

INTERIM FINANCIAL REPORT

30 JUNE 2017

ALTRAN TECHNOLOGIES

French public limited company governed by a Board of Directors and with a share capital of €87,900,132.50

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Registration number: 702 012 956 with Nanterre Register of Trade and Companies Business

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A. Interim management report

1. Key events

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 its revenues in the US and boasts a portfolio of long-standing, renowned clients;
- reputed for its efficiency and quality, the firm's innovative and proprietary co-engineering offshore model 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 Tech has developed a smart engineering ecosystem to provide value added services which 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) 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 Altran'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.

May 2017 Telnet

At the beginning of May 2017, Altran and the Tunisian engineering consulting services group, Telnet Holding, announced they were to strengthen their partnership. Under the terms of the agreement, Telnet Holding ceded to the jointly-held Altran Telnet Corporation (ATC) its high value-added activities in the automotive, defence and security sectors. Altran currently holds a capital stake of 70% in Altran Telnet Corporation.

Telnet Holding's software expertise reinforces Altran's design and real-time embedded software product development capacity for key accounts such as Bosch and Safran, as well as its nearshore facility in North Africa.

US Utilities activities put up for sale

In the first half of the year, the Altran Group decided to divest its Utilities activities in the US. This essentially concerns services delivered to energy production and distribution companies.

This decision was mainly underpinned by:

- the lack of critical size of this commodities market, which is also not in line with the value-creation objective laid out in the Group's strategic plan, *Altran 2020. Ignition*
- the significant recourse to outsourcing (pass-thru), which erodes margins.

Since the disposal of this asset fulfils the necessary conditions, the impacts have been booked in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". The 2017 interim consolidated financial statements were prepared in accordance with IFRS 5 and integrate comparable proforma data for 2016.

Note 6 Fiscal year comparability

6.1 IFRS 5: Non-current assets held for sale and discontinued operations

The impacts of the application of IFRS 5 on the Group's 2016 financial statements are related to the US Utilities activity which is currently up for sale.

In accordance with IFRS 5, the following items are presented on a separate line in the income statements for the periods presented.

- net income from discontinued operations, in the income statement;
- net change in cash generated by the activity, financing and investment in the cash flow statement;
- assets and liabilities, without compensation, in the assets and liabilities classed as held for sale.

2. Group performances

Consolidated income statement

<i>(in millions of euros)</i>	June 2017	June 2016*
Revenues	1,151.8	1,034.3
Other income from operations	30.1	26.3
Revenue from ordinary activities	1,181.9	1,060.6
Operating income on ordinary activities	105.2	90.2
Other non-recurring operating income and expenses	(11.5)	(10.3)
Goodwill amortization (trademarks)	(2.2)	(2.2)
Operating income	91.5	77.7
Cost of net financial debt	(6.3)	(5.7)
Other financial income	1.8	6.7
Other financial expenses	(9.6)	(7.4)
Tax expenses	(23.1)	(20.6)
Equity share in net income of associates	(0.2)	0.0
Net income before discontinued operations	54.1	50.7
Net income/loss on discontinued operations	0.6	1.0
Net profit	54.7	51.7
Minority interests	0.0	(0.1)
NET INCOME ATTRIBUTABLE TO GROUP	54.7	51.6
Earnings per share (€)	0.32	0.30
Diluted earnings per share (€)	0.32	0.30

* 2016 figures restated for the US Utilities activity which is currently up for sale.

Altran continued to report sustained growth in the first half, with interim revenues up 11.4% year-on-year at €1,151.8m. In terms of economic growth, revenues rose 5.4%.

With economic growth of 8.2% over the period, France remains the Group's key operating zone contributing 40.5% to sales.

Other operating zones contributed to growth, with Southern Europe and Northern Europe marking up economic growth of +3.1% and +3.2%, respectively.

Year-on-year, the number of working days narrowed from 125.4 days in H1 2016 to 124.7 in H1 2017, shaving 50 basis points from interim sales.

On the back of these elements, interim operating income on ordinary activities rose 16.6% to €105.2m (equivalent to 9.1% of sales) from €92.0m in H1 2016 (8.7% of sales).

With respect to other non-recurring operating income and expenses, Altran booked an exceptional loss of €11.5m over the six-month period.

At end-June 2017, the Group reported net income of €54.7m (versus €51.6m in H1 2016).

This result factors in:

- financial expenses of –€14.1, vs. – €6.4m in H1 2016;
- a tax charge of €23.1m, vs. €20.6m in the year-earlier period.

Revenues

Interim revenues stood at €1,151.8m, up 11.4% on the year-earlier level of €1,034.3m. This performance factors in the positive effect of scope of consolidation changes (7.3 %), as well as negative forex and working-day impacts of –0.8% and –0.5% respectively.

As such, organic growth (calculated on a like-for-like and constant forex basis) came out at 4.9% and economic growth (on a like-for-like, constant-forex and number of working days basis) at 5.4%.

Gross margin and operating income on ordinary activities

(in millions of euros)	H1 2017	H1 2016 *
Revenues	1,151.8	1,034.3
Gross margin **	314.4	281.8
As a % of revenues	27.3%	27.2%
Overheads	(209.2)	(191.6)
As a % of revenues	- 18.2%	- 18.5%
Operating income on ordinary activities	105.2	90.2
As a % of revenues	9.1%	8.7%

* 2016 figures restated for the US Utilities activity which is currently up for sale.

(*) Management KPI

At the interim stage, the consolidated gross margin came out at €314.4m, equivalent to 27.3% of revenues, stable on year-earlier levels.

Overheads increased €17.6m between H1 2016 and H1 2017 due mainly to an increase in the scope of consolidation (€14.4m). As a percentage of revenues, overheads narrowed further from 18.5% in H1 2016 to 18.2% in H1 2017 on the back of tight cost management.

Overall, H1 2017 operating income on ordinary activities advanced €15.0m, up 40 basis points, year-on-year.

Trends in staff levels

	12/31/2015 *	06/30/2016 *	12/31/2016 *	06/30/2017
Total headcount at end of period	25,712	26,949	28,950	30,821

	H2 2015	H1 2016	H2 2016	H1 2017
Average headcount at end of period	23,673	26,484	27,115	30,355

* 2016 figures restated for the US Utilities activity which is currently up for sale.

At end-June 2017, the total headcount stood at 30,821 employees, representing increases of 6.5% (+1,871 staff members) on end-2016 and of 14.4% (+3,872) on end-June 2016.

On a like-for-like basis, staff levels rose 2.3% and 6.2%, respectively on end-December 2016 and end-June 2016 levels.

Operating costs on ordinary activities

(in millions of euros)	H1 2017	H1 2016 *	H1 2017 vs. H1 2016 *
Revenues	1,151.8	1,034.3	+11.4%
Personnel costs	817.0	754.8	+8.2%
As a % of revenues	70.9%	73.0%	-2.1pts
Total external charges	229.6	189.3	+21.3%
As a % of revenues	19.9%	18.3%	+1.6pt
<i>o/w outsourcing</i>	91.9	67.9	+35.3%
<i>As a % of revenues</i>	8.0%	6.6%	+1.4pt

* 2016 figures restated for the US Utilities activity which is currently up for sale.

In H1 2017, year-on-year growth in personnel costs (+8.2%) was outpaced by growth in revenues, thus making for an increase in operating income on ordinary activities.

The bulk of the €40.3m increase in other operating costs between H1 2016 and H1 2017 stems from acquisitions carried out over the period in the amount of €27.7m.

Financial income and expenses and cost of net debt

Financial expenses increased from - €6.4m at end-June 2016 to - €14.1m at end-June 2017.

The cost of net debt widened from –€5.7m in H1 2016 to –€6.3m at end-June 2017. This comprises financial expenses amounting to –€7.8m, less financial income of +€1.5m stemming from cash and cash equivalent investments.

Tax on earnings

Tax expenses in H1 2017 totaled €23.1m for pre-tax income of €77.2m after applying the actual tax rate on earnings estimated over the full year (including secondary taxes such as the French CVAE and the Italian IRAP).

Statement of cash flows

<i>(in millions of euros)</i>	June 2017	Dec. 2016 *	June 2016 *
Net financial debt at opening (1 January)	(204,5)	(138,3)	(138,3)
Cash flow before net interest expenses and taxes	96,7	212,8	89,2
Change in working capital requirement	(72,7)	(61,1)	(101,1)
Net interest paid	(1,7)	(13,3)	(2,8)
Taxes paid	(13,0)	(31,6)	(14,3)
Net cash flows from discontinued operations	6,7	0,6	(1,1)
Net cash flow from operations	16,0	107,4	(30,1)
Net cash flow from investments	(64,8)	(185,0)	(23,8)
Net cash flow before investments	(48,8)	(77,6)	(53,9)
Impact of changes in exchange rates and other	(3,5)	(4,2)	(3,4)
Share buybacks	(1,0)	(7,0)	(0,2)
Impact of capital increase	0,0	0,3	0,3
Assignment of non-recourse trade receivables	(76,5)	55,2	20,3
Shareholder payout	(41,5)	(32,9)	(32,9)
NET FINANCIAL DEBT AT CLOSING	(375,8)	(204,5)	(208,1)

* 2016 figures restated for the US Utilities activity which is currently up for sale.

Net cash flow generated by operations including interest payments

Net cash flow from operations in the first half was positive to the tune of €16.0m, versus negative flows of –€30.1m at end-June 2016.

Net cash flow from investments

Investments totaling €64.8m over the period included the net impact of company acquisitions (including Pricol Technologies) for €32.1m and asset acquisitions for €32.7m.

Net debt

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

<i>(in millions of euros)</i>	June 2017	Dec. 2016	Change
Bonds	249.3	249.2	0.1
Medium-term credit line	(0.3)	19.3	(19.6)
Short-term credit line	521.8	414.3	107.5
<i>o/w factoring</i>	<i>51.5</i>	<i>59.9</i>	<i>(8.4)</i>
TOTAL FINANCIAL DEBT	770.8	682.8	88.
Cash and cash equivalent	395.0	478.3	(83.3)
NET FINANCIAL DEBT	375.8	204.5	171.3

<i>(in millions of euros)</i>	June 2017	Dec. 2016
NET FINANCIAL DEBT	375.8	204.5
Employee profit-sharing	0.0	0.5
Accrued Interest	8.8	4.6
NET DEBT	384.6	209.6

** 2016 figures restated for the US Utilities activity which is currently up for sale.*

The increase in net debt to €375.8m at end-June 2017 from €204.5m at end-December 2016 stemmed from net flows generated by activities, and the following elements:

- the shareholder payout for €41.5m;
- the net impact of acquisitions for around €32m;
- the seasonal impact on Group activity.

ALTERNATIVE PERFORMANCE INDICATORS

GROSS MARGIN

Gross margin is the difference between income on ordinary activities (revenue and other income) and consultant and project costs.

