

2012 INTERIM FINANCIAL REPORT 30 JUNE 2012

ALTRAN TECHNOLOGIES

French public limited liability company governed by a Board of Directors and with a share capital of €72,360,712

Head office: 58, boulevard Gouvion-Saint-Cyr – 75017 Paris

Paris Trade and Companies Registration n°: 702 012 956

Business Activity Code: 7112B

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A. INTERIM MANAGEMENT REPORT

1. KEY EVENTS

At Altran's Combined Ordinary and Extraordinary Shareholders' Meeting on 1 June 2012, Group shareholders appointed four new directors – Mrs Florence Parly, Mrs Nathalie Rachou, Mr Christian Bret and Mr Hans-Georg Härter – to replace Messrs Roger Alibaut, Dominique de Calan, Yves de Chaisemartin and Michel Sénamaud whose mandates expired on the same date.

Altran's special committees now comprise the following members:

The Audit Committee

Jacques Etienne de T'Serclaes (Chairman)

Jean-Pierre Alix

Nathalie Rachou

Thomas de Villeneuve (Censor)

The Appointment and Remuneration Committee

Florence Parly (Chairman)

Gilles Rigal

Jacques Etienne de T'Serclaes

The Investment and Acquisition Committee

Philippe Salle (Chairman)

Christian Bret

Monique Cohen

Hans-Georg Härter

Gilles Rigal

2. GROUP PERFORMANCES

Consolidated income statement

(€ million)	June 2012	June 2011*
Revenues	732.6	712.9
Other income from operations	12.3	7.2
Revenues from ordinary activities	744.9	720.1
Operating income on ordinary activities	55.4	48.4
Other non-recurring operating income and expenses	(2.4)	(8.0)
Goodwill depreciation	0	0.0
Operating income	53.0	40.5
Cost of net financial debt	(9.0)	(12.5)
Other financial income	3.1	2.1
Other financial expenses	(2.2)	(8.6)
Tax expenses	(12.3)	(12.1)
Net income before discontinued operations	32.6	9.3
Net profit/loss on discontinued operations	(2.4)	(37.0)
Net income	30.2	(27.7)
Minority interests	(0.1)	0.0
Net income attributable to group	30.1	(27.7)
Earnings per share	0.21	(0.19)
Diluted earnings per share	0.21	(0.19)

* In accordance with IFRS 5, Altran's H1 2011 figures are restated for the disposal of Arthur D. Little sold on 31 December 2011.

Altran turned in a solid 2012 interim performance, with revenues up 2.8% at €732.6m (vs. €712.9m in H1 2011).

This implies organic growth (i.e. like-for-like) of 4.5%, and economic growth (i.e. on a constant forex, working-day and like-for-like basis) of 4.2%.

This performance was underpinned by the Group's positioning, which is focused on innovation (a central feature of corporate growth strategies), as well as its balanced exposure to a number of different sectors and its solid presence abroad.

Revenue growth over the period made for an improvement in consolidated margins: operating income on ordinary activities came out at €55.4m, equivalent to 7.6% of sales, representing an 80 basis-point increase on H1 2011 levels (€48.4m, or 6.8% of sales).

In addition to the positive impact of interim revenue growth, H1 2012 margins were also boosted by management's tight control of overhead costs, which narrowed 110 basis points on year-earlier levels.

With regards other non-recurring operating income and expenses, Altran booked an exceptional loss of €2.4m over the period, compared with -€8m in H1 2011.

Given the absence of goodwill depreciation in H1 2012, operating income came out at €53m, vs. €40.5m in H1 2011.

At the interim stage, the Group reported net income of €30.2m (compared with a net loss of €27.7m in H1 2011). This result factors in:

- Financial expenses of €8.1m, versus -€19m in H1 2011;
- A tax charge of €12.3m, versus €12.1m in the year-earlier period;
- A €2.4m charge relative to the sales-price adjustment clause attached to the Arthur D. Little disposal.

Revenues

Altran reported revenues of €732.6m in H1 2012, up 2.8% on year-earlier levels (€712.9m). This performance factors in the negative impacts of changes in the scope of consolidation (1.8%) and the number of working days (0.3%), as well as a favourable forex effect (0.6%).

Organic growth (i.e. like-for-like) came out at 4.5% and, in terms of economic growth (i.e. on a constant forex, working-day and like-for-like basis), revenues increased by 4.2%.

All regions contributed to organic growth, with revenues up 4.1% in France, up 5.9% in Northern Europe and up 34.1% in the RoW zone. Southern Europe also reported organic growth, albeit more modest, despite a particularly harsh economic backdrop.

This performance was underpinned by the Group's sustained recruitment strategy, notably in Q2 2012 (with a like-for-like increase of 463 employees).

