budgets of the Group's regional markets are reviewed every quarter on the basis of a reporting standard and in conjunction with the Executive Committee, notably to assess and control the risks most likely to have an impact on the elaboration of accounting and financial information published by the Company. Full-year guidance is reviewed and updated three times a year by General Management.

Other Group procedures

With regard to authorized commitments, Altran defines the level of commitments approved for all Group entities. The operating scope of these commitments covers all activities: business proposals, contracts, staff management, transport costs and other management operations. A review of these regulations is carried out every year and communicated to all of the entities in the Group.

Since end-2010, the Project Appraisal Committee (PAC) carries out weekly reviews of offers and contracts presenting a certain level of risk, either quantitative (in terms of revenues), or qualitative (related to the nature of the business, notably in terms of commitments and specific constraints). This Committee is made up of representatives of the financial and legal departments as well as the Programs & Innovation divisions and the Executive Directors concerned by the dossiers presented and acts under the aegis of the Executive Committee.

The formalization of procedures also included project management tools in a dedicated support tool: the Blue Book.

2.2. Distribution of information within the Group

A page dedicated to internal-control procedures on the Altran Intranet site gives the Group's employees and its operational and functional managers real-time access to the Company's internal-control procedures specified In the CFO Book. On a wider scale, all Altran staff members have access to a dedicated Intranet site designed to facilitate communication and pool information.

Specific notes and instructions related to the preparation of the financial statements ensure the transfer of reliable and accurate accounting and financial information and are communicated to Group subsidiaries at financial closings.

The reporting system used by all of the Group's operating entities to communicate operating performances as well as accounting and financial data on a monthly, quarterly and yearly basis, provides General Management and the operating and functional departments with reliable and accurate information.

2.3. Risk management

The internal audit department draws conclusions from the work it performs during the year as well as that carried out by the external Auditor and helps identify the Group's major risks.

During the annual self-evaluation survey carried out by the internal audit department of the internal controls (see 2.1.3.), all entity and financial Directors, project managers and heads of human resources are asked to indicate the five major potential risks facing their entities.

In addition, the internal audit department carries out risk-assessment interviews with the Executive-Committee members and head-office Directors.

Annual changes in risk trends are taken into account in the Internal Audit plan to provide reasonable assurance that the risk control procedures in effect are adequate.

The main identified risk factors and risk-management procedures are described in section 4 of the present Registration Document. Due to its business sector, Altran does not anticipate regulatory risks or physical charges associated with climate changes that could have significant financial consequences for the Group.

2.4. Control procedures

The operating and functional departments implement the appropriate controls designed to meet Group objectives.

The reporting systems implemented throughout the Group to communicate budget, operating, accounting and financial information are designed to provide an efficient control of the activities of the Group's entities and their respective managements.

The budget is discussed at the operating and general-management levels, and is based on the strategic focus adopted by General Management.

Accounting and financial information controls are carried out via consolidation and reporting procedures. These controls may be implemented automatically via the combined consolidation/reporting tool, BFC, or via analyses carried out by the different divisions of the financial department.

A review of the fiscal situation in the countries where Altran operates is centralized by the Group's tax department which coordinates the preparation of tax returns while respecting the fiscal regulations and legislation in force.

2.5. Permanent internal-control monitoring

The Board of Directors

The Board of Directors helps monitor the internal controls, notably in terms of the work carried out and the progress reports submitted by the Special Committees. It also approves the financial statements, reviews and endorses the budget and strategic dossiers, and guarantees the correct functioning of the corporate bodies and the governance rules of the Company.

The Audit Committee

The Audit Committee is regularly informed on the development of the Group's internal-control framework. It approves the work plans drawn up for the annual internal audit, reviews the main conclusions of the internal audit once completed and notably examines risks and significant off-balance sheet commitments.

General Management

Internal controls are set up by management under the aegis of General Management which helps to define the internal-control system that is best adapted to the Company's situation and activities, and to implement and monitor the internal-control tool. In this context, General Management is regularly informed of any operating difficulties (malfunctions, inadequacies, main incidents observed, etc.) and work carried out by the Internal Audit so that it can pass this information on to the Board and undertake the necessary remedial action.

