Press release

13 March 2014

2013 results

Solid 2013 performance fuelled by excellent H2 results

- Ebita of €143m, equivalent to 8.8% of full-year sales (11.3% in H2) up 14.5% on 2012
- Earnings of €66m and EPS of €0.40
- Free Cash-Flow[1] of +€50m over the full year (+€75m in H2)
- Proposed shareholder payout raised by 22% vs. 2013 to €0.11 per share

Commenting on Altran's 2013 results, Group Chairman and Chief Executive Philippe Salle stated: "*After the sharp improvement in 2012 results, Altran reported another year of profitable growth in 2013, underscoring the relevance and effectiveness of the strategic choices made by the Group since 2011. I am particularly pleased with the excellent performance in the second half. This was made possible thanks to the strong commitment of our teams and the positive impact of the Group's productivity improvement plan which began to feed through at the beginning of 2013. This operating performance coupled with the finalisation in February 2014 of the strategic US acquisition in the Innovative Product Development sector (Foliage) makes me more confident than ever in the future of our group and its ability to better serve our clients.*"

(€m)	2012	H1 2013	H2 2013	2013
Revenues	**1 455.9**	**809.2**	**823.6**	**1 632.8**
Gross margin	414.4	207.7	245.9	453.6
As a % of sales	***28.5%***	***25.7%***	***29.9%***	***27.8%***
Overheads	(289.5)	(157.6)	(153.0)	(310.6)
Ebita	**124.9**	**50.1**	**92.9**	**143.0**
As a % of sales	***8.6%***	***6.2%***	***11.3%***	***8.8%***
Other non-recurring operating income and expenses	(13.5)	(23.1)	(12.7)	(35.8)
Goodwill impairment losses				
Amortisation of customer-relationship intangible assets			(2.1)	(2.1)
Operating income	**111.4**	**27.0**	**78.1**	**105.1**
Financial expenses	(20.6)	(4.2)	(8.7)	(12.9)
Tax income/charges	(23.4)	(7.7)	(18.7)	(26.4)
Net income before discontinued operations	**67.4**	**15.1**	**50.7**	**65.8**
Net income/loss on discontinued operations	(2.5)			
Minority interests				
Net profit/(loss)	**64.9**	**15.1**	**50.7**	**65.8**
EPS (€)	0.45			0.40

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

2013 results

Altran's accounts for the fiscal year ended 31 December 2013 were approved by the Board of Directors on 12 March 2014.
In accordance with AMF recommendation dated 5 February 2010, please note that the consolidated accounts have been audited and the certification report is being prepared.

Consolidated 2013 revenues increased 12.2% to €1,633m, vs. €1,456m in 2012, reflecting organic and economic growth[2] of 1.7% and 2.5%, respectively. Excluding France, where business remained stable over the period (-1.1% organic and 0% economic growth), all of the Group's other regional zones contributed to growth, with revenues up 3.3% in Northern Europe, 4.5% in Southern Europe and 15.1% in the RoW zone (Asia and the US). Performances by operating segment are available on the Group's website.

Ebita increased to €143m, equivalent to 8.8% of sales, vs. €124.9m in 2012 (8.6%). In the second half, the Group's operating margin reached 11.3% of sales. This improvement was achieved on the back of a favourable number-of-working-days impact and the initial results of the Group's productivity improvement plan. As such, the consolidated gross margin came out at 29.9% in H2 2013, vs. 25.7% in the first half.
Tight management of indirect costs maintained throughout the year made for a reduction in overheads as a percentage of sales from 19.9% in 2012 to reach an all-time low of 19% at end-2013.

Operating income came out at €105.1m, down on 2012. This decrease on year-earlier levels was due to the increase in non-recurring charges linked to the productivity-improvement plan which began to bear fruit as early as H2 2013. This plan was launched in Q1 2013 and will run until the end of H1 2014.

Financial expenditure also improved significantly, narrowing from -€20.5m at end-2012 to -€12.9m at end-2013, mainly as a result of the early redemption of the €132m convertible bond in May 2013.

After a tax charge of 28.6% in 2013 (vs. 25.8% in 2012), **net income attributable to the Group** came out at €65.8m at end-2013, vs. €64.9m in the year-earlier period.

Free Cash-Flow and DSO

Free Cash-Flow generation is one of Altran's three key financial objectives. In 2013, the Group generated Free Cash-Flow of +€50m stable on year-earlier levels. Note however that this full-year figure masks the remarkable performance achieved in the second half, with Free Cash-Flow of +€75m generated over the period. This compares with -€25m in H1 and represents a two-fold increase on H2 2012 (+€38m).
This sharp improvement was achieved mainly on the back of strong profitability in H2 but also from the sustained improvement in DSO levels, which narrowed to 83.5 days at 31 December 2013, an improvement of 5.6 days on the 30 June 2013 level (89.1 days) and 3.3 days on 31 December 2012 (86.8 days).

Net debt and gearing

In 2013, Altran carried out several operations designed to rationalise and strengthen its financial structure. In particular, the Group:

- Contracted a €150m credit line in January for the purposes of financing acquisitions;

[2] *Economic growth = organic growth restated for the forex impact and the change in the number of working days*

- Proceeded with the early redemption of the €132m convertible bond in May;
- Issued a €135m private bond placement in July.

Altran also finalised the transformation of most of its factoring agreements into trade-receivable transfer contracts without recourse. This transfer of risk had no impact on Free Cash-Flow and enhanced the Group's net-debt position by €122m.
Thanks to the above operations and the Group's excellent Free Cash-Flow performance in H2, Altran's net debt position narrowed to €30.3m at the end of 2013, vs. €168.5m in 2012. Group gearing[3] came out at 0.16.

At the same time, early convertible-bond redemption and the Group's full-year results, boosted equity by 40% to €654m.

Payout proposal

At the Annual General Meeting on 13 June 2014, the Board of Directors of Altran Technologies will submit for shareholder approval a proposed payout of €0.11 per share. This payout would be financed from funds held in the share-premium account and is 22% higher than the level proposed last year (€0.09).

Outlook

Altran's financial performance in 2013 was perfectly in line with the roadmap set out in the Group's 2012–2015 Strategic Plan. Similarly, despite the current weak economy, Altran should be able to pursue profitable growth in 2014.

Financial Calendar

30 April 2014:	Publication of Q1 2014 revenues
13 June 2014:	Annual General Meeting
29 July 2014:	Publication of Q2 2014 revenues
4 September 2014:	Publication of H1 2014 results
31 October 2014:	Publication of Q3 2014 revenues

About Altran

As global leader in innovation and high-tech engineering consulting, Altran accompanies its clients in the creation and development of their new products and services. Altran's Innovation Makers[4] have been providing services for thirty years to key players in the Aerospace, Automotive, Energy, Railways, Finance, Healthcare and Telecoms sectors. Covering every stage of project development from strategic planning to manufacturing, Altran's offers capitalise on the Group's technological know-how in five key areas: Intelligent Systems, Innovative Product Development, Lifecycle Experience, Mechanical Engineering, and Information Systems.
In 2013, the Group generated revenues of €1,633m. Altran now has a staff of almost 21,000 employees in more than 20 countries.
www.altran.com/fr

[3] *Gearing = Net financial debt /EBITDA*
4 Employees of the Altran group

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