Growth trends by sector of activity show that:

- Strong performances were recorded by the *Aerospace, Defence & Railways (ASD)* division, notably in France and Spain, as well as the *Energy, Industry & Life Sciences (EILIS)* segment, particularly in France, Switzerland and the US;
- The *Automotive, Infrastructure & Transportation (AIT)* division held up well, especially in Italy, Germany and Sweden;
- Business was somewhat more sluggish in the *Financial Services & Public Sector (FSG)*, which was heavily penalised by the banking crisis and in *Telecoms & Media (TEM)* owing to fierce competition in this market.

Gross margin and operating income on ordinary activities

<i>(€ million)</i>	<i>H1 2012</i>	<i>2011</i>	<i>H2 2011</i>	<i>H1 2011</i>
Revenues	732.6	1,419.5	706.6	712.9
Gross margin	200.2	406.8	209.3	197.5
%	27.3%	28.7%	29.6%	27.7%
Overheads	(144.8)	(293.7)	(144.6)	(149.1)
%	-19.8%	-20.7%	-20.5%	-20.9%
Operating income on ordinary activities	55.4	113.1	64.7	48.4
%	7.6%	8.0%	9.2%	6.8%

The gross margin came out at €200.2m, equivalent to 27.3% of sales, down 40 basis points on year-earlier levels (27.7%).

Operating income on ordinary activities rose 14.5% to €55.4m (equivalent to 7.6% of sales, an increase of 80 basis points on the year-earlier level of 6.8%). This improvement was achieved on the back of management's tight control of indirect costs. As such, overheads as a percentage of sales narrowed 110 basis points from 20.9% in H1 2011 to 19.8% at end-June 2012.

Trends in staff levels

	<i>31/12/2010</i>	<i>30/06/2011</i>	<i>31/12/2011</i>	<i>30/06/2012</i>
Total headcount at end of period	16,414	16,888	17,261	17,537

	<i>H2 2010</i>	<i>H1 2011</i>	<i>H2 2011</i>	<i>H1 2012</i>
Average headcount	16,233	16,547	17,129	17,150

At end-June 2012, the total headcount stood at 17,537 employees, representing an increase of 1.6% (+276 staff members) on end-2011 levels and of 3.8% (+649) on end-June 2011.

On a like-for-like basis, the headcount increased by 512 employees in H1 2012, up 3% on end-December 2011 levels.

Altran recruited 2,264 employees over the period (on a like-for-like basis), down 11.1% on H1 2011 levels (2,548).

At the same time, the 12-month moving average of the staff turnover rate, albeit still high, narrowed 50 basis points from 25.3% in H1 to 24.8% in H1 2012.

This trend stemmed from the Group's employee retention strategy (one of the 12 lines of action of the Hercules progress plan), and probably from the overall economic climate.

Operating costs on ordinary activities

(€ million)	H1 2012	2011	H2 2011	H1 2011	H1 2012 vs H1 2011
Revenues	732.6	1 419.5	706.6	712.9	2.8%
Personnel costs	530.1	1 007.2	499.9	507.3	4.5%
As % of sales	72.4%	71.0%	70.7%	71.1%	1.2 pts

(€ million)	H1 2012	2011	H2 2011	H1 2011	H1 2012 vs H1 2011
Total external charges	140.4	287.0	138.0	149.0	-5.7%
As % of sales	19.2%	20.2%	19.5%	20.9%	-1.7 pts

Outsourcing	51.7	106.2	49.0	57.2	-9.6%
As % of sales	7.1%	7.5%	6.9%	8.0%	-1.0 pts
Rentals - Leasing charges	1.5	3.2	1.7	1.5	-0.2%
As % of sales	0.2%	0.2%	0.2%	0.2%	0.0 pts
Simple rentals and external expenses	22.4	47.7	23.7	24.0	-6.4%
As % of sales	3.1%	3.4%	3.4%	3.4%	-0.3 pts
Training	4.4	8.9	4.0	4.9	-10.8%
As % of sales	0.6%	0.6%	0.6%	0.7%	-0.1 pts
Professional fees and external services	10.7	24.8	11.8	13.0	-17.7%
As % of sales	1.5%	1.7%	1.7%	1.8%	-0.4 pts
Transport and travel expenses	29.5	57.7	29.1	28.6	3.3%
As % of sales	4.0%	4.1%	4.1%	4.0%	0.0 pts
Other purchases and external services	20.1	38.5	18.7	19.8	1.7%
As % of sales	2.7%	2.7%	2.6%	2.8%	0.0 pts

The increase in personnel costs (+4.5% on H1 2011 levels) outpaced growth in sales (+2.8%). Higher staff costs in H1 2012 stemmed from brisker business, notably in France, Germany, Spain, Sweden and the US.

Staff costs were also boosted by Altran's strategy aimed at bringing projects back in house with a view to limiting outsourcing costs (-9.6%), notably in Germany, the US and France.

After outsourcing costs, the major operating-expense reduction concerned "Office leases and related expenses" (-6.4%) due to the rationalisation of the Group's office space in France (-6.9%) and Italy (-6.8%).