The Internal Audit

The role of the internal audit department is two-fold: to assess internal-control functions and perform the operational audit for the purposes of enhancing the efficiency of operations and improving performance.

The internal audit department is accountable to the Audit Committee, the Chairman of the Board of Directors as well as to the Executive Vice-President and CFO regarding the functioning of internal controls and recommends measures to improve internal-control procedures.

On the basis of the audit results, recommendations are put forward to improve the internal-control procedures and operating efficiency of the processes audited. Based on these recommendations, plans of action are implemented by the Management Boards of each subsidiary. Their application is monitored by the internal audit department which, in turn, communicates its findings to the Audit Committee.

In addition to these tasks, the internal audit department organizes an annual self-assessment survey designed to evaluate the internal-control procedures of the Group's subsidiaries.

The External Audit

Regarding external controls, as part of their mission to certify financial statements of Altran, the Group's Statutory Auditors, Deloitte & Associés and Mazars, perform controls to enhance the quality of the financial statements. In this context, no significant weaknesses in the internal controls were identified concerning the procedures used for the preparation and treatment of the Group's accounting and financial information.

Deloitte & Associés and Mazars are the Statutory Auditors for all of the entities in the Group's scope of consolidation for which an audit is legally required. They also provide an accounting review of the entities that are not bound by this legal requirement. Since Altran uses both of these Statutory Auditors for all of its operating entities, their findings can be easily communicated back to the Group. The work of the Statutory Auditors involves numerous exchanges with the Audit Committee, as well as the Group's financial and internal-audit departments.

Dominique Cerutti

Chairman of the Board of Directors

Appendix 2

A2

Statutory Auditors' Reports

Statutory Auditors' Report on the annual financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2016 on:

- the audit of the accompanying financial statements of Altran Technologies;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the annual financial statements

We conducted our audit in accordance with professional practice standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves examining, by way of sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the annual financial statements. An audit also involves assessing the accounting principles used and significant estimates made, as well as assessing the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities, as well as the financial situation and results of the Company at December 31, 2016, in accordance with French accounting regulations.

II. Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following items:

- Goodwill is subject to annual impairment testing according to the procedures described in note 2.3.3 to the annual financial statements. We reviewed the methods used to implement this impairment test, checked the consistency of the assumptions adopted and verified that the note provides an appropriate disclosure.
- Equity investments are assessed in accordance with the procedures described in note 2.5 to the annual financial statements. Our work consisted in assessing the estimates made and assumptions used to value the equity investments, and in verifying that the note provides an appropriate disclosure.
- Provisions for contingencies and losses shown in the balance sheet were valued in accordance with the procedures described in note 2.9 to the annual financial statements. Our assessment of these provisions is based, in particular, on an analysis of the processes set up by management to identify and assess the risks.
- Provisions for retirement benefits were valued in accordance with the procedures described in note 2.10 to the annual financial statements. We verified the consistency of the assumptions used to value these liabilities and verified that the note provides an appropriate disclosure.

As indicated in note 2.2 to the annual financial statements, these estimates, assumptions or assessments were prepared on the basis of information available or situations existing at the date of the preparation of the accounts and may prove different from actual events in the future.

These assessments were performed as part of our audit approach for the annual financial statements taken as a whole and contributed to the expression of our opinion given in the first part of this report.

III. Specific verifications and disclosures

We have also performed the specific verifications required by law in accordance with professional practice standards applicable in France.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information provided in the Board of Directors' Management Report and in the documents addressed to the shareholders with respect to the Company's financial position and the annual financial statements.

With respect to disclosures regarding the compensation and benefits paid to Directors and commitments made in their favor, pursuant to Article L. 225-102-1 of the French Commercial Code, we have verified their consistency with the financial statements and the data used to prepare these financial statements and, where applicable, with the information collected from companies controlling your company, or controlled by your Company. Based on our work, we certify the accuracy and fairness of such information.

Pursuant to the law, we have verified that the Management Report contains the appropriate disclosures as to the information relating to the acquisition of participating and controlling interests as well as to the identity of shareholders and voting rights holders.