<i>(in millions of euros)</i>	Projects	Overheads	Total
Revenues	1,151.5	0.3	1,151.8
Other income from operations	30.1		30.1
Revenues from ordinary operations	1 181.6	0.3	1 181.9
Raw materials	(16.9)	(2.3)	(19.2)
Change in work-in-progress	(0.1)	0.0	(0.1)
External expenses	(161.0)	(60.6)	(221.6)
Personnel costs – salaries	(682.6)	(132.8)	(815.4)
Personnel costs – share-based payments	0.0	(1.6)	(1.6)
Taxes and duties	0.0	(2.0)	(2.0)
Depreciation and net provisions	(4.5)	(7.4)	(11.9)
Other operating expenses	(2.1)	(2.8)	(4.9)
Gross margin	314.4		
Overheads		(209.2)	
Operating income on ordinary activities			105.2

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	11.4%
Scope impact	7.3%
Exchange-rate impact	-0.8%
ORGANIC GROWTH	4.9%

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	4.9%
Working days impact	-0.5%
ECONOMIC GROWTH	5.4%

Free Cash Flow from continuing activities

Free cash flow corresponds to cash flows generated by Group operations after tax and investments required for the Company to carry out its business and before payment of net interest. This represents available cash flows which the Group can use 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 a cash impact - asset investments required for operations, net of disposals - tax paid +/- change in working capital requirement.

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

<i>(In millions of euros)</i>	June 2017		
	Current	Non-recurring	Total
Operating income	105.2	(13.7)	91.5
Goodwill depreciation and intangible rights amortization	0.0	2.2	2.2
Operating income before goodwill depreciation	105.2	(11.5)	93.7
Net operating depreciation and provisions	12.0	(9.0)	3.0
Charges and income related to share-based payments	① 1.6	0.0	1.6
Capital gains and losses on disposals	0.0	0.3	0.3
Other income and charges	① (3.6)	1.7	(1.9)
Cash flow before cost of net financial debt and tax	115.2	② (18.5)	96.7

<i>(In millions of euros)</i>	June 2017
Operating income	91.5
Other non-recurring operating income and expenses	11.5
Goodwill amortization (trademarks)	2.2
Operating income on ordinary activities	105.2
Current net operating depreciation and provisions	12.0
Cancellation of current charges/income (① in table above)	(2.0)
Plus non-recurring charges with cash impact (② in table above)	(18.5)
Cash flow before cost of net financial debt and tax	96.7
Change in working capital requirement	(63.0)
Tax paid	(13.0)
Cash outlays related to tangible and intangible asset acquisitions	(28.7)
Proceeds from tangible and intangible asset disposals	0.2
Free Cash Flow	(7.8)

3. Segment reporting

In accordance with IFRS 8, Altran presents its segment financial information by aggregations of operating segments. Altran's operating segments at end-June 2017 include:

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

3.1 Revenues by operating segment (after inter-segment eliminations)

Altran reported consolidated H1 2017 revenues of €1,151.8m, up 11.4% on H1 2016 levels. By operating segment, group revenues break down as follows:

(in millions of euros)	H1 2017		H1 2016 *		Reported Growth	Economic growth
	Total revenues	As a% of revenues	Total revenues	As a% of revenues		
France	467.0	40.5%	435.0	42.1%	+7.4%	8.2%
Northern Europe	386.4	33.5%	332.4	32.1%	+16.2%	3.2%
Southern Europe	223.6	19.5%	217.5	21.0%	+2.8%	3.1%
RoW zone	74.8	6.5%	49.4	4.8%	+51.4%	5.4%
Total	1,151.8	100.0%	1,034.3	100.0%	+11.4%	5.4%

* 2016 figures restated for the US Utilities activity which is currently up for sale.

Economic growth (calculated on a like-for-like and constant forex basis, restated for the seasonal impact) came out at 5.4%.

While group operations in France turned in a strong economic growth performance (+8.2 %) the contribution from French operations to consolidated revenues narrowed from 42.1% in H1 2016 to 40.5% at end-June 2017, due to the impact of acquisitions carried out abroad over the period.

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

France including the Group's corporate holding

<i>(in millions of euros)</i>	H1 2017	H1 2016	H1 2017 vs. H1 2016
Revenues	467.0	435.0	+7.4%
Operating income on ordinary activities	52.9	46.3	+14.3%
<i>Operating income on ordinary activities (%)</i>	11.3%	10.6%	+0.7pt

Interim 2017 revenues generated in France advanced 7.4% over the period to €467.0m for operating income on ordinary activities of €52.9m.

This performance was driven notably by brisk trends in the automotive, aeronautics and life sciences activities.

Northern Europe

<i>(in millions of euros)</i>	H1 2017	H1 2016	H1 2017 vs. H1 2016
Revenues	386.4	332.4	+16.2%
Operating income on ordinary activities	21.5	15.9	+35.2%
<i>Operating income on ordinary activities (%)</i>	5.6%	4.8%	+0.8pt

In Northern Europe, interim revenues came out at €386.4m. This reflects a year-on-year increase of 16.2% (economic growth of 3.2%) driven notably by the acquisitions of Benteler Engineering Services and Swell.

Operating income on ordinary activities stood at €21.5m, equivalent to 5.6% of revenue, versus 4.8% in H1 2016. In particular, this performance was achieved on the back of improved performances in Germany and the UK.

Southern Europe

<i>(in millions of euros)</i>	H1 2017	H1 2016	H1 2017 vs. H1 2016
Revenues	223.6	217.5	+2.8%
Operating income on ordinary activities	27.1	28.2	-3.9%
<i>Operating income on ordinary activities (%)</i>	12.1%	13.0%	-0.9pt

H1 2017 revenues in Southern Europe came out at €223.6m, up 2.8% on the H1 2016 level of €217.5m. In terms of economic growth, interim revenues increased 3.1%.

Southern Europe benefited from sustained solid growth trends in Spain and Portugal, as well as a return to growth as of March 2017 in Italy where prospects over the coming quarters are bright.

Operating income on ordinary activities narrowed from to €28.2m in H1 2016 to €27.1m at end-June 2017.

Rest of the World

<i>(in millions of euros)</i>	H1 2017	H1 2016 *	H1 2017 vs. H1 2016 *
Revenues	74.8	49.4	+51.4%
Operating income on ordinary activities	3.7	(0.2)	NA
<i>Operating income on ordinary activities (%)</i>	4.9%	-0.4%	+5.3pts

* 2016 figures restated for the US Utilities activity which is currently up for sale.

H1 2017 revenues in the ROW operating segment soared 51.4% from €49.4m in H1 2016 to €74.8m at end-June 2017, making for economic growth of +5.4% , driven notably by performances in India (economic growth of +30.5%).

Operating income on ordinary activities advanced to €3.7m from a loss of -€0.2m in H1 2016, thanks notably to improved performances in India and North America.

4. Post closure events

Acquisitions

At the end of July 2017, the Group announced the following acquisitions:

NEXT Ingegneria dei Sistemi: Italy

NEXT Ingegneria dei Sistemi is an Italian embedded software company that provides cutting-edge IT products and services to customers operating primarily in the Defense, Aerospace and Rail sectors. Its client portfolio notably includes players such as Leonardo, Telespazio, Thales Alenia Space and Bombardier Transportation.

Founded in 1999 and based in Rome, NEXT has numerous offices in Italy and a workforce of 230 employees.

The acquisition of NEXT Ingegneria dei Sistemi:

- completes Altran's expertise in embedded software, a fast-growing segment,
- will thus enable the Group to offer its clients end-to-end hardware and embedded software solutions, and
- reinforces its leadership position in Italy, a key market for the Group.

The acquisition is subject to customary closing conditions.

Information Risk Management: the UK

Founded in 1998, Information Risk Management (IRM) is a UK-based cyber-security company specialized in identification, management and IT risk-reduction solutions.

With best-in-class accreditations and certifications, IRM provides a comprehensive range of end-to-end cyber-security solutions, including strategic consultancy, professional training and software design.

IRM boasts an impressive client portfolio with players operating in the public and private sectors, such as Travelex, BNP Paribas and Telefonica, as well as the UK Ministry of Defence, the Department for Transport, the Cabinet Office and GCHQ (government communications headquarters). IRM has also forged strategic partnerships with the new UK National Cyber Security Center (NCSC).

Based in Cheltenham in England and with offices in London IRM has a workforce of 82 employees.

The acquisition of IRM:

- significantly enhances Altran's skills and expertise in cyber-security, a fast-growing strategic global market,
- will play a key role in the Group's new Cyber-security World Class Center to be launched at the beginning of 2018. The Altran Group will combine IRM's capacity with its other assets to address client needs for secure applications in the field of digital transformation, the Internet of Things (IoT) and autonomous vehicles, etc.

Beginning of September 2017, the Group announced the following acquisition:

India: Global Edge Software

The Altran group announced on September 5th the acquisition of Global Edge Software, an India-based product engineering company, specialized in embedded software solutions and IoT solutions.

With 1,000 engineers, the company, founded in 2001, is headquartered in Bangalore with a branch in Hyderabad and two specific client locations in Chennai and in Mumbai/Pune. It serves mostly the Semiconductor, Telecoms and Automotive industries, but also addresses a larger range of industry segments such as Software & Internet and Consumer electronics, with many blue-chip clients.

The acquisition of Global Edge Software Altran increases Altran's presence in India, reinforcing significantly the Group's Industrialized GlobalShore™ end-to-end delivery capabilities.

It will help accelerate Altran's commercial footprint development in North America, with strong US-based blue-chip companies. The company has a dedicated Californian-based team of several dozen engineers.

In line with Altran's strategy, the acquisition:

- reinforces the Group's operations with the Semi-conductor, Telecom, Automotive and Software/Internet industries;
- provides deep expertise in connectivity technology;
- supports Altran's overall software strategy.

The acquisition is subject to customary closing conditions and expected to be completed in September 2017.

Financing

On July 28, 2017, the Altran Group announced that it had contracted an unsecured syndicated multi-currency (EUR, USD, GBP) revolving loan in the amount of €500m to replace its existing €300m credit facility.

This credit line gives Altran access to €200m more than the previous facility. In particular, it:

- will serve to finance the Group's general expenses,
- is concluded for a period of 5 years with two 1 year extension options,
- is more flexible than the previous facility, offers more advantageous margins, simplified documentation and possible recourse to the US dollar and Pound sterling,
- was concluded with a larger lending pool of 10 banks that will form the core base of Altran's bank relations worldwide.

5. Outlook

The Altran group does not issue financial forecasts.

Based on the information currently at its disposal, Altran expects 2017 to be another year of profitable growth.