Financial income and cost of net financial debt

Financial expenses narrowed to €8.1m at end-June 2012 from the -year-earlier level of -€19.0m, thanks to the strengthening of Altran's financial situation and the negative impact in H1 2011 of a €3.2m charge incurred on a hedging instrument which expired on 2 January 2012.

The cost of net financial debt declined from €12.5m in H1 2011 to €9m at end-June 2012. The 2012 interim figure includes financial charges of -€10m, plus financial income of +€1m stemming from cash and cash equivalent investments.

Financial charges (-€10m) correspond to interest paid on 1/ the convertible bond loan, redeemable on 1 January 2015 (for -€7.6m), 2/ borrowings (for -€0.2m), 3/ credit lines drawn down by the Group (-€0.5m) and 4/interest-rate financial instruments (-€0.1m), as well as the factoring of trade receivables (-€1.4m).

Corporate Tax

Tax expenses of €12.3m in H1 2012 include:

- a current tax charge of €15.6m, of which -€7.3m in secondary taxes (with the French *CVAE* accounting for -€5.6m and the Italian *IRAP* business tax for -€1.5m);
- a deferred tax-credit of +€3.3m.

Statement of cash flow

(€ million)	June 2012	December 2011	June 2011*
Net financial debt at opening (1 January)	(169.8)	(180.4)	(180.4)
Cash flow before net interest expenses and taxes	58.2	115.1	45.8
Change in working capital requirement	(27.8)	(16.1)	(25.6)
Net interest paid	(11.9)	(20.4)	(16.7)
Taxes paid	(9.3)	(27.7)	(19.5)
Cash impact of discontinued operations	(0.0)	(9.0)	(6.7)
Net cash flow from operations	9.2	41.7	(22.7)
Net cash flow from investments	(9.1)	(37.0)	(19.1)
Net cash flow before investments	0.1	4.8	(41.8)
Impact of changes in exchange rates and other	(1.1)	4.8	1.5
Impact of capital increase	0.5	1.0	(0.0)
Net financial debt at closing (30 June)	(170.3)	(169.8)	(220.8)

Net cash flow generated by operations including interest payments

Net cash flow from operations rose sharply to €9.2m, vs. –€22.7m at 30 June 2011. This improvement was due mainly to:

- An increase in cash flow generation to €58.2m in H1 2012 (vs. €45.8m in H1 2011), stemming from an improvement in the Group's operating performances;
- A reduction in the amount of net interest and tax payments (–€11.9m and –€9.3m, respectively);
- The discontinuation of Arthur D. Little's business, which accounted for –€6.7m at end-June 2011.

Net cash flow invested

The Group invested net cash of €9.1m in H1 2012 vs. €19.1m at end-June 2011.

Free cash flow

Free cash flow generation is one of the key financial objectives of the 2012–2015 strategic plan that the Group presented to the market.

Free cash flow equals cash flow after tax and investments (CAPEX), excluding financial investments and any positive or negative changes in working capital requirement.

On a rolling 12-month basis, free cash flow was equivalent to 5.1% of sales over the period, vs. 0.9% at end-June 2011. In H1 2012, the Group generated cash flow of +€11.5m, compared with –€8.6m in H1 2011.

Group net debt

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

(€ million)	June 2012	December 2011	June 2011	Change
Convertible bonds	99.8	99.8	99.8	0.0
Medium-term credit line	13.4	29.3	45.9	(15.9)
Short-term credit line	195.7	227.7	218.6	(32.0)
<i>o/w factoring</i>	<i>139.5</i>	<i>187.9</i>	<i>157.7</i>	<i>(48.4)</i>
Total financial debt	308.9	356.8	364.4	(47.9)
Cash and cash equivalent	138.6	187.1	143.6	(48.5)
Net financial debt	170.3	169.7	220.8	0.6

Net financial debt	170.3	169.7	220.8
Employee profit share	2.2	3.3	3.4
Accrued interest	18.6	21.7	14.1
Net debt	191.1	194.7	238.3

Available factoring lines totalled €291.5m in H1 2012.

Net financial debt remained stable on end-2011 levels.

3. SEGMENT REPORTING

3.1 Breakdown of revenues by country and geographic zone

At 30 June 2012, consolidated revenues came out at €732.6m, up 2.8% on H1 2011 levels. The breakdown of Group revenues by geographic zone is given in the table below:

<i>(€ million)</i>	H1 2012		H1 2011		H1 2012 vs H1 2011	Organic growth
	Total revenues	As % of sales	Total revenues	As % of sales		
France	378.4	51.6%	363.8	51.0%	4.0%	4.1%
Northern zone	178.7	24.4%	178.7	25.1%	0.0%	5.9%
Southern zone	154.1	21.0%	154.4	21.7%	-0.3%	0.9%
ROW zone	21.4	2.9%	16.0	2.2%	34.1%	34.1%
Total	732.6	100.0%	712.9	100.0%	2.8%	4.5%

Trends by region show that all zones reported growth in revenues on a like-for-like basis (+4.5%):

- In France, revenue growth of 4.1% was driven by sustained recruitment and the diversity of the activity portfolio;
- In the Northern zone, the Group recorded growth of 5.9% on the back of performances in the UK (+5.8%), Switzerland (+15.9%) and Scandinavia (+22%);
- In the Southern zone, growth (+0.9%) was driven by the remarkable performance of the Spanish subsidiary (+5.9%);
- In the RoW zone, Altran's sales surged 34.1%, boosted by business throughout the different countries, notably the US, India and China.