La Défense and Neuilly-sur-Seine, March 9, 2017

The Statutory Auditors

Mazars	**Deloitte & Associés**
Jean-Luc Barlet	Philippe Battisti

Statutory Auditors' Report on the consolidated financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2016 on:

- the audit of the accompanying consolidated financial statements of Altran Technologies;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional practice standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves examining, by way of sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also involves assessing the accounting principles used and significant estimates made, as well as assessing the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial situation and results of the Group at December 31, 2016 in accordance with the IFRS standards as adopted by the European Union.

II. Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following items:

- Goodwill is subject to annual impairment testing according to the procedures described in note 1.8 to the consolidated financial statements. We reviewed the methods used to implement these impairment tests, checked the consistency of the assumptions adopted for the preparation of the business plans used to perform them and verified that the note provides an appropriate disclosure.
- Deferred tax assets were analyzed according to the procedures described in note 1.19 to the consolidated financial statements. We reviewed the methods adopted to implement this analysis, checked the consistency of the assumptions used to assess these deferred tax assets and verified that the note provides an appropriate disclosure.
- Current and non-current provisions for contingencies and losses shown in the balance sheet were valued in accordance with the accounting policies described in note 1.16 to the consolidated financial statements. Our assessment of these provisions was based, in particular, on the analysis of the processes set up by management to identify and assess the risks.
- Long-term employee benefits were valued in accordance with the procedures described in note 1.17 to the consolidated financial statements. We checked the consistency of the assumptions used to assess these liabilities and verified that the note provides an appropriate disclosure.

As indicated in note 1.5 to the consolidated financial statements, these estimates, assumptions or assessments were prepared on the basis of information available or situations existing at the date of the preparation of the accounts and may prove different from actual events in the future.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion given in the first part of this Report.

III. Specific verification

Pursuant to the law and in accordance with professional practice standards applicable in France, we also verified the information relating to the Group presented in the Management Report.

We have no matters to report as to its fairness and consistency with the consolidated financial statements.

La Défense and Neuilly-sur-Seine, March 9, 2017

The Statutory Auditors

Mazars	**Deloitte & Associés**
Jean-Luc Barlet	Philippe Battisti

Statutory Auditors' Special Report on Regulated Agreements and Commitments

To the Shareholders,

As your Company's Statutory Auditors, we hereby present our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on the information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of any agreements and commitments previously approved by the Shareholders' General Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. These procedures consisted in verifying the concordance of the information provided to us with the relevant source documents.

Regulated agreements and commitments submitted for the approval of the Shareholder's General Meeting

Agreements and commitments authorized during the financial year

We hereby inform you that we have not been advised of any regulated agreements or commitments authorized in the past fiscal year requiring approval of the Shareholder's General Meeting pursuant to Article L. 225-38 of the French Commercial Code.

Regulated agreements and commitments previously approved by the Shareholders' General Meeting

Regulated agreements and commitments authorized in previous financial years and which remained in force in 2016

Pursuant to Article R. 225-30 of the French Commercial Code, we hereby report to you that the following regulated agreements approved by the Shareholders' Meeting prior to 2016, remained in force during the year.

Framework contract relative to the operating lease of computer hardware and associated services

On March 9, 2016, the Board of Directors authorized a second amendment to the framework contract concerning all operating lease agreements for the rental of computer hardware (PCs and licenses) and the provision of services to the Group, via the finance company, Econocom Group.

The contractual package comprises a framework agreement for the international leasing contract, as well as specific contracts for the member countries included in this framework agreement. These specific membership contracts include rental agreements (general and particular conditions) and services agreements (general and particular conditions).

The purpose of this second amendment, authorized by the Board of Directors on March 9, 2016, was to extend the duration period of the framework contract running from November 1, 2015 to October 31, 2016 and to modify the global annual investment ceiling authorized by the lessor.

Purpose of the agreement:

The interests of this agreement are two-fold, and notably include:

- the international presence of the Econocom Group which should help standardize the PC supply within the Group;
- the supply of PC distribution and management.

Financial terms:

The amount of the global investment ceiling authorized by the lessor for the 12-month period is €8m for the Group following the authorization of this second amendment granted by the Board of Directors on March 9, 2016.