B. Condensed consolidated interim financial statements

FINANCIAL SITUATION AT 30 JUNE 2017

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1. Consolidated balance sheet

ASSETS <i>(In thousands of euros)</i>	Notes	June 2017			Dec. 2016
		Gross value	Amort. And Prov.	Net Value	Net value
Net Goodwill	7.1	1,025,631	(191,492)	834,139	805,855
Intangible assets	7.2	155,402	(71,227)	84,175	81,296
Land and construction		45,233	(8,245)	36,988	31,043
Other tangible assets		143,055	(96,258)	46,797	43,060
Tangible assets	7.3	188,288	(104,503)	83,785	74,103
Equity-accounted investments	7.4	-	-	-	240
Non-current financial assets	7.4	50,229	(12,111)	38,118	37,885
Deferred tax assets		96,483	(6,861)	89,622	91,456
Non-current tax assets	7.5	129,656	(96)	129,560	108,557
Other non-current assets	7.5	7,651	(5,142)	2,509	2,452
Total non-current assets		1,653,340	(391,432)	1,261,908	1,201,844
Inventory and work in progress	7.6	6,685	(35)	6,650	7,012
Prepayment to suppliers		402	-	402	563
Accounts receivable (client)	7.7	497,049	(6,075)	490,974	395,429
Other receivables	7.8	164,483	(576)	163,907	118,103
Clients accounts and other receivables		661,934	(6,651)	655,283	514,095
Current financial assets	7.9	13,263	-	13,263	53,348
Cash equivalents	7.11	254,036	-	254,036	285,093
Cash	7.11	140,927	-	140,927	193,237
Assets held for sale	8.10	8,167	(1,545)	6,622	-
Total current assets		1,085,012	(8,231)	1,076,781	1,052,785
TOTAL ASSETS		2,738,352	(399,663)	2,338,689	2,254,629

<i>(In thousands of euros)</i>	Notes	June 2017	Dec. 2016
Capital	7.10	87,900	87,900
Share premium		351,554	392,307
Reserves attributable to parent company shareholders		397,277	270,959
Conversion rate adjustments		(35,168)	(12,223)
Earnings for fiscal period		54,688	122,483
Minority interest		3,035	913
Shareholder's equity		859,286	862,339
Bond loans (> 1 year)		249,533	249,407
Credit establishment borrowings and debts (> 1 year)		9	17,410
Other non-current liabilities		(277)	1,871
Non-current financial liabilities	7.11	249,265	268,688
Provisions for long-term liabilities and charges	7.12	36,574	50,238
Long-term employee benefits	7.13	36,297	32,824
Long-term debt on assets		154	2,528
Deferred tax liabilities		15,734	16,699
Long-term securities debt	7.16	1,001	7,421
Other long-term liabilities		4,299	4,191
Other non-current liabilities		94,059	113,901
Total non-current liabilities		343,324	382,589
Trade payables	7.14	126,100	116,484
Taxes payable		123,750	128,573
Current employee benefits	7.13	226,968	214,131
Debt on assets		5,279	4,863
Other current liabilities	7.15	86,897	97,532
Suppliers and other current payables		568,994	561,583
Provisions for short-term risks and charges	7.12	22,764	18,061
Short-term securities debt	7.16	11,550	10,876
Current financial liabilities	7.11	530,294	419,181
Other current liabilities		564,608	448,118
Liabilities held for sale	8.10	2,477	-
Total current liabilities		1,136,079	1,009,701
TOTAL LIABILITIES		2,338,689	2,254,629

2. Consolidated income statement

<i>(in thousands of euros)</i>	Notes	June 2017	Dec. 2016	June 2016
Revenues	8.1 & 8.2	1,151,849	2,074,066	1,034,322
Other income from operations		30,073	66,746	26,314
Revenues from ordinary operations		1,181,922	2,140,812	1,060,636
Raw materials		(19,196)	(27,056)	(11,931)
Change in work-in-progress		(149)	709	1,226
External expenses	8.3	(221,526)	(397,983)	(189,201)
Personnel costs – salaries	8.4	(815,393)	(1,474,288)	(754,373)
Personnel costs – share-based payments	8.4	(1,612)	(1,454)	(472)
Taxes and duties		(2,032)	(2,776)	(1,938)
Depreciation and net provisions	8.5	(11,904)	(14,533)	(11,595)
Other operating expenses		(4,926)	(6,661)	(2,189)
Operating income on ordinary activities		105,184	216,770	90,163
Other non-recurring operating income		26	11,688	4,206
Other non-recurring operating expenses		(11,551)	(33,374)	(14,518)
Other non-recurring operating income and expenses	8.6	(11,525)	(21,686)	(10,312)
Goodwill impairment losses		–	(2,552)	–
Amortization of customer-relationship intangible assets		(2,171)	(4,290)	(2,136)
Operating income		91,488	188,242	77,715
Gains on cash and cash equivalents		1,456	4,577	2,130
Cost of gross financial debt		(7,793)	(17,995)	(7,849)
Cost of net financial debt	8.7	(6,337)	(13,418)	(5,719)
Other financial income	8.8	1,821	10,604	6,675
Other financial expenses	8.8	(9,566)	(12,568)	(7,444)
Tax expenses/income	8.9	(23,091)	(51,733)	(20,581)
Equity share in net income of associates		(191)	42	45
Net income before discontinued operations		54,124	121,169	50,691
Net profit/loss on discontinued operations	8.10	564	1,402	983
Net income attributable to Group		54,688	122,571	51,674
Minority interests		–	(88)	(69)
Net income attributable to Group		54,688	122,483	51,605
Earnings per share (in euros)	7.10	0.32	0.71	0.30
Diluted earnings per share (in euros)	7.10	0.32	0.71	0.30
Earnings per share on continuing activities (in euros)	7.10	0.31	0.70	0.29
Diluted earnings per share on continuing activities (in euros)	7.10	0.32	0.71	0.29
Earnings per share on discontinued operation (in euros)	7.10	0.00	0.01	0.01
Diluted earnings per share on discontinued operation (in euros)	7.10	0.00	0.01	0.01

* 2016 figures restated for the US Utilities activity which is currently held for sale.

In accordance with IFRS 5, net income from discontinued operations is presented on a separate line in the income statement for the periods presented. The impacts of the application of this standard on the Group's 2016 published results are detailed in note 6.2.

3. Consolidated Statement of Comprehensive Income

<i>(In thousands of euros)</i>	June 2017	Dec. 2016	June 2016
Consolidated net income	54,688	122,571	51,674
Financial instruments	352	783	(1,002)
Exchange rate differences	(19,646)	(16,001)	(20,293)
<i>Other comprehensive income net of tax that may subsequently be reclassified to profit</i>	<i>(19,294)</i>	<i>(15,218)</i>	<i>(21,295)</i>
Employee benefits – Revised IAS 19	–	(1,277)	(2,036)
<i>Other comprehensive income net of tax that will not be reclassified to profit</i>	<i>–</i>	<i>(1,277)</i>	<i>(2,036)</i>
Other comprehensive income net of tax over the period	(19,294)	(16,495)	(23,331)
Results for the period	35,394	106,076	28,343
o/w attributable to :			
– The Group's company	35,538	106,004	28,300
– Minority interests	(144)	72	43

<i>(In thousands of euros)</i>	June 2017			Dec. 2016			June 2016		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Financial instruments	537	(185)	352	1,194	(411)	783	(1,528)	526	(1,002)
Exchange rate differences	(23,089)	3,443	(19,646)	(18,396)	2,395	(16,001)	(23,973)	3,680	(20,293)
<i>Other comprehensive income net of tax that may subsequently be reclassified to profit</i>	<i>(22,552)</i>	<i>3,258</i>	<i>(19,294)</i>	<i>(17,202)</i>	<i>1,984</i>	<i>(15,218)</i>	<i>(25,501)</i>	<i>4,206</i>	<i>(21,295)</i>
Employee benefits – Revised IAS 19	–	–	–	(1,885)	608	(1,277)	(3,012)	976	(2,036)
<i>Other comprehensive income net of tax that will not be reclassified to profit</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>(1,885)</i>	<i>608</i>	<i>(1,277)</i>	<i>(3,012)</i>	<i>976</i>	<i>(2,036)</i>
Other comprehensive income over the period	(22,552)	3,258	(19,294)	(19,087)	2,592	(16,495)	(28,513)	5,182	(23,331)

4. Change in consolidated share capital

<i>(In thousands of euros)</i>	Number of shares	Capital	Premium	Resources	Change in fair value & other	Exchange rate differences	Net profit	Total Group share	Minority interests	Total
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	-	-	-	287	355	(23,947)	51,605	28,300	43	28,343
Capital increase	-	-	-	-	-	-	-	-	336	336
Share-based payments	-	-	472	-	-	-	-	472	-	472
Own-share transactions	128,189	-	(172)	-	-	-	-	(172)	-	(172)
Income appropriation	-	-	-	100,493	-	-	(100,493)	-	-	-
Shareholder payout	-	-	(32,922)	-	-	-	-	(32,922)	-	(32,922)
Other transactions	-	-	-	(2)	-	-	-	(2)	-	(2)
June 30, 2016	173,249,373	87,900	398,140	270,756	(1,058)	(17,791)	51,605	789,554	887	790,441
Results for the period	-	-	-	830	428	5,568	70,878	77,704	29	77,733
Capital increase	-	-	-	-	-	-	-	-	(3)	(3)
Share-based payments	-	-	982	-	-	-	-	982	-	982
Own-share transactions	(550,299)	-	(6,816)	-	-	-	-	(6,816)	-	(6,816)
Income appropriation	-	-	-	-	-	-	-	-	-	-
Shareholder payout	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	2	-	-	-	2	-	2
December 31, 2016	172,699,074	87,900	392,306	271,588	(630)	(12,223)	122,483	861,426	913	862,339
Results for the period	-	-	-	3,443	352	(22,945)	54,688	35,538	(144)	35,394
Capital increase	-	-	-	-	-	-	-	-	2,022	2,022
Share-based payments	-	-	1,612	-	-	-	-	1,612	-	1,612
Own-share transactions	(36,382)	-	(905)	-	-	-	-	(905)	-	(905)
Income appropriation	-	-	-	122,483	-	-	(122,483)	-	-	-
Shareholder payout	-	-	(41,459)	-	-	-	-	(41,459)	-	(41,459)
Other transactions	-	-	-	39	-	-	-	39	244	283
June 30, 2017	172,662,692	87,900	351,554	397,553	(278)	(35,168)	54,688	856,251	3,035	859,286

5. Statement of consolidated cash flows

<i>(In thousands of euros)</i>	June 2017	Dec. 2016	June 2016
Operating income on continuing activities	91,489	188,242	77,715
Goodwill impairment and amortization of customer–relationship intangible assets	2,171	6,842	2,136
Operating income before goodwill impairment	93,660	195,084	79,851
Depreciation and net operating provisions	3,051	24,553	6,518
Income and charges from stock options	1,612	1,454	472
Capital gains or losses on disposals	278	1,059	281
Other gains and charges	(1,928)	(9,401)	2,128
Cash flows before net interest expenses and taxes	96,673	212,749	89,250
Change in inventory and work in progress	73	(1,563)	(1,380)
Change in client accounts and other receivables	(78,268)	(118,924)	(91,160)
Change in supplier accounts and other payables	5,505	59,448	(8,597)
Change in working capital requirement	(72,690)	(61,039)	(101,137)
Net operating cash flows	23,983	151,710	(11,887)
Interest paid	(3,299)	(14,963)	(3,154)
Interest received	1,454	4,869	2,153
Taxes paid	(12,998)	(31,571)	(14,275)
Cash impact of other financial income and expenses	126	(3,253)	(1,875)
Net cash flows from discontinued operations	6,660	573	(1,121)
Net cash flows from operations	15,926	107,365	(30,159)
Cash outflows for tangible and intangible asset acquisitions	(28,679)	(46,604)	(18,887)
Cash inflows from tangible and intangible asset disposals	142	10,010	938
Cash outflows for financial asset acquisitions (non–consolidated holdings)	(2,575)	(6,476)	(1,267)
Cash inflows from financial asset disposals (non–consolidated holdings)	–	232	128
Earn–out disbursements	–	(375)	(375)
Impact of scope–of–consolidation changes	(31,044)	(135,238)	(2,704)
Change in loans and advances granted	(2,313)	(3,629)	(4,818)
Investment subsidies received	–	–	–
Other flows from investment transactions	848	1,248	3,350
Net cash from investments made from discontinued operations	(75)	(218)	(129)
Net cash flows from investments	(63,696)	(181,050)	(23,764)

* 2016 figures restated for the US Utilities activity which is currently held for sale.