The breakdown of Group revenues by country is as follows:

(€ million)	H1 2012	As % of sales	H1 2011	As % of sales	H1 2012 vs H1 2011	Organic growth
France	378.4	51.6%	363.8	51.0%	4.0%	4.1%
Germany	51.1	7.0%	50.0	7.0%	2.2%	2.2%
Austria	1.1	0.1%	1.0	0.1%	5.4%	5.4%
UK	40.9	5.6%	48.6	6.8%	-15.9%	5.8%
Benelux countries	47.9	6.5%	47.5	6.7%	0.7%	0.7%
Switzerland	13.4	1.8%	11.6	1.6%	15.9%	15.9%
Scandinavia	24.3	3.3%	19.9	2.8%	22.0%	22.0%
Italy / Tunisia	80.4	11.0%	84.0	11.8%	-4.2%	-2.1%
Spain	65.8	9.0%	62.1	8.7%	5.9%	5.9%
Portugal	7.8	1.1%	8.4	1.2%	-6.5%	-6.5%
Asia	4.5	0.6%	3.8	0.5%	18.5%	18.5%
US	17.0	2.3%	12.2	1.7%	38.9%	38.9%
Total	732.6	100.0%	712.9	100.0%	2.8%	4.5%

3.2 Revenues by business segment

The breakdown of H1 2012 revenues by business segment is given in the table below:

(€ million)		Technology & Innovation Consulting	Organisation & IT Services Consulting	Other	Group
H1 2012	Revenues	521.9	210.2	0.5	732.6
	% of sales	71.2%	28.7%	0.1%	100.0%
H1 2011	Revenues	491.2	209.2	12.5	712.9
	% of sales	68.9%	29.3%	1.8%	100.0%

In keeping with the strategic plan, Altran is now focusing on two main markets: Technology & Innovation Consulting and Organisation & IT Services Consulting.

Technology & Innovation Consulting, Altran's core business, accounted for 71.2% of H1 2012 revenues, vs. 68.9% in H1 2011. As global leader in this sector, Altran operates mainly in the Automotive, Aeronautics, Space, Defence, Telecoms and Energy markets. This activity ensures client support throughout the design, development, processing and manufacturing phases of their products and services.

Technology and Innovation Consulting revenues rose 6.3% in H1 2012, thereby underscoring the relatively non-cyclical nature of outsourced R&D.

Organisation & IT Services Consulting focuses on IS consulting and the integration of IT services. This activity plays a key role in the finance and telecoms sectors, as well as in industrial sectors, notably with respect to the implementation of innovative embedded communication systems.

3.3 Revenues by operating segment (before inter-segment eliminations), sales and operating profit trends

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

After the disposals of Arthur D. Little and the Brazilian subsidiaries, and taking into account changes within the Group's regional operating zones, Altran's operating segments at end-June 2012 included:

- France
- Northern zone: Germany, Austria, the Benelux countries, Denmark, Ireland, Norway, the UK, Sweden and Switzerland;
- Southern zone: Spain, Italy and Portugal
- Rest of the World (RoW): North America, Asia, Tunisia and the Middle East

For the purposes of segment reporting below, the US subsidiary of Cambridge Consultants (revenues of €2.5m in H1 2012) is included in the Northern operating zone, in line with internal reporting requirements. Note, however, that this subsidiary is classified as an RoW entity with respect to the breakdown of sales by regional entity (§ 3.1 above) and market presentation of Q2 2012 revenues.

<i>(€ million)</i>	H1 2012			H1 2011
	Total	Inter-segment	Total	Total revenues
	Segments	eliminations	Revenues	
France	398.6	(20.2)	378.4	363.8
Northern zone	188.5	(7.3)	181.3	179.7
Southern zone	156.3	(2.6)	153.8	154.2
ROW zone	19.5	(0.3)	19.2	15.3
Total	762.9	(30.3)	732.6	712.9

France

<i>(€ million)</i>	H1 2012	2011	H2 2011	H1 2011	H1 2012 vs H1 2011
Revenues: French zone	398.6	760.3	381.1	379.2	5.1%
Total operating income	407.8	781.5	397.5	384.0	6.2%
Total operating charges	(379.8)	(722.7)	(360.6)	(362.0)	4.9%
Operating income on ordinary activities	28.1	58.8	36.8	22.0	27.5%
Operating income on ordinary activities (%)	7.0%	7.7%	9.7%	5.8%	1.2 pt

In France, Altran reported revenues of €398.6m (before inter-segment eliminations) in H1 2012, up 5.1% on the year-earlier level of €379.2m.