In addition to the global ceiling, individual investment ceilings are indicated by the lessor in the individual membership contracts.

The Econocom Group billed your Company a net amount of €2,849,797.59 for services provided within the context of these contracts in 2016.

Company officer involved:

Christian Bret, a Director of both Altran Technologies and Econocom. This regulated agreement will not be cited in the conventions and agreements for the fiscal year ended December 31, 2017 following the expiry of Mr. Bret's mandate as Director of the Econom Group in May 2016.

La Défense and Neuilly-sur-Seine, March 9, 2017

The Statutory Auditors

Mazars

Jean-Luc Barlet

Deloitte & Associés

Philippe Battisti

Statutory Auditors' Report (prepared in accordance with Article L. 225-235 of the French Commercial Code) on the Report of the Chairman of the Board of Directors of Altran Technologies

To the Shareholders,

In our capacity as the Statutory Auditors of ALTRAN TECHNOLOGIES and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our Report on the Report prepared by the Chairman of your Company for the financial year ended December 31, 2016, in accordance with Article L. 225-37 of the French Commercial Code.

The Chairman is responsible for preparing, and submitting for the approval of the Board, a report describing the internal-control and risk- management procedures implemented by the Company and containing the other disclosures required by Article L. 225-37 of the French Commercial Code notably those related to corporate governance.

Our responsibility is to:

- communicate to you any observations we may have as to the information contained in the Chairman's Report and relating to the Company's internal-control and risk-management procedures relative to the preparation and processing of financial and accounting information; and
- certify that the Report includes the other disclosures required under Article L. 225-37 of the French Commercial Code. It should be noted that we are not responsible for verifying the fairness of these other disclosures.

We have performed our work in accordance with the professional standards applicable in France.

Information relating to the Company's internal-control and risk-management procedures relative to the preparation and processing of financial and accounting information

Our professional standards require the application of procedures designed to assess the fair presentation of the information contained in the Chairman's Report and relating to the Company's internal-control and risk-management procedures relative to the preparation and processing of financial and accounting information.

These procedures mainly involve:

- obtaining an understanding of the underlying internal-control and risk-management procedures relative to the preparation and processing of financial and accounting information presented in the Chairman's Report, and of existing documentation;
- obtaining an understanding of the work performed as a basis for preparing that information and the existing documentation;
- determining whether or not all major internal-control weaknesses related to the preparation and processing of financial and accounting information identified by us during the course of our engagement have been appropriately disclosed in the Chairman's Report.

On the basis of the procedures performed, we have nothing to report on the information relating to the Company's internal-control and risk-management procedures relative to the preparation and processing of the financial and accounting information contained in the Report of the Chairman of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We hereby certify that the Report of the Chairman of the Board of Directors includes the other disclosures as required under Article L. 225-37 of the French Commercial Code.

La Défense and Neuilly-sur-Seine, March 9, 2017

The Statutory Auditors

Mazars	Deloitte & Associés
Jean-Luc Barlet	Philippe Battisti

Independent third party Report on consolidated human resources, environmental and social information published in the Management Report

To the Shareholders,

In our capacity as independent third-party members of the Mazars network, the Statutory Auditors of Altran Technologies, and accredited by the French National Accreditation Body, COFRAC[1] under number 3-1058, we hereby present our report on the consolidated human-resources, environmental and social information (hereinafter referred to as "CSR Information") provided in the Management Report prepared for the year ended December 31, 2016, pursuant to Article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

The Board of Directors of Altran Technologies is responsible for preparing a Management Report including the CSR Information required under Article R. 225-105-1 of the French Commercial Code, in accordance with the Company's reporting criteria (hereafter referred to as the "Reporting Framework") which is summarized in the Management Report and available on request at Company headquarters.

Independence and quality control

Our independence is defined by regulatory texts, the professional Code of Ethics and the provisions set forth in Article L. 822-11 of the French Commercial Code. In addition, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with rules of ethics, professional standards issued by the National Institute of Statutory Auditors, *Compagnie nationale des commissaires aux comptes*, and applicable legal texts and regulations.