<i>(In thousands of euros)</i>	June 2017	Dec. 2016	June 2016
Amounts received from shareholders during the capital increase	-	333	336
Proceeds from the exercise of stock options	-	-	-
Own-share transactions (purchase/sales)	(1,014)	(7,033)	(180)
Liquidity contract	166	71	12
Dividends paid during the period	(41,460)	(32,922)	(32,922)
Proceeds from new loans	-	79,937	55
Reimbursement of loans	(89,089)	(100,169)	(68,455)
Other flows from financing operations	99,295	90,144	54,691
Net cash from financing activities of from discontinued operations	-	-	-
Net cash flows from financing operations	(32,102)	30,361	(46,463)
Impact of variations in exchange rates	(3,495)	(2,887)	(1,332)
Impact of changes in accounting principles	-	-	-
Changes in net cash	(83,367)	(46,211)	(101,718)
Opening cash balance	478,330	524,541	524,541
Closing cash balance	394,963	478,330	422,823
Changes in net cash	(83,367)	(46,211)	(101,718)

** 2016 figures restated for the US Utilities activity which is currently held for sale.*

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

<i>(In thousands of euros)</i>	June 2017	Dec. 2016	June 2016
Cash equivalents	254,036	285,093	286,776
Cash	140,927	193,237	136,047
Net cash balance	394,963	478,330	422,823

APPENDIX TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1	Rules and accounting methods
Note 2	Scope of consolidation
Note 3	Seasonal impact on Group activity
Note 4	Risks and uncertainties
Note 5	Events in the first six months of 2017
Note 6	Fiscal year comparability
Note 7	Notes relative to certain balance sheet items
Note 8	Notes to the income statement
Note 9	Major litigation issues and liabilities
Note 10	Off balance sheet commitments
Note 11	Information relative to related-party transactions
Note 12	Post-closure events

Note 1 Rules and accounting methods

Accounting methods and principles

Altran's H1 2017 consolidated financial statements have been prepared in accordance with the IAS 34 interim financial reporting standard, which requires that interim accounts contain selected explanatory notes. These consolidated interim financial statements should therefore be read in conjunction with the appendix to the Group's Consolidated Financial Statements at end-December, 2016 included in the 2016 Registration Document filed with the French Market Authority (AMF) on March 24, 2017 under the registration number D.17-0223.

The accounting principles used to prepare Altran's interim consolidated financial statements at June 30, 2017 comply with the standards and interpretations mandatory for companies in the European Union at that date. The Group has chosen not to adopt the early application of standards, amendments and interpretations whose adoption was not mandatory at June 30, 2017.

The international accounting principles used to prepare Altran's 2017 interim financial statements are the same as those applied to the Consolidated Financial Statements at December 31, 2016.

Use of estimates

As mentioned on page 117 of the 2016 Registration Document (note 1.5 of Section 20.3 – Consolidated Financial Statements at December 31, 2016), the preparation of the Group's financial statements is based on estimates and assumptions that may have an impact on the book value of certain balance sheet and income statement items, as well as on 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 could turn out to differ from future reality.

For the most part, these estimates concern provisions and assumptions adopted for the preparation of business plans used to carry out impairment tests on Cash Generating Units (CGUs) indicating a loss in value, and for the recognition of deferred tax assets.

Possible impacts of the adoption of new standards, amendments and interpretations

IFRS 15

In 2016, Altran set up a work-group to prepare the future adoption of IFRS 15. This project covers the various steps involved and notably the identification and detailed review of the different types of contracts by country.

The key IFRS 15 features concerning Altran's activity have been identified. These are:

- Revenue recognition criteria applying to the stage of progress of certain fixed-price contracts, notably regarding the right to payment at all times;
- Outsourcing services involving transition stages that do not necessarily constitute a performance obligation;
- Distinction between agent and principal for outsourcing and co-contracting projects;
- Implementation costs of major contracts.

Although, the Group has not, at this stage, completed a quantitative assessment of the application impact of the standard, it does not expect this will have a material impact on the financial statements.

Approval of Altran's interim financial statements

The consolidated interim financial statements for the period ending June 30, 2017 were approved by the Board of Directors of Altran Technologies on September 6, 2017.

Note 2 Scope of consolidation

The consolidated financial statements incorporate the accounts of Altran Technologies and its 80 subsidiaries. The Group fully consolidates all of its subsidiaries, with the exception of Altran Middle East (United Arab Emirates).

Acquisitions: In H1 2017, Altran finalized the acquisitions of:

- the Benteler Engineering Services group (5 subsidiaries in Germany, the Netherlands, Romania and Sweden);
- the Pricol Technologies group (4 subsidiaries in the US, India, Japan and the UK);
- the Tunisian company, Titan Engineering.

The acquisitions of the Benteler and Pricol Technologies groups contributed €30.1m and €5.4m, respectively, to consolidated interim revenues.

Mergers: Within the context of the Group's strategy to rationalize its structure, the assets and liabilities of Oxo in France were transferred to Altran Technologies.

Note 3 Seasonal impact on Group activity

Altran's business is not of a seasonal nature since sales are relatively stable from one half to the next. The key factors that can impact activity levels are the number of working days (greater in H2 than in H1) and holidays taken.

Note 4 Risks and uncertainties

No significant changes have been made to the major litigation and contingent liabilities since Altran's 2016 financial statements were approved (see pages 11 to 18 of the 2016 Registration Document).

Note 5 Events in the first six months of 2017

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 more than 60% of its revenues in the US and boasts a portfolio of long-standing, renowned clients;
- reputed for its efficiency and quality, the firm's innovative and proprietary co-engineering offshore model 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 value added services which

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) 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 Altran'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.

May 2017: Telnet

At the beginning of May 2017, Altran and the Tunisian engineering consulting services group, Telnet Holding, announced they were to strengthen their partnership. Under the terms of the agreement, Telnet Holding ceded to the jointly-held Altran Telnet Corporation (ATC) its high value-added activities in the automotive, defense and security sectors. Altran currently holds a capital stake of 70% in Altran Telnet Corporation.

Telnet software expertise reinforces Altran's design and real-time embedded software product development capacity for key accounts such as Bosch and Safran, as well as its nearshore facility in North Africa.

US Utilities activities held for sale

In the first half of the year, the Altran Group decided to divest its Utilities activities in the US. This essentially concerns services delivered to energy production and distribution companies.

This decision was mainly underpinned by:

- the lack of critical size of this commodities market, which, in addition, is not in line with the value-creation objective laid out in the Group's strategic plan, *Altran 2020. Ignition*
- the significant recourse to outsourcing (pass-thru), which erodes margins.

Since the disposal of this asset fulfills the necessary conditions, the impacts of the operation have been booked in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". The 2017 interim consolidated financial statements were prepared in accordance with IFRS 5 and integrate comparable pro-forma data for 2016.

Note 6 Fiscal year comparability

6.1 IFRS 5: Non-current assets held for sale and discontinued operations

The impacts of the application of IFRS 5 on the Group's 2016 financial statements are related to the US Utilities activity which is currently held for sale.

In accordance with IFRS 5, the following items are presented on a separate line in the income statements for the periods presented:

- net income from discontinued operations, in the income statement;
- net change in cash generated by the activity, financing and investment, in the cash flow statement;
- assets and liabilities, without compensation, in the assets and liabilities classed as held for sale.

6.2 Impact on the 2016 consolidated financial statements

6.2.1 Impact on the 2016 income statement

<i>(in thousands of euros)</i>	June 2016 (Published)	IFRS5	June 2016 (Restated)
Revenues	1,057,559	(23,237)	1,034,322
Other income from operations	26,314		26,314
Revenues from ordinary operations	1,083,873	(23,237)	1,060,636
Raw materials	(19,145)	7,214	(11,931)
Change in work-in-progress	1,226	-	1,226
External expenses	(191,243)	2,042	(189,201)
Personnel costs – salaries	(766,337)	11,964	(754,373)
Personnel costs – share-based payments	(472)	-	(472)
Taxes and duties	(1,938)	-	(1,938)
Depreciation and net provisions	(11,777)	182	(11,595)
Other operating expenses	(2,189)	-	(2,189)
Operating income on ordinary activities	91,998	(1,835)	90,163
Other non-recurring operating income	4,206	-	4,206
Other non-recurring operating expenses	(14,871)	353	(14,518)
Other non-recurring operating income and expenses	(10,665)	353	(10,312)
Goodwill impairment losses		-	
Amortization of customer-relationship intangible assets	(2,136)	-	(2,136)
Operating income	79,197	(1,482)	77,715
Gains on cash and cash equivalents	2,130	-	2,130
Cost of gross financial debt	(7,849)	-	(7,849)
Cost of net financial debt	(5,719)		(5,719)
Other financial income	6,675		6,675
Other financial expenses	(7,437)	(7)	(7,444)
Tax expenses/income	(21,087)	506	(20,581)
Equity share in net income of associates	45	-	45
Net income before discontinued operations	51,674	(983)	50,691
Net profit/loss on discontinued operations		983	983
Net income attributable to Group	51,674	-	51,674
Minority interests	(69)	-	(69)
Net income attributable to Group	51,605	-	51,605