Note that this figure includes performances of the French operating subsidiaries as well as the Group's holding activities (head office and cross-functional services which are partially billed to Altran subsidiaries). Excluding the corporate holding activity, the operating margin generated by French operations came out at 7.7%.

Revenue growth in France was underpinned by the Group's dynamic hiring strategy (notably in Q2) resulting in an increase in the workforce in H1 2012 (+500 on year-earlier levels). A 110 basis-point reduction in the invoicing rate on H1 2011 was offset by an increase in the average day rate (+1.6% on H1 2011 levels).

At the business segment level, growth was driven by Technology & Innovation Consulting which accounted for 79.3% of H1 2012 sales, versus 75.4% in the year-earlier period. The Organisation & IT Services Consulting segment, which was particularly penalised by the financial sector crisis, suffered a decline in sales over the period and accounted for 20.8% of H1 2012 sales, versus 24.6% in H1 2011.

Northern zone

(€ million)	H1 2012	2011	H2 2011	H1 2011	H1 2012 vs H1 2011
Revenues: Northern zone	188.5	376.7	189.7	187.0	0.8%
Total operating income	190.8	381.7	192.2	189.4	0.7%
Total operating charges	(176.0)	(350.2)	(175.8)	(174.4)	1.0%
Operating income on ordinary activities	14.7	31.5	16.4	15.1	-2.4%
Operating income on ordinary activities (%)	7.8%	8.4%	8.6%	8.1%	-0.3 pt

Revenues in the Northern zone remained flat on year-earlier levels at €188.5m (before inter-segment eliminations).

Taking into account the disposal of Hilson Moran UK in December 2011, interim revenues rose 6.5% on H1 2011 levels, on a like-for-like basis.

Altran enjoyed brisk business in the Northern zone where growth in the first half was mainly underpinned by an increase in staff numbers (+128). Key indicators in this operating region remained sound with the invoicing rate stable (+10 basis points) and day rates up 0.3% on H1 2011 levels.

All the countries in the Northern zone, with the exception of Belgium, reported growth at the interim stage: Germany (+5%), the UK (+1.4% on a like-for-like and constant forex basis), and in particular Scandinavia (+22%) and Switzerland (+9.1% on a constant forex basis).

Operating income on ordinary activities in the Northern zone came out at €14.7m, equivalent to 7.8% of sales.

Southern zone

(€ million)	H1 2012	2011	H2 2011	H1 2011	H1 2012 vs H1 2011
Revenues: Southern zone	156.3	304.2	149.6	154.6	1.1%
Total operating income	157.3	305.0	150.3	154.6	1.7%
Total operating charges	(144.0)	(281.3)	(138.5)	(142.8)	0.8%
Operating income on ordinary activities	13.3	23.7	11.9	11.8	12.2%
Operating income on ordinary activities (%)	8.5%	7.8%	7.9%	7.7%	0.8 pt

In the Southern zone, Altran reported a 1.1% increase in revenues on H1 2011 levels and margin growth of 80 basis points despite the particularly bleak economic backdrop in the region.

H1 2012 revenues (before inter-segment eliminations) came out at €156.3m, compared with €154.6m in H1 2011. Stripping out changes in the scope of consolidation, organic growth in the Southern zone would have been +2.3%.

Growth was boosted by an increase in staff numbers (+84), notably in Spain where revenues increased 6.5% in H1 2012 despite a 110 basis-point decline in the invoicing rate on year-earlier levels.

Trends in Italy were somewhat more contrasted, depending on the sector of activity. Altran strengthened its positions in the *Automobile* (AIT) and *Telecoms & Media* (TEM) markets and, to a lesser degree, in *Financial Services* (FSG), but reported declines in the *Energy, Industry & Life Sciences* (EILiS) and *Aerospace, Defence & Railways* (ASD) sectors.

Operating income on ordinary activities in the Southern zone came out at €13.3m in H1 2012, equivalent to 8.5% of sales, versus 7.7% in H1 2011. As such, the increase in operating costs (+2.2%, like-for-like) was outpaced by growth in revenues (+2.3%, organic).

RoW zone

(€ million)	H1 2012	2011	H2 2011	H1 2011	H1 2012 vs H1 2011
Revenues: RoW zone	19.5	32.3	16.5	15.8	23.2%
Total operating income	19.4	32.3	16.5	15.8	23.1%
Total operating charges	(20.0)	(31.9)	(16.4)	(15.5)	-28.7%
Operating income on ordinary activities	(0.6)	0.4	0.2	0.2	-377.6%
Operating income on ordinary activities (%)	-3.1%	1.2%	1.0%	1.4%	-4.5 pt

In the RoW zone, Altran reported interim revenues (before inter-segment eliminations) of €19.5m, up 23.2% on H1 2011 levels of €15.8m. Stripping out the forex and working-day impacts, economic growth would have been 15.2%.