Independent third-party responsibility

Based on our work, our role is to:

- attest that the required CSR Information is disclosed in the Management Report and that an explanation is provided if any information has been omitted, in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of Completeness of the CSR Information);
- express limited assurance that, on the whole, the CSR Information is presented fairly, in all material respects, in accordance with the Reporting Framework adopted (Reasoned Opinion on the Fairness of CSR Information).

Our work was carried out by a team of 5 people over a period of roughly 10 weeks between the end of November 2016 and the beginning of March 2017.

We conducted the work described below in accordance with the professional standards applicable in France and the legal order dated May 13, 2013 (determining the methodology used by independent third-party bodies while carrying out missions) and with regard to the reasoned opinion on the fairness of CSR information in accordance with the international ISAE 3000 standard[2].

I. Attestation of completeness of the CSR Information

Through interviews carried out with the heads of the departments concerned, we became acquainted with the strategic direction that the Group is taking, in terms of sustainability, concerning the human-resources and environmental impacts of the Company's business, its social commitments and, where applicable, the subsequent actions and programs undertaken.

We compared the CSR Information presented in the Management Report with the list provided in Article R. 225-105-1 of the French Commercial Code.

In cases of omission of certain consolidated information, we verified that an explanation was provided in accordance with the provisions laid down in paragraph 3 of Article R. 225-105 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, including the Company and its subsidiaries as defined under Article L. 233-1 of the French Commercial Code and the companies that it controls as defined under Article L. 233-3 of the French Commercial Code, subject to the limits set forth in the section on Methodology presented in Chapter 9.9.20 "Methodology" of the Management Report.

Based on our work, and taking into account the limitations mentioned above, we attest that the required CSR Information has been disclosed in the Management Report.

II. Reasoned opinion on the fairness of CSR information

Nature and scope of procedures

We conducted approximately ten interviews with the persons responsible for the preparation of CSR Information obtained from the departments in charge of the process of gathering information and, where applicable, for internal-control and risk-management procedures. Within this context our mission was to:

- assess the appropriateness of the Reporting Framework with respect to its relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where applicable, the sector's best practices;
- verify the implementation of a process designed to collect, compile, process and check the CSR Information that reflects its completeness and consistency, and which provides an understanding of the internal-control and risk-management procedures used to compile the CSR Information.

We determined the nature and extent of our tests and controls according to the nature and importance of the CSR Information in relation to the characteristics of the Company, the human-resources and environmental challenges of its business, its strategic sustainable-development priorities, and the best practices specific to the industry.

(1) Scope of Cofrac accreditation available on the Cofrac website: www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

Concerning the CSR information that we considered to be most important[(1)]:

- at the level of the consolidated entity and the Group's CSR communications department, we consulted source documents and conducted interviews to corroborate qualitative information (organization, policies, actions), implemented analytical procedures on quantitative information, verified by way of sampling techniques, data calculations and consolidation, and checked the coherence of our findings and their concordance with other information contained in the Management Report;
- at the level of a representative sample of Group entities and departments, selected[(2)] on the basis of their activity, contribution to consolidated indicators, location, and a risk analysis; we conducted interviews to verify the proper application of procedures and carried out substantive tests using sampling techniques to verify the calculations performed, and reconcile the data with supporting documentation.

This sample represents 42% of the Group's total workforce and between 19% and 43% of its quantitative environmental information.

Regarding other consolidated CSR Information, we assessed their degree of fairness and consistency based on our knowledge of the Company.

Lastly, in the event of a total or partial omission of certain information, we assessed the relevance of the explanations provided.

We believe that the sampling methods and sample sizes we used to exercise our professional judgment enabled us to formulate a conclusion providing limited assurance; a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques, and other limits inherent in all information and internal-control systems, the risk of failing to detect the presence a material misstatement in the CSR Information cannot be completely ruled out.

Conclusion

Based on our work, we did not identify any material misstatements causing us to call into question the fact that the CSR Information, taken as a whole, has been fairly presented, in all material respects, in accordance with the Reporting Framework.