<i>(in thousands of euros)</i>	Dec. 2016 (Published)	IFRS5	Dec. 2016 (Restated)
Revenues	2,120,095	(46,029)	2,074,066
Other income from operations	66,746		66,746
Revenues from ordinary operations	2,186,841	(46,029)	2,140,812
Raw materials	(44,635)	17,579	(27,056)
Change in work-in-progress	709	-	709
External expenses	(402,061)	4,078	(397,983)
Personnel costs – salaries	(1,495,382)	21,094	(1,474,288)
Personnel costs – share-based payments	(1,454)	-	(1,454)
Taxes and duties	(2,776)	-	(2,776)
Depreciation and net provisions	(14,928)	395	(14,533)
Other operating expenses	(6,661)	-	(6,661)
Operating income on ordinary activities	219,653	(2,883)	216,770
Other non-recurring operating income	11,688	-	11,688
Other non-recurring operating expenses	(34,126)	752	(33,374)
Other non-recurring operating income and expenses	(22,438)	752	(21,686)
Goodwill impairment losses	(2,552)	-	(2,552)
Amortization of customer-relationship intangible assets	(4,290)	-	(4,290)
Operating income	190,373	(2,131)	188,242
Gains on cash and cash equivalents	4,577	-	4,577
Cost of gross financial debt	(17,995)	-	(17,995)
Cost of net financial debt	(13,418)		(13,418)
Other financial income	10,604		10,604
Other financial expenses	(12,572)	4	(12,568)
Tax expenses/income	(52,458)	725	(51,733)
Equity share in net income of associates	42	-	42
Net income before discontinued operations	122,571	(1,402)	121,169
Net profit/loss on discontinued operations		1,402	1,402
Net income attributable to Group	122,571	-	122,571
Minority interests	(88)	-	(88)
Net income attributable to Group	122,483	-	122,483

6.2.2 Impact on the 2016 cash flow statement

<i>(in thousands of euros)</i>	June 2016 (Published)	IFRS5 Impact	June 2016 (Restated)
Operating income on continuing activities	79 197	(1,482)	77 715
Goodwill impairment and amortization of customer-relationship intangible assets	2 136	-	2 136
Operating income before goodwill impairment	81 333	(1,482)	79 851
Depreciation and net operating provisions	6 700	(182)	6 518
Income and charges from stock options	472	-	472
Capital gains or losses on disposals	281	-	281
Other gains and charges	2 136	(8)	2 128
Cash flows before net interest expenses and taxes	90 922	(1,672)	89 250
Change in inventory and work in progress	(1,380)	-	(1,380)
Change in client accounts and other receivables	(91,203)	42	(91,161)
Change in supplier accounts and other payables	(11,347)	2,750	(8,597)
Change in working capital requirement	(103,930)	2,793	(101,137)
Net operating cash flows	(13,008)	1 121	(11,887)
Interest paid	(3,154)	-	(3,154)
Interest received	2 153	-	2 153
Taxes paid	(14,275)	-	(14,275)
Cash impact of other financial income and expenses	(1,875)	-	(1,875)
Net cash flows from discontinued operations	0	(1,121)	(1,121)
Net cash flows from operations	(30,159)	-	(30,159)
Cash outflows for tangible and intangible asset acquisitions	(18,999)	112	(18,887)
Cash inflows from tangible and intangible asset disposals	938	-	938
Cash outflows for financial asset acquisitions (non-consolidated holdings)	(1,267)	-	(1,267)
Cash inflows from financial asset disposals (non-consolidated holdings)	128	-	128
Earn-out disbursements	(375)	-	(375)
Impact of scope-of-consolidation changes	(2,704)	-	(2,704)
Change in loans and advances granted	(4,838)	20	(4,818)
Investment subsidies received	0	-	0
Other flows from investment transactions	3 353	(3)	3 350
Net cash from investments made from discontinued operations	0	(129)	(129)
Net cash flows from investments	(23,764)	-	(23,764)
Amounts received from shareholders during the capital increase	336	-	336
Proceeds from the exercise of stock options	0	-	0
Own-share transactions (purchase/sales)	(180)	-	(180)
Liquidity contract	12	-	12
Dividends paid during the period	(32,922)	-	(32,922)
Proceeds from new loans	55	-	55
Reimbursement of loans	(68,455)	-	(68,455)
Other flows from financing operations	54 691	-	54 691
Net cash from financing activities of from discontinued operations	0	-	0
Net cash flows from financing operations	(46,463)	-	(46,463)
Impact of variations in exchange rates	(1,332)	-	(1,332)
Impact of changes in accounting principles	0	-	0
Changes in net cash	(101,718)	-	(101,718)
Opening cash balance	524 541	-	524 541
Closing cash balance	422 823	-	422 823
Changes in net cash	(101,718)	-	(101,718)

<i>(In thousands of euros)</i>	Dec. 2017 (Published)	IFRS5 Impact	Dec. 2017 (Restated)
Operating income on continuing activities	190 373	(2 131)	188 242
Goodwill impairment and amortization of customer-relationship intangible assets	6 842	-	6 842
Operating income before goodwill impairment	197 215	(2 131)	195 084
Depreciation and net operating provisions	24 949	(396)	24 553
Income and charges from stock options	1 454	-	1 454
Capital gains or losses on disposals	1 059	-	1 059
Other gains and charges	(9 394)	(7)	(9 401)
Cash flows before net interest expenses and taxes	215 283	(2 534)	212 749
Change in inventory and work in progress	(1 563)	-	(1 563)
Change in client accounts and other receivables	(119 098)	174	(118 924)
Change in supplier accounts and other payables	57 661	1 787	59 448
Change in working capital requirement	(63 000)	1 961	(61 039)
Net operating cash flows	152 283	(573)	151 710
Interest paid	(14 963)	-	(14 963)
Interest received	4 869	-	4 869
Taxes paid	(31 571)	-	(31 571)
Cash impact of other financial income and expenses	(3 253)	-	(3 253)
Net cash flows from discontinued operations	0	573	573
Net cash flows from operations	107 365	0	107 365
Cash outflows for tangible and intangible asset acquisitions	(46 822)	218	(46 604)
Cash inflows from tangible and intangible asset disposals	10 010	-	10 010
Cash outflows for financial asset acquisitions (non-consolidated holdings)	(6 476)	-	(6 476)
Cash inflows from financial asset disposals (non-consolidated holdings)	232	-	232
Earn-out disbursements	(375)	-	(375)
Impact of scope-of-consolidation changes	(135 238)	-	(135 238)
Change in loans and advances granted	(3 629)	-	(3 629)
Investment subsidies received	0	-	0
Other flows from investment transactions	1 248	-	1 248
Net cash from investments made from discontinued operations	0	(218)	(218)
Net cash flows from investments	(181 050)	0	(181 050)
Amounts received from shareholders during the capital increase	333	-	333
Proceeds from the exercise of stock options	0	-	0
Own-share transactions (purchase/sales)	(7 033)	-	(7 033)
Liquidity contract	71	-	71
Dividends paid during the period	(32 922)	-	(32 922)
Proceeds from new loans	79 937	-	79 937
Reimbursement of loans	(100 169)	-	(100 169)
Other flows from financing operations	90 144	-	90 144
Net cash from financing activities of from discontinued operations	0	-	0
Net cash flows from financing operations	30 361	-	30 361
Impact of variations in exchange rates	(2 887)	-	(2 887)
Impact of changes in accounting principles	0	-	0
Changes in net cash	(46 211)	-	(46 211)
Opening cash balance	524 541	-	524 541
Closing cash balance	478 330	-	478 330
Changes in net cash	(46 211)	-	(46 211)

Note 7 Notes relative to certain balance sheet items

7.1 Net goodwill

Movements in net goodwill are analyzed in the table below:

Balance at December 31, 2016	805,855
Loss in value	-
Scope-of-consolidation changes	45,815
Exchange rate differences	(17,531)
Other transactions	-
Balance at June 30, 2017	834,139

The change in the scope of consolidation notably comprises increases of:

- €30,106k, from the acquisition of the Benteler Engineering Services Group, with companies in Germany, the Netherlands and Sweden;
- €15,170k, from the acquisition of the Pricol Technologies Group, with companies in the US, the UK and Japan.

The balance-sheet items contributed by the acquired groups 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 (1)	153,458
USA / Canada (3)	122,596
France	121,150
Netherlands	98,250
Cambridge (2)	59,983
Italia	60,686
Tessella	48,858
Spain	48,978
UK	18,071
India	15,558
Belgium / Luxembourg	15,634
Others	70,917
Total	834,139

(1) Goodwill related to Microsys, the Canadian subsidiary of Concept Tech (Austria), and the Czech subsidiary SWELL, integrated in the Germany/Austria/Czech Republic CGU

(2) Goodwill related to Synapse Product Development, the US subsidiary of Cambridge Consultants, integrated in the Cambridge CGU

(3) Goodwill related to Lohika, the US subsidiary of Altran US, integrated in the US/Canada CGU

The bulk of "Other transactions" concern goodwill of newly-acquired entities that have not yet been integrated into a CGU.

Cash Generating Units (CGUs) indicating a loss in value at June 30, 2017 were subject to an impairment test. None of these tests resulted in the recognition of impairment losses booked to the income statement.

The tests used to measure goodwill impairment were based on revenue growth to infinity of 2% and the following discount rates after tax (WACC) for each CGU:

	Discount rate	
	June 2017	Dec 2016
Germany/Austria/Czech Republic	6.61%	6.60%
USA / Canada	7.31%	7.66%
Netherlands	6.13%	6.20%

All Cash Generating Units indicating a loss in value at June 30, 2017 were subject to sensitivity tests. The results of sensitivity tests carried out in terms of potential additional goodwill depreciation concerning the Germany/Austria/Czech Republic and the US/Canada CGUs are summarized in the table below (in thousands of euros):

WACC	-1.00 %	WACC	+1.00 %
	2.00 %	-	19,149
Growth rate to infinity	1.00 %	-	60,929
		9,924	

In addition, an analysis of the sensitivity to a variation in EBIT rates used in business plans shows that a 3pt decline in EBIT would make for goodwill impairment of –€131.0m and –€25.0m, respectively, for the Germany/Austria/Czech Republic and the US/Canada CGUs.

7.2 Intangible assets

<i>(in thousands of euros)</i>	Intangible rights	Development costs	Software	Other	TOTAL
At december 31, 2016					
Gross value at opening	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 opening	40,355	6,487	25,886	8,568	81,296
Transactions during the period :					
Acquisitions	11	2,758	2,668	5,062	10,499
Disposals	(1)	-	(5)	-	(6)
Net amortization and provisions	(2,198)	(225)	(4,157)	(30)	(6,610)
Scope-of-consolidation changes	-	-	1,100	-	1,100
Exchange rate differences	(1,275)	(162)	(147)	(3)	(1,587)
Other transactions	-	-	3,355	(3,426)	(71)
Assets held for sale	-	-	(446)	-	(446)
TOTAL TRANSACTIONS (NET VALUE)	(3,463)	2,371	2,368	1,603	2,879
At June 30, 2017					
Gross value at opening	54,713	12,528	77,355	10,806	155,402
Amortization and provisions	(17,821)	(3,670)	(49,101)	(635)	(71,227)
Net value at opening	36,892	8,858	28,254	10,171	84,175

At Group level, development costs were capitalized up to €2,758k in H1 2017. The gross value of R&D costs totaled €12,528k at June 30, 2017.

In H1 2017, net allowances for intangible asset amortization totaled –€6,610k, of which:

- €4,439k in allowances for amortization and net current provisions, and
- €2,171k for intangible rights amortization.

7.3 Tangible assets

<i>In thousands of euros</i>	Land	Constructions	General facilities, fixtures and furnishings	Office & computer equipment & furniture	Other	Total
At december 31, 2016						
Gross value at opening	1,076	37,942	53,116	72,906	5,801	170,841
Depreciation and provisions	–	(7,975)	(28,373)	(55,881)	(4,509)	(96,738)
Net value at opening	1,076	29,967	24,743	17,025	1,292	74,103
Transactions during the period :						
Acquisitions	–	6,922	2,646	5,055	1,709	16,332
Disposals	–	–	(170)	(86)	(97)	(353)
Net depreciation and provisions	–	(369)	(3,035)	(3,623)	(146)	(7,173)
Scope-of-consolidation changes	21	33	1,498	1,807	134	3,493
Exchange rate differences	6	(655)	(593)	(382)	(56)	(1,680)
Other transactions	–	(13)	(39)	(210)	(51)	(313)
Assets held for sale	–	–	(229)	(326)	(69)	(624)
TOTAL TRANSACTIONS (NET VALUE)	27	5,918	78	2,235	1,424	9,682
At June 30, 2017						
Gross value at opening	1,103	44,130	57,431	78,071	7,553	188,288
Depreciation and provisions	–	(8,245)	(32,610)	(58,811)	(4,837)	(104,503)
Net value at opening	1,103	35,885	24,821	19,260	2,716	83,785

The Altran group owns land and property for the most part in the UK and the Czech Republic worth a total net value of €30,611k and €4,862k, respectively.

None of the Group's fully-depreciated fixed assets still in use are worth a significant amount.

In H1 2017, net depreciation on tangible assets totaled –€7,173k, of which –€7,067k in allowances for depreciation and net current provisions, and –€106k in other non-recurring operating costs.

7.4 Non-current financial assets

<i>(In thousands of euros)</i>	June 2017	Dec. 2016
Available for sale		
Cambridge consultants incubator	1,609	5,792
Loans and credits generated by the Group		
Construction-effort loans	16,866	15,021
Deposits and guarantees	11,005	11,750
Others receivables	1,044	1,044
	28,915	27,815
Other financial assets		
Other shares in non-consolidated subsidiaries	7,594	4,278
Investments in associates		240
	7,594	4,518
Total	38,118	38,125

The increase in non-current financial assets in H1 2017 stemmed mainly from:

- a fair value adjustment recognized by Cambridge Consultants Limited of -€4,354k for the Aveillant start-up;
- an increase of €1,845k in construction-effort loans;
- a reduction of €745k in deposits and guarantees;
- a €3,316k increase in "other non-consolidated holdings" stemming notably from the acquisition of minority stakes in the US firm H2Scan and the Tunisian company, Telnet Holding (via Titan Engineering).

7.5 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 €828k;
- tax receivables due in more than one year's time of €129,559k.

7.6 Inventories

<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Raw materials	1,778	1,655
Work in progress	3,884	4,333
Finished goods and semi-finished products	1,023	1,059
Provisions for inventory	(35)	(35)
TOTAL	6,650	7,012

7.7 Trade receivables net of provisions for depreciation

Trade receivables are due within up to one year.

<i>(in thousands of euros)</i>	June 2017			Dec. 2016		
	Total	Matured	Not matured	Total	Matured	Not matured
Net accounts receivable (clients)	490,974	60,930	430,044	395,429	62,252	333,177

Changes in provisions for trade receivables break down as follows (in thousands of euros):

Dec. 2016	Provisions booked over the period	Write backs	Exchange rate differences	Scope of consolidation changes	Other changes	June 2017
(5,593)	(2,269)	1,038	96	(43)	696	(6,075)

Trade receivables, net of depreciation, which are overdue, are listed in the following table:

<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Expiring in less than 1 month	28,927	30,573
Expiring in 1–3 months	17,419	20,596
Expiring in more than 3 months	14,584	11,083
TOTAL TRADE RECEIVABLES	60,930	62,252

The Group had available factoring lines totaling €405m at June 30, 2017. Within the context of the above factoring agreements, the amount of assigned trade receivables totaled €225.5m.

Recognition of receivables assigned without recourse had the following impact on the Group's financial statements (in thousands of euros):

Assets	June 2017	Dec. 2016
Accounts receivable (client)	(159,745)	(241,764)
Security deposit	11,977	17,287
	(147,768)	(224,477)

Liabilities	June 2017	Dec. 2016
Current financial liabilities	(147,768)	(224,477)
	(147,768)	(224,477)

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 7.11).

The impact of these elements on the financial statements is detailed in the table below (in thousands of euros):

Assets	June 2017	Dec. 2016
Accounts receivable (client)	65,766	89,159
o/w unfunded portion of trade receivables and cancellation of deposits	(14,257)	(29,214)
	51,509	59,945

Liabilities	June 2017	Dec. 2016
Current financial liabilities	51,509	59,945
	51,509	59,945

7.8 Other receivables

This item includes tax receivables, prepaid expenses, personnel and social-security receivables and other operating receivables.

7.9 Current financial assets

This item includes deposits and guarantees maturing in less than one year, and notably the security deposit attached to non-recourse factoring contracts in the amount of €11,977k.

7.10 Shareholders' equity and earnings per share

The following calculations are based on an average price of €15.15 per Altran Technologies share in H1 2017.

At June 30, 2017, the Company's share capital totaled €87,900,132.50 for 175,800,265 ordinary shares. The weighted average number of ordinary shares outstanding at the end of the interim period totaled 172,765,298 and the weighted average number of ordinary and dilutive shares totaled 173,533,718.

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	(3,137,573)	€0.50
Number of shares comprising the share capital at closing (excluding treasury stock)	172,662,692	€0.50

<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Net income (Altran Technologies)	54,688	122,483
Impact of dilutive share-based payments	1,612	1,454
Ordinary shares (weighted average number)	172,765,298	173,233,526
Options granted with a dilutive impact	768,420	500,769
Earnings per share (in euros)	0.32	0.71
Diluted earnings per share (in euros)	0.32	0.71
<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Net income (Altran Technologies) on continuing activities	54,124	121,081
Impact of dilutive share-based payments	1,612	1,454
Ordinary shares (weighted average number)	172,765,298	173,233,526
Options granted with a dilutive impact	768,420	500,769
Earnings per share (in euros)	0.31	0.70
Diluted earnings per share (in euros)	0.32	0.71
<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Net income (Altran Technologies) on discontinued operations	564	1,402
Impact of dilutive share-based payments		
Ordinary shares (weighted average number)	172,765,298	173,233,526
Options granted with a dilutive impact	768,420	500,769
Earnings per share (in euros)	0.00	0.01
Diluted earnings per share (in euros)	0.00	0.01

Instruments with a strike price below the average H1 2017 share price and which are expected to have a dilutive impact concern:

- the March 11, 2015 free-share plan involving a maximum of 261,959 free shares;
- the June 1, 2016 free-share plan involving a maximum of 379,601 free shares;
- the April 28, 2017 free-share plan involving a maximum of 364,472 free shares.

The characteristics of the Group's free-share plans are described in note 8.4.

7.11 Net debt

<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Cash and cash equivalent	394,963	478,330
Net cash	394,963	478,330
Bond loans (>1 year)	249,533	249,407
Credit establishment borrowings and debt (>1 year)	9	17,410
Other long-term financial liabilities	(277)	1,871
Current bond loans	7,892	3,681
Current borrowings	36,641	106,219
Bank overdrafts (*)	485,035	308,182
Other current financial liabilities	726	1,099
Gross financial debt	779,559	687,869
NET DEBT	(384,596)	(209,539)

(*): Including factoring, unsecured receivables assigned to the factor amounted to €51.5m at June 30, 2017 vs. €59.9m at December 31, 2016 (for total lines of €380.3m and €375.0m, respectively).

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

Consolidated net debt widened €175,057k on end-December 2016 levels to reach €384,596k at end-June 2017.

Cash equivalents

At June 30, 2017, the market value of cash equivalents totaled €254,036k. This breaks down as follows:

<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Certificates of deposit and other	254,036	285,093
SICAV and mutual funds		
TOTAL	254,036	285,093

Debt repayment schedule

The table below gives the breakdown of the Group's financing debt by type and by maturity, including accrued interest and after taking into account the effect of hedging instruments:

<i>(in thousands of euros)</i>	<1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	> 5 yrs
Bond loans (>1 year)	-	(252)	134,887	9,898	105,000	-
Credit establishment borrowings and debts (>1 year)	-	9	-	-	-	-
Other non-current financial liabilities	-	(8)	119	-	-	(388)
Non-current financial liabilities	-	(251)	135,006	9,898	105,000	(388)
Current bond loans	7,892					
Current borrowings	36,641					
Bank overdrafts	485,035					
Other current financial liabilities	726					
Current financial liabilities	530,294	-	-	-	-	-
TOTAL	530,294	(251)	135,006	9,898	105,000	(388)
Accrued interest	8,493	8,459	3,651	3,142	138	-

In percentage terms, the maturity of the Group's financial liabilities at June 30, 2017 breaks down as follows:

- due in less than 1 year: 68.02%
- due in 1 to 5 years: 32.02%
- due in more than 5 years: -0.04%

Main changes in credit lines

The Group has renegotiated its medium-term credit line facility. In consequence, all prior commitments attached to the previous facility will be reimbursed in July 2017.

In H1 2017, Altran booked changes in the fair value of interest-rate swaps (IRS), caps and floors under:

- shareholders' equity, for a net amount of €352k, of which €537k in gross value terms less deferred taxes of -€185k;
- net financial income, for a net amount of €788k, of which €1,202k in gross value terms, and -€414k in deferred taxes.

All information relative to liquidity risk is given in note 4.2 - "Risks" - of the 2016 Registration Document.

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	0.0	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	250.0	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	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	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	250.0	250.0	250.0	250.0	115.0	115.0	105.0	105.0	0.0

7.12 Provisions for liabilities and charges

Movements in short and long-term provisions are given in the table below:

(in thousands of euros)	Dec. 2016	Provisions booked over the period	Write-backs (used)	Write-backs (not used)	Exchange rate differences	Scope of consolidation changes	Other changes	June 2017
Provisions for labor disputes	856	246	(114)	-	-	-	149	1,137
Provision for other disputes	601	-	(80)	-	-	-	-	521
Provision for subsidiary risk	799	-	-	-	(68)	-	146	877
Provisions for warranties	101	37	-	(29)	(3)	-	-	106
Provision for other risks	42,741	1,157	(6,680)	-	-	17	(5,999)	31,236
Provision for restructuring	996	270	(202)	-	-	-	-	1,064
Other provisions for charges	4,144	-	(2,423)	-	(136)	73	(25)	1,633
TOTAL PROVISIONS FOR LONG-TERM LIABILITIES AND CHARGES	50,238	1,710	(9,499)	(29)	(207)	90	(5,729)	36,574
Provisions for labor disputes	6,791	989	(669)	(359)	-	148	(148)	6,752
Provision for other disputes	477	-	(84)	-	-	-	-	393
Provisions for warranties	125	-	-	(42)	(1)	-	-	82
Provision for legal disputes and tax penalties	15	-	-	-	-	-	-	15
Provision for losses on completion	832	422	(603)	-	-	-	-	651
Provision for other risks	4,792	218	(366)	(331)	(2)	-	6,000	10,311
Provision for restructuring	4,957	738	(1,487)	(84)	(4)	-	-	4,120
Provisions for other charges	72	259	(25)	-	(1)	110	25	440
TOTAL PROVISIONS FOR SHORT-TERM LIABILITIES AND CHARGES	18,061	2,626	(3,234)	(816)	(8)	258	5,877	22,764

Provisions for restructuring

Trends in the Group's main restructuring provisions are set out in the table below:

(In thousands of euros)	Dec. 2016	Provisions booked over the period	Write-backs	Exchange rate differences	Scope of consolidation changes	June 2017
Restructuring plans						
Payroll charges	3,778	915	(1,226)	(4)	6	3,469
Property lease rationalization	1,646	94	(548)	-	-	1,192
Other	528	-	-	-	(5)	523
TOTAL	5,952	1,009	(1,774)	(4)	1	5,184

7.13 Employee benefits

Liabilities arising from employee benefits and social-security payables are detailed in the table below:

<i>(in thousands of euros)</i>	June 2017	Dec. 2016
Personnel and social security charges	226,968	214,131
	226,968	214,131
Non-current employee benefits	36,297	32,824
	36,297	32,824
Total	263,265	246,955

The Group's retirement-plan and post-employment benefit commitments are booked under "Non-current employee benefits" and mainly concern France, Italy and Switzerland.

The bulk of hedging assets is located in Switzerland and comprises mutual funds, insurance assets and securities.

7.14 Trade payables

Trade payables totaled €126,100k at June 30, 2017 vs. €116,484k at December 31, 2016.

<i>(in thousands of euros)</i>	June 2017			December 2016		
	Total	Matured	Not matured	Total	Matured	Not matured
Accounts payable	126,100	53,439	72,661	116,484	45,122	71,362

Trade and other payables which are overdue are listed in the following table:

<i>(in thousands of euros)</i>	June 2017	December 2016
Expiring in less than 1 month	39,800	36,445
Expiring 1-3 months	7,152	5,123
Due in more than 3 months	6,487	3,554
TOTAL MATURED	53,439	45,122

7.15 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.

7.16 Debt on securities

Securities debt over the 2017 interim period concerned earn-out commitments in the amount of €12,551k versus €18,297k at end-December, 2016.

7.17 Fair value

(In thousands of euros)	Fair value	June 2017					Dec. 2016				
		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	7,594	-	1,609		7,594	4,278	-	5,792		4,278
Equity-accounted shares	Level 3	-	(702)	-		-	-	(369)	-		-
Loans and receivables	Level 2	12,049	16,866	-		12,049	12,794	15,021	-		12,794
Cash equivalents	Levels 1 & 2	-	254,036	-		-	-	285,093	-		-
Derivative instruments	Level 2	-	-	-		-	-	-	-		-
Total Assets		19,643	270,200	1,609	-	19,643	17,072	299,745	5,792	-	17,072
Liabilities											
Convertible bond loans	Level 1	-	-	-		-	-	-	-		-
Bond loans	Level 1	250,000	-	-		248,530	250,000	-	-		246,143
Derivative instruments	Level 2	-	(333)	424		-	-	869	960		-
Total Passif		250,000	(333)	424	-	248,530	250,000	869	960	-	246,143

The fair value of other financial assets and liabilities measured at amortized cost is close to their book value.

Note 8 Notes to the income statement

8.1 Segment reporting at June 30, 2017

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.

In compliance with this standard, Altran's operating segments at end-June 2017 included:

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

Segment reporting

At June 30, 2017 (in millions of euros)	France	Northern Europe	Southern Europe	ROW zone	Inter-segment eliminations	Total
Revenues						
External	467	386	224	75	-	1,152
Inter-segment eliminations	31	11	15	5	(62)	-
Total Revenues	498	397	239	80	(62)	1,152
Total operating income	518	403	242	81	(62)	1,182
Total operating expenses	(465)	(382)	(215)	(77)	62	(1,077)
Operating income on ordinary activities	53	21	27	4	0	105
Operating income on ordinary activities (%)	10.6%	5.3%	11.3%	5.0%	0.0%	9.1%
Assets by region	1 992	741	237	152	(776)	2,346
TOTAL ASSETS	1 992	741	237	152	(776)	2 346

At June 30, 2016 * (in millions of euros)	France	Northern Europe	Southern Europe	ROW zone	Inter-segment eliminations	Total
Revenues						
External	435	332	218	49	-	1,034
Inter-segment eliminations	28	6	9	3	(46)	-
Total Revenues	463	338	227	52	(46)	1,034
Total operating income	481	344	229	53	(46)	1,061
Total operating expenses	(435)	(328)	(201)	(53)	46	(971)
Operating income on ordinary activities	46	16	28	0	0	90
Operating income on ordinary activities (%)	9.9%	4.7%	12.3%	0.0%	0.0%	8.7%
Assets by region	1 774	643	198	107	(634)	2,088
TOTAL ASSETS	1 774	643	198	107	(634)	2 088

* 2016 figures restated for the US Utilities activity which is currently held for sale.

The French zone includes operating subsidiaries, as well as Group holding activities (head office and cross-functional services).

Altran continued to report sustained growth in the first half, with consolidated interim revenues coming out at €1,151.8m, up 11.4% on the year-earlier level of €1,034.3m. This performance factors in the positive impact of scope of consolidation changes (+7.3%) and dips in the number of working days and exchange rates of -0.5% and -0.8%, respectively.

Group operating income widened 40 basis points to reach €105m, equivalent to 9.13% of sales.

8.2 Revenue

The breakdown of Group revenues is given in the table below:

<i>(In thousands of euros)</i>	June 2017	June 2016*	% Change
Sales of goods	9,322	7,579	+ 23.0 %
Sales of services	1,142,239	1,025,956	+ 11.3 %
Royalties	288	787	- 63.4 %
TOTAL	1,151,849	1,034,322	+ 11.4 %

* 2016 figures restated for the US Utilities activity which is currently held for sale.

8.3 External expenses

The Group's external expenses at June 30, 2017 break down as follows:

<i>(In thousands of euros)</i>	June 2017	June 2016	% Change
Outsourcing	91,902	67,881	+ 35.4 %
Operating lease and related expenses	36,117	32,611	+ 10.8 %
Training	6,503	5,994	+ 8.5 %
Professional fees and external services	14,801	14,590	+ 1.4 %
Transport and travel expenses	36,961	34,461	+ 7.3 %
Other purchases and external services	35,242	33,664	+ 4.7 %
TOTAL	221,526	189,201	+ 17.1 %

* 2016 figures restated for the US Utilities activity which is currently held for sale.

Trends in the Group's external expenses are detailed in paragraph 2 – “Group performances” of “Current operating expenses” in the present report.

8.4 Personnel costs

Personnel costs at June 30, 2017, including the French CICE (*Crédit d'impôt pour la compétitivité et l'emploi*) tax credit, break down as follows:

<i>(in thousands of euros)</i>	June 2017	June 2016	% Change
Salaries & payroll	813,478	752,683	+ 8.1 %
Expenses related to share-based payments	1,612	472	+ 241.5 %
Long-term employee benefits	1,915	1,690	+ 13.3 %
TOTAL	817,005	754,845	+ 8.2 %

* 2016 figures restated for the US Utilities activity which is currently held for sale.

Share-based payments

Total share-based payments amounted to €1,612k at end-June 2017 (compared with the year-earlier level of €472k). The bulk of these concern the free-share plans implemented on March 11, 2015, June 1, 2016 and April 28, 2017.

The main characteristics of these plans are outlined in the table below:

	Free shares 2015	Free shares 2016	Free shares 2017
Date of General Meeting	06/01/2012	04/29/2016	04/28/2017
Date of Board of Directors meeting	03/11/2015	06/01/2016	04/28/2017
Total number of shares available for allocation on the date of attribution	291 959	519 395	437 366
<i>o/w available to corporate officers</i>	0	0	0
<i>o/w available to 10 highest paid employees</i>	116 750	231 583	157 681
<i>Balance at 06/30/2017</i>	116 750	139 719	131 401
Definitive granting of free shares	03/11/2019	10/03/2019 at the latest	04/28/2020
End of lock-in period for free shares	03/11/2019	10/03/2019 at the latest	04/28/2020
Reference share price (in euros)	8.53 €	13.35 €	15.87 €
Valuation method used	Binomial	Binomial	Binomial
Number of shares available for allocation at 12/31/2016	261 959	410 245	
Rights created in 2017		16 427	364 472
Rights forfeited in 2017		27 052	
Rights granted in 2017		20 019	
Number of shares available for allocation at 06/30/2017	261 959	379 601	364 472

8.5 Depreciation and net provisions

<i>(In thousands of euros)</i>	June 2017	June 2016	% Change
Depreciation of intangible and fixed assets	(11,507)	(10,567)	+ 8.9 %
Provisions for current assets	(553)	(1,178)	- 53.1 %
Provisions for risks and charges	156	150	+ 4.0 %
TOTAL	(11,904)	(11,595)	+ 2.7 %

* 2016 figures restated for the US Utilities activity which is currently held for sale.

8.6 Other non-recurring operating income and expenses

<i>(in thousands of euros)</i>	June 2017	June 2016
Net proceeds from fixed and intangible asset disposals	(278)	(93)
Net proceeds from divestment & liquidation of holdings in consolidated subsidiaries	-	-
Asset disposals	14	(53)
Costs and disputes related to acquisitions and legal reorganization	(2,616)	(1,727)
Trade-disputes	(1,048)	943
Social-disputes	9	(10)
Legal-disputes	(119)	(83)
Fiscal-disputes	-	29
Exceptional costs related to strategic plan	(226)	-
Restructuring costs and net provisions of write-backs	(7,264)	(9,318)
Other	3	-
Total	(11,525)	(10,312)

* 2016 figures restated for the US Utilities activity which is currently held for sale.

A non-recurring operating loss of -€11,525k includes:

- acquisition and legal-reorganization costs: -€2,616k;
- a net impact of -€7,264k related to the restructuring plans detailed below:

Restructuring costs

Breakdown of net costs:

<i>(in thousands of euros)</i>	June 2017	June 2016
Salaries	(6,739)	(5,448)
Property lease rationalization + furnishing write-offs	(289)	(747)
Other	(236)	(3,123)
Total	(7,264)	(9,318)

* 2016 figures restated for the US Utilities activity which is currently held for sale.

8.7 Cost of net financial debt

<i>(in thousands of euros)</i>	June 2017	June 2016
Gains on cash and cash equivalents		
Income from cash and cash equivalents	1,456	2,205
	1,456	2,130
Cost of gross financial debt		
Interest expenses on bond loans	(4,317)	(4,362)
Interest expenses on other financing operations	(3,476)	(3,487)
	(7,793)	(7,849)
COST OF NET FINANCIAL DEBT	(6,337)	(5,719)

** 2016 figures restated for the US Utilities activity which is currently held for sale.*

At end-June 2017, the cost of net financial debt (at –€6,337k includes interest paid on 1/ bond loans in the amount of –€4,317k and 2/overdrafts and medium-term borrowings for –€3,476k.

8.8 Other financial income and expenses

<i>(in thousands of euros)</i>	June 2017	June 2016
Financial revenue		
Gains on other financial asset disposals	–	128
Financial gains from conversion to present value	247	248
Forex gains	1,561	6,255
Write-backs of provisions for non-consolidated assets and other non-current financial assets	9	–
Gains on financial instruments	–	44
Other financial income	4	–
	1,821	6,675
Financial expenses		
Loss on other financial asset disposals	–	–
Depreciation of non-consolidated holdings and other non-current financial assets	(4,540)	(2,871)
Employee-benefit provisions	(335)	(376)
Debt waiver	–	–
Forex losses	(4,422)	(3,987)
Financial charges on conversion to present value	(264)	(156)
Loss on financial instruments	–	–
Other financial expenses	(5)	(54)
	(9,566)	(7,444)

* 2016 figures restated for the US Utilities activity which is currently held for sale.

8.9 Tax expenses

Tax expenses in H1 2017 totaled €23.1m for a pre-tax income of €77.2m after applying the estimated effective tax rate over the full year (including secondary taxes such as the French CVAE and the Italian IRAP).

8.10 Net income on discontinued operations

In accordance with IFRS 5:

- the income-statement elements of the US Utilities activity, which is currently held for sale, are presented on a separate line ("Net income from discontinued operations") in the 2016 and H1 2017 income statements after inter-group eliminations,
- net changes in cash generated by the activity, financing and investment are presented on a separate line in the cash flow statement;
- assets and liabilities, without compensation are presented on a separate line under assets and liabilities classed as "held for sale".

Movements in net income on discontinued operations break down as follows:

(€m)	June 2017	June 2016
Revenues	13.9	23.2
Operating income on ordinary activities	1.0	1.8
Operating income	0.9	1.5
Financial income		
Tax expenses/income	(0.3)	(0.5)
NET INCOME ON DISCONTINUED OPERATIONS	0.6	1.0

Movements in cash flow of discontinued operations break down as follows:

(€m)	June 2017	Déc. 2016	June 2016
Operating income	0.9	2.1	1.5
Cash flow before net interest expenses and taxes	1.3	2.5	1.7
Change in working capital requirement	5.4	(1.9)	(2.8)
Net cash flows from discontinued operations (A)	6.7	0.6	(1.1)
Net cash from investments made by discontinued operations (B)	(0.1)	(0.2)	(0.1)
Net cash from financing activities of discontinued operations (C)	-	-	-
TOTAL (A) + (B) + (C)	6.6	0.4	(1.2)

Elements related to assets and liabilities classed as “held for sale” break down as follows:

<i>(€m)</i>	June 2017
Net value of tangible and intangible assets	1.1
Net other non-current assets	0.7
Total non-current assets	1.8
Clients accounts and other receivables	4.9
Total current assets	4.9
Assets held for sale	6.6

<i>(€m)</i>	June 2017
Total non current-liabilities	-
Trade payables	1.3
Current employee benefit	0.4
Other current liabilities	0.8
Total current liabilities	2.5
Liabilities held for sale	2.5

Note 9 – Major litigation issues and liabilities

At the close of H1 2017, no significant changes had been made with respect to the major litigation and contingent liabilities brought to the shareholders’ attention when the Company’s 2016 financial statements were approved (see pages 17, 187 and 188 of the 2016 Registration Document).

Note 10 Off balance sheet commitments

Trends in off-balance sheet commitments are listed in the table below:

<i>(in thousands of euros)</i>	June 2017	< 1 year	1-5 years	> 5 years	Dec. 2016
Commitments granted :					
Pledges, security deposits and guarantees					
– on current operations	25,438	2,034	9,575	13,829	19,459
– on financing operations	17,095	9,220	304	7,571	17,176
Operating lease (property, fittings)					
– Minimum future payments (see note 5.3)	228,452	55,795	124,268	48,389	221,317
Non-competition clause concerning former employees :	759	759			796
– gross amount	513	513			538
– social security contributions	246	246			258
Commitments received :					
Pledges, security deposits and guarantees					
– pledges, security deposits and guarantees	6,274	1,525	4,568	181	6,738
– on financing operations	–				–

Note 11 – Information relative to related-party transactions

None.

Note 12 Post-closure events

Acquisitions

At the end of July 2017, the Group announced the following acquisitions:

NEXT Ingegneria dei Sistemi: Italy

NEXT Ingegneria dei Sistemi is an Italian embedded software company that provides cutting-edge IT products and services to customers operating primarily in the Defense, Aerospace and Rail sectors. Its client portfolio notably includes players such as Leonardo, Telespazio, Thales Alenia Space and Bombardier Transportation

Founded in 1999 and based in Rome, NEXT has numerous offices in Italy and a workforce of 230 employees.

The acquisition of NEXT Ingegneria dei Sistemi:

- completes Altran's expertise in embedded software, a fast-growing segment,
- will thus enable the Group to offer its clients end-to-end hardware and embedded software solutions, and
- reinforces its leadership position in Italy, a key market for the Group.

The acquisition is subject to customary closing conditions.

Information Risk Management: the UK

Founded in 1998, Information Risk Management (IRM) is a UK-based cyber-security company specialized in identification, management and IT risk-reduction solutions.

With best-in-class accreditations and certifications, IRM provides a comprehensive range of end-to-end cyber-security solutions, including strategic consultancy, professional training and software design.

IRM boasts an impressive client portfolio with players operating in the public and private sectors, such as Travelex, BNP Paribas and Telefonica, as well as the UK Ministry of Defense, the Department for Transport, the Cabinet Office and GCHQ (government communications headquarters). IRM has also forged strategic partnerships with the new UK National Cyber Security Center (NCSC).

Based in Cheltenham in England and with offices in London, IRM has a workforce of 82 employees.

The acquisition of IRM:

- significantly enhances Altran's skills and expertise in cyber-security, a fast-growing strategic global market,
- will play a key role in the Group's new Cyber-security World Class Center to be launched at the beginning of 2018. The Altran Group will combine IRM's capacity with its other assets to address client needs for secure applications in the field of digital transformation, the Internet of Things (IoT) and autonomous vehicles, etc.

Beginning of September 2017, the Group announced the following acquisition:

India: Global Edge Software

The Altran group announced on September 5th the acquisition of Global Edge Software, an India-based product engineering company, specialized in embedded software solutions and IoT solutions.

With 1,000 engineers, the company, founded in 2001, is headquartered in Bangalore with a branch in Hyderabad and two specific client locations in Chennai and in Mumbai/Pune. It serves mostly the Semiconductor, Telecoms and Automotive industries, but also addresses a larger range of industry segments such as Software & Internet and Consumer electronics, with many blue-chip clients.

The acquisition of Global Edge Software Altran increases Altran's presence in India, reinforcing significantly the Group's Industrialized GlobalShore™ end-to-end delivery capabilities.

It will help accelerate Altran's commercial footprint development in North America, with strong US-based blue-chip companies. The company has a dedicated Californian-based team of several dozen engineers.

In line with Altran's strategy, the acquisition:

- reinforces the Group's operations with the Semi-conductor, Telecom, Automotive and Software/Internet industries;
- provides deep expertise in connectivity technology;
- supports Altran's overall software strategy.

The acquisition is subject to customary closing conditions and expected to be completed in September 2017.

Financing

On July 28, 2017, the Altran Group announced that it had contracted an unsecured syndicated multi-currency (EUR, USD, GBP) revolving loan in the amount of €500m to replace its existing €300m credit facility.

This credit line gives Altran access to €200m more than the previous facility. In particular, it:

- will serve to finance the Group's general expenses,
- is concluded for a period of 5 years with two 1-year extension options,
- is more flexible than the previous facility, and offers more advantageous margins, simplified documentation and possible recourse to the US dollar and Pound sterling,
- was concluded with a larger lending pool of 10 banks that form the core base of Altran's bank relations worldwide.

C. Statutory auditors' report

Mazars
Tour Exaltis
61, rue Henri Regnault
92075 La Défense Cedex

French limited company with a capital of
€8,320,000
Statutory Auditors
Member of the Versailles Regional Statutory
Auditors Commission (*Compagnie Régionale de
Versailles*)

Deloitte & Associés
185, avenue Charles de Gaulle
B.P. 136
92524 Neuilly-sur-Seine Cedex

French limited company with a capital of
€1,723,040
Statutory Auditors
Member of the Versailles Regional Statutory
Auditors Commission (*Compagnie Régionale de
Versailles*)

ALTRAN TECHNOLOGIES

French limited company
96, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

Statutory Auditors' Report on the interim financial information 1 January to 30 June 2017

This is a free translation into English of the statutory auditors' report on the interim financial information that is issued in French and is provided solely for the convenience of English speaking users. This report includes information relating to the specific verification of information given in the Group's interim management report. This report on the interim financial information should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' meeting and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Altran Technologies for the period from 1 January to 30 June 2017, and;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information involves making inquiries with the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially more limited in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, a review does not guarantee that the financial statements taken as a whole reflect all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements have not been prepared in accordance with IFRS standard, IAS 34, as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the interim management report on the condensed consolidated interim financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed consolidated interim financial statements.

La Défense and Neuilly-sur-Seine, 7 September, 2017

The Statutory Auditors

Mazars

Deloitte & Associés

Jean-Luc BARLET

Arnaud DE PLANTA

Ambroise DEPOUILLY

D. Statement by the person responsible for the interim report

I declare that, to the best of my knowledge, the consolidated interim financial statements for H1 2017 were prepared according to generally accepted accounting principles and give a true and fair view of the assets and liabilities, the financial position and the results of the company and all entities in its scope of consolidation, and that the interim report presents a faithful summary of the key events occurring during the first six months of the year and their impact on the interim financial statements, as well as the main related-party transactions over the period, and the major risks and uncertainties for the remaining six months of the year.

Dominique Cerutti
Chairman of the Board of Directors and Chief Executive Officer