Growth in this zone was driven mainly by Group operations in the US (74.9% of H1 2012 revenues in this zone and economic growth of 16.7%) and notably in the energy and nuclear services segments, thanks to the roll-out of control systems in Chinese power plants.

Group operations in Asia also enjoyed brisk business, with economic growth of 17.3% on H1 2011 levels. This performance was mainly underpinned by the Chinese entity which won new contracts in the nuclear, telecoms and mechanical engineering sectors. With the reorganisation of the Indian subsidiary, Altran is clearly repositioning its offshoring activity and providing local support for major European groups.

Despite strong growth, the RoW zone reported an operating loss on ordinary activities of –€0.6m in H1 2012 (vs. a profit of €0.2m in H1 2011), due mainly to investments in Asia and notably the opening of an office in Beijing.

4. POST-CLOSURE EVENTS

No post-closure events were identified on 28 August 2012 when the Group's 2012 interim financial statements were approved by the Board of Directors.

5. OUTLOOK

Based on the information currently available to the Group, management has confirmed its ability to deliver profitable growth in 2012 in line with the objectives fixed in the 2015 strategic plan.

B. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FINANCIAL SITUATION AT 30 JUNE 2012

- | | |
|---|---|
| 1. Consolidated balance sheet | 4. Change In consolidated share capital |
| 2. Consolidated income statement | 5. Statement of consolidated cash flows |
| 3. Consolidated statement of comprehensive income | |

1. CONSOLIDATED BALANCE SHEET

<i>(in thousands of euros)</i>	Notes	June 2012		Dec. 2011	
		Gross value	Amort. Prov.	Net value	Net value
Net goodwill	7.1	529,594	(207,269)	322,325	316,596
Intangible assets	7.2	35,607	(26,506)	9,101	9,418
Land & construction		14,594	(5,565)	9,029	6,930
Other intangible assets		89,646	(64,488)	25,158	21,802
Fixed assets	7.3	104,240	(70,053)	34,187	28,732
Equity-accounted investments					
Non-current financial assets	7.4	25,399	(4,291)	21,108	17,987
Deferred tax assets		141,994	(36,123)	105,871	98,767
Non-current tax assets		307		307	310
Other non-current assets		10,464	(4,378)	6,086	8,249
Total non-current assets		847,605	(348,620)	498,985	480,059
Inventory and work in progress		1205	(39)	1,166	1,211
Prepayment to suppliers		268	0	268	459
Accounts receivable (client)	7.5	446,874	(5,534)	441,340	423,187
Other receivables	7.6	90,643	(2,640)	88,003	87,672
Client accounts and other receivables		537,785	(8,174)	529,611	511,317
Current financial assets	7.7	3,845	0	3,845	2,927
Cash equivalents	7.9	95,843	0	95,843	145,641
Cash	7.9	42,762	0	42,762	41,429
Total current assets		681,440	(8,213)	673,227	702,526
TOTAL ASSETS		1,529,045	(356,833)	1,172,212	1,182,585

<i>(in thousands of euros)</i>	Notes	June 2012	December 2011
Capital	7.8	72,361	72,361
Share premium		339,890	339,159
Reserves attributable to parent-company shareholders		10,797	56,545
Conversion rate adjustments		(16,499)	(17,796)
Earnings for fiscal period		30,081	(45,499)
Minority interests		267	1,737
Shareholders' equity		436,897	406,507
Convertible bond loans (>1 year)		113,782	110,676
Credit establishment borrowings and debt (>1 yr)		12,698	28,492
Other non-current financial liabilities		2,416	2,606
Non-current financial liabilities	7.9	128,896	141,774
Provisions for long-term liabilities and charges	7.10	13,362	12,091
Long-term employee benefits	7.11	31,169	28,765
Deferred tax liabilities		6,118	3,542
Other long-term liabilities		186	210
Other non-current liabilities		50,835	44,608
Total non-current liabilities		179,731	186,382
Trade payables	7.12	67,253	63,621
Taxes payable		79,418	78,008
Current employee benefits	7.11	161,342	146,893
Debt on assets		3,051	1,334
Other current debt	7.13	29,699	39,762
Suppliers and other current payables		340,763	329,618
Provisions for short-term risks and charges	7.10	13,790	19,840
Debt on short-term securities	7.14	187	72
Current financial liabilities	7.9	200,844	240,166
Other current liabilities		214,821	260,078
Total current liabilities		555,584	589,696
TOTAL LIABILITIES		1,172,212	1,182,585

2. CONSOLIDATED INCOME STATEMENT

<i>(in thousands of euros)</i>	Notes	June 2012	December 2011	June 2011 *
Revenues	8.1 & 8.2	732,584	1,419,501	712,935
Other income from operations		12,315	26,780	7,180
Revenues from ordinary operations		744,899	1,446,281	720,115
Raw materials		(7,293)	(11,379)	(5,702)
Change in work in process		(118)	(47)	330
External expenses	8.3	(140,388)	(286,984)	(148,951)
Staff costs – salaries	8.4	(529,721)	(1,006,892)	(507,058)
Staff costs – payment in shares	8.4	(366)	(294)	(247)
Taxes & duties		(1,628)	(2,697)	(1,356)
Depreciation and net provisions	8.5	(8,474)	(20,627)	(6,934)
Other operating income and expenses		(1,493)	(4,266)	(1,777)
Operating income on ordinary activities		55,418	113,096	48,420
Other non-recurring operating income		1,395	(4,293)	757
Other non-recurring operating expenses		(3,815)	(43,045)	(8,721)
Other non-recurring operating income and expenses	8.6	(2,420)	(47,338)	(7,964)
Goodwill impairment	7.1	0	(14,996)	0
Operating income		52,998	50,761	40,456
Gains on cash and cash equivalents		975	3,302	957
Cost of gross financial debt		(9,976)	(27,512)	(13,488)
Cost of net financial debt	8.7	(9,001)	(24,210)	(12,531)
Other financial income	8.8	3,149	4,221	2,059
Other financial expenses	8.8	(2,236)	(7,854)	(8,556)
Tax expenses / income	8.9	(12,348)	(17,553)	(12,126)
Equity share in net income of associates				
Net income before discontinued operations		32,562	5,365	9,302
Net income / loss of discontinued operations	8.10	(2,404)	(50,541)	(36,985)
Net income		30,158	(45,176)	(27,683)
Minority interests		(77)	(323)	32
Net income attributable to group		30,081	(45,499)	(27,651)
Earnings per share	7.8	0.21	(0.32)	(0.19)
Diluted earnings per share	7.8	0.21	(0.32)	(0.19)
Earnings per share on continuing activities	7.8	0.22	0.04	0.06
Diluted earnings per share on continuing activities	7.8	0.22	0.04	0.06
Earnings per share on discontinued operations	7.8	(0.02)	(0.35)	(0.26)
Diluted earnings per share on discontinued operations	7.8	(0.02)	(0.35)	(0.26)

(*) In accordance with IFRS 5, net income on discontinued operations is reported separately on a dedicated line in the income statements of each fiscal period. The impact of the application of this standard on the Group's end-June 2011 results is presented in notes 6.2 and 8.10.

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of euros)</i>	June 2012	December 2011	June 2011*
Consolidated net income	30,158	(45,176)	(27,683)
Financial instruments	(64)	4,182	2,441
Translation adjustment	950	2,840	(2,395)
Other comprehensive income net of tax over the period	886	7,022	46
Results for the period	31,044	(38,154)	(27,637)
o/w attributable to:			
- the Group's company	31,548	(38,302)	(27,776)
- minority interests	(504)	148	139

() H1 2011 figures restated for Arthur D Little (see note 6).*

<i>(in thousands of euros)</i>	June 2012			December 2011			June 2011*		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Cambridge Consultants incubator	0	0	0	0	0	0	0	0	0
Financial instruments	(97)	33	(64)	6,378	(2,196)	4,182	3,722	(1,282)	2,441
Conversion rate adjustments	1,615	(665)	950	4,969	(2,129)	2,840	4,114	1,719	(2,395)
Other comprehensive income over the period	1,518	(632)	886	11,347	(4,325)	7,022	(392)	437	46

() H1 2011 figures restated for Arthur D Little (see note 6).*

4. CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>(In thousands of euros)</i>	N° of shares	Capital	Premium	Resources	Change in fair value and other	Forex adjust.	Net profit	Total group share	Minority interests	Total
31 Dec 2010	143,704,532	71,853		47,054	33,528	(19,717)	(26,000)	445,016	1,636	446,652
Results for the period*				1,720	2,441	(4,286)	(27,651)	(27,776)	139	(27,637)
Capital increase								0		0
Share-based payments			247					247		247
Income appropriation				(26,000)			26,000	0		0
Other transactions						(938)		(938)	(84)	(1,022)
30 June 2011*	143,704,532	71,853	338,545	22,775	35,969	(24,941)	(27,651)	416,549	1,691	418,240
Results for the period				(3,851)	1,741	9,430	(17,848)	(10,527)	9	(10,518)
Capital increase	1,016,892	508	2,046	(91)				2,464		2,464
Share-based payments			47					47		47
Own-share transactions	(434,150)			(1,478)				(1,478)		(1,478)
Income appropriation								0		0
Other transactions						(2,285)		(2,285)	38	(2,247)
31 Dec 2011	144,287,274	72,361	340,638	17,356	37,709	(17,796)	(45,499)	404,770	1,737	406,507
Results for the period				(665)	(64)	2,196	30,081	31,548	(504)	31,044
Capital increase								0		0
Share-based payments			366					366		366
Own-share transactions	112,857			365				365		365
Income appropriation				(45,499)			45,499	0		0
Other transactions				480		(898)		(418)	(967)	(1,385)
30 June 2012	144,400,131	72,361	341,004	(27,963)	37,645	(16,498)	30,081	436,631	266	436,897

(* H1 2011 figures restated for Arthur D Little (see note 6).

5. STATEMENT OF CONSOLIDATED CASH FLOWS

<i>(in thousands of euros)</i>	June 2012	Dec. 2011	June 2011*
Operating income on continuing activities	52,998	50,798	40,456
Goodwill impairment	0	14,996	0
Operating income before goodwill depreciation	52,998	65,794	40,456
Depreciation and net operating provisions	188	25,209	1,953
Income and charges from stock options	366	294	247
Capital gains (losses) on disposals	3,211	24,025	7,508
Other gains and charges	1,427	(271)	(4,316)
Cash flow before net interest expenses and taxes	58,190	115,051	45,848
Change in inventory and work in progress	46	238	(267)
Change in client accounts and other receivables	(32,857)	(49,801)	(62,241)
Change in supplier accounts and other payables	4,991	33,443	36,937
Change in working capital requirement	(27,820)	(16,120)	(25,571)
Net cash flow from operations	30,370	98,931	20,277
Interest paid	(13,071)	(23,967)	(17,354)
Interest received	878	3,006	752
Taxes paid	(9,328)	(27,734)	(19,543)
Cash impact of other financial income and expenses	335	519	(119)
Operating cash flow from discontinued operations	(1)	(9,011)	(6,693)
Net cash flow from operations	9,183	41,744	(22,680)
)Cash outflows for fixed and intangible asset acquisitions	(9,623)	(18,307)	(9,768)
Cash inflows from fixed and intangible asset disposals	33	431	400
Cash outflows for financial asset acquisitions (non-consolidated holdings)	(1,692)	(1,037)	(2)
Cash inflows from financial asset disposals (non-consolidated holdings)	3	3,949	3,948
Earn-out disbursements	(37)	(1,447)	(652)
Impact of scope-of-consolidation changes	(1,225)	(6,952)	(9,290)
Dividends received (associates, non-consolidated holdings)	0	4	4
Changes in loans and advances granted	(5,326)	(6,051)	(2,655)
Investment subsidies received	0	0	0
Other flows from investment transactions	3,485	915	(524)
Cash flow from investments made by discontinued operations	5,273	(8,893)	(808)
Net cash flow from investments	(9,109)	(37,388)	(19,347)

<i>(in thousands of euros)</i>	June 2012	Dec 2011	June 2011*
Proceeds from capital increases	20	19	0
Proceeds from the exercise of stock options	0	2,445	0
Own-share transactions (purchases/sales)	511	(1,478)	0
Cash outflows for employee profit share	0	0	0
Dividends paid during the period	0	0	0
Proceeds from new loans	1,428	1,695	1,542
Reimbursement of loans	(18,892)	(35,803)	(18,805)
Other flows from financing operations	(31,760)	5,108	(7,906)
Cash flow from financing activities of discontinued operations	0	(4,441)	(3,395)
Net cash flow from financing operations	(48,693)	(32,455)	(28,564)
Impact of exchange rate swings	154	117	(854)
Impact of changes in accounting principles	0	0	0
Change in net cash position	(48,465)	(27,982)	(71,446)
Opening cash balance	187,070	215,052	215,052
Closing cash balance	138,605	187,070	143,607
Change in net cash position	(48,465)	(27,982)	(71,446)

() In accordance with IFRS 5, net changes in cash flow of discontinued operations are reported separately on a dedicated line in the statement of cash flows for each fiscal period presented. The impact of this standard on the Group's end-June 2011 results is presented in notes 6 and 8.10.*

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

<i>(in thousands of euros)</i>	June 2012	Dec. 2011	June 2011*
Cash equivalents	95,843	145,641	85,092
Cash	42,762	41,429	58,515
Bank overdrafts			
Net cash balance	138,605	187,070	143,607

APPENDIX TO THE CONSOLIDATED 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 2012

Note 6 – Comparability of fiscal periods

Note 7 – Notes relative to certain balance sheet items

Note 8 – Notes to the income statement

Note 9 – Major litigation issues and contingent liabilities

Note 10 – H1 2012 off balance sheet commitments

Note 11 – Related-party transactions

Note 12 – Significant post-closure events

Note 1 Rules and accounting methods

Basic accounting principles

Altran's consolidated H1 2012 financial statements have been prepared in accordance with the IAS 34 interim financial reporting standard, which requires that interim accounts should contain selected explanatory notes. These consolidated interim financial statements should therefore be read in conjunction with the appendix to the Group's 2011 Consolidated Financial Statements included in the 2011 registration document filed with the French Market