La Défense, March 9, 2017

Independent third-party responsibility

Mazars

Jean-Luc Barlet
Associate

Edwige Rey
CSR & Sustainable Development Associate

(1) **Human-resources information:** Total headcount and breakdown of workforce by gender and age; Recruitment and redundancies; Breakdown of headcount by type of employment contract and number of working hours per week; Total number of lost days and absentee rate; Percentage of employees covered by a collective agreement; Number of collective agreements signed during the fiscal year; Number of occupational injuries and illnesses; Number of hours worked; Total number of training hours.

Environmental information: Paper consumption; Energy consumption in buildings; Number of kilometres travelled by plane; Number of business flights, Company-car fuel consumption; Number of business trips by rail; Number of kilometres travelled by train.

(2) **Social information:** France (Altran Technologies, Altran Education Services, Altran Connected Solutions, Altran Lab, Oxo); Spain (Altran Innovacion, Agencia de Certification Innovation Española) for training, lost days and number of occupational injuries; Portugal (AltranPortugal) for headcount numbers and recruitment and redundancy rates.

Environmental information: France (all sites); The UK (Cambridge).

Appendix 3

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Statutory Auditors' fees

(in thousands of euros)	Mazars				Deloitte & Associés			
	Amount (net)		(%)		Amount (net)		(%)	
	2016	2015	2016	2015	2016	2015	2016	2015
Audit								
Statutory audits, certification, validation of corporate and consolidated financial statements [(a)]	868	991	86%	88%	916	772	62%	99%
Altran Technologies	*425*	*426*	-	-	*427*	*478*	-	-
Subsidiaries	*443*	*565*	-	-	*489*	*294*	-	-
Other duties and services directly related to Statutory Auditor missions [(b)]	138	140	14%	12%	572	10	38%	1%
Altran Technologies	*42*	*55*	-	-	*14*	*10*	-	-
Subsidiaries	*96*	*85*	-	-	*558*	*0*	-	-
Sub-total (I)	**1,006**	**1,131**	**100%**	**100%**	**1,488**	**782**	**100%**	**100%**
Other services rendered to subsidiaries	-	-	-	-	-	-	-	-
Legal, taxation, social [(c)]	-	-	-	-	-	-	-	-
Other [(d)]	-	-	-	-	-	-	-	-
Sub-total (II)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL = (I) + (II)	**1,006**	**1,131**	**100%**	**100%**	**1,488**	**782**	**100%**	**100%**

(a) Audit services include all services billed by the Statutory Auditors for auditing consolidated year-end financial statements, as well as the services provided by these auditors as required under legal or regulatory provisions or with regard to the Group's commitments. These notably include the review of the interim financial statements of the Company and its subsidiaries.

(b) Other Statutory Auditors' services involve, for example, consultations concerning accounting standards applicable with regard to the publication of financial information and due diligence requirements for acquisitions.

(c) Taxation consultations include all services billed related to fiscal-regulation compliance and tax advice on actual and potential transactions, as well as payroll processing for expatriated employees and the analysis of transfer prices.

(d) Other services include (i) the provision of HR consulting on matters such as cost management, and (ii) asset valuation for the purpose of disposals, in accordance with the provisions set forth in Article 24 of the Code of Ethics.

Appendix 4

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Appendix 4.1 – Registration Document cross-reference table

The cross-reference table below refers to the main articles required under European Commission Regulation (EC) no. 809-2004. Note that the structure of the Group's Registration Document follows the order specified in Annex I of said regulation.

Assets, financial situation and results	
Group performances	Pages 34 to 38
Consolidated financial statements and appendix	Pages 108 to 157
Off-balance sheet items	Page 153
Corporate governance	
Composition and functions of the Board of Directors	Pages 65 to 80
Composition and functions of Committees	Pages 209 to 211
Executive Officers	Pages 83 to 88
Ten highest paid non-managerial staff members (options awarded and exercised)	Page 96
Related-party agreements	Page 218
Recent trends and outlook	
Recent trends	Pages 61 to 62
Outlook	Page 63

Appendix 4.2 – Cross-reference table with Annual Financial Report

The present Registration Document contains all the information in the Financial Report in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and as required under Article 222-3 of the General Regulations of the Autorité des marchés financiers (AMF). The elements of the Financial Report are listed in the table below.

Information	Registration Document Pages
Annual financial statements	Pages 158 to 181
Consolidated financial statements	Pages 108 to 157
Statutory Auditors' Report on the annual financial statements	Pages 215 to 216
Statutory Auditors' Report on the consolidated financial statements	Page 217
Management Report	
– Analysis of the business trends, results and the financial situation of the Group and Altran Technologies	Pages 34 to 42
– Outlook and post-closure events	Pages 32 to 33
– Description of main risks and uncertainties	Pages 11 to 18
– Research and Development activity	Page 59
– Subsidiaries and equity holdings	Pages 28 and 41
– Information on the share capital, cross-shareholdings and treasury stock	Pages 98 to 99
– Employee share ownership	Page 95
– Stock-options	Pages 95 to 96
– Mandates and functions of corporate officers	Pages 67 to 80
– Compensation and benefits-in-kind paid to corporate officers	Pages 83 to 88
– All commitments made by the Company to its corporate officers	Page 89
– Human-resources, environmental and social information	Pages 43 to 56
Statutory Auditors' fees	Page 223
Chairman's Report on the manner in which the work of the Board is prepared and organized, as well as on internal-control procedures	Pages 207 to 214
Statutory Auditors' Report (prepared in accordance with Article L. 225-235 of the French Commercial Code) on the Chairman's Report	Page 219
Statutory Auditors' independent third party Report on consolidated human resources, environmental and social information published in the Management Report	Pages 220 to 221

Appendix 4.3 – Summary table: application follow-up of AFEP-MEDEF recommendations

AFEP-MEDEF recommendations		Non-compliance reasons
Percentage of Independent Directors serving on the Board of Directors	Article 9.2	At present, 45% of the Group's Directors are independent. This level does not completely comply with the AFEP-MEDEF recommendation of 50% Independent-Director representation on Boards of companies with fragmented capital structures and which do not have a controlling shareholder. However, given that both the Audit Committee and the Appointment and Remuneration Committee are chaired by Independent Directors and that two thirds of the members of these Committees are also Independent Directors, this percentage does not restrict the correct functioning of the Board of Directors.
Time-frame for Audit-Committee meetings to review accounts	Article 16.2.1	All relevant Audit Committee documentation is dispatched at least three days before meetings to allow Committee members enough time to examine the accounts. In view of the travelling constraints of three of its members who live abroad, Audit Committee meetings are generally held the same day as Board meetings, rather than two days before as recommended in the AFEP-MEDEF Code.
Presence of staff representatives on the Remuneration Committee	Article 17.1	Staff-representative Directors cannot sit on the Nominations and Remuneration Committee given the two-fold purpose of the Committee but are systematically invited to attend meetings which deal with the subject of remuneration.
Information on the criteria used to determine the variable component of corporate-officer compensation and how these criteria are applied	Article 24.2	Non-disclosure of specific definition of quantitative and qualitative criteria for confidentiality and trade-secret reasons.

Appendix 4.4 – Reference Documents

Pursuant to Article 28 of European Commission Regulation (EC) no. 809/2004, the following information is referenced in this Registration Document:

- the Annual Report, the annual financial statements and the Statutory Auditors' Reports on these annual financial statements, as well as the consolidated financial statements and the Statutory Auditors' Report on the consolidated financial statements for the 2015 fiscal year. These reports are presented on pages 31 to 219 of the 2015 Registration Document, filed with the AMF on March 29, 2016 under number D.16-0219;
- the Annual Report, the annual financial statements and the Statutory Auditors' Reports on these annual financial statements, as well as the consolidated financial statements and the Statutory Auditors' Report on the consolidated financial statements for the 2014 fiscal year. These reports are presented on pages 31 to 213 of the 2014 Registration Document, filed with the AMF on March 31, 2015 under number D.15-0262;
- the Annual Report, the annual financial statements and the Statutory Auditors' Reports on these annual financial statements, as well as the consolidated financial statements and the Statutory Auditors' Report on the consolidated financial statements for the 2013 fiscal year. These reports are presented on pages 31 to 234 of the 2013 Registration Document, filed with the AMF on March 31, 2014 under number D.14-0238.

The present Registration Document is available on the AMF website *(www.altran.com)*, *(www.amf-france.org)* and on the issuer's website *(www.altran.com)*.

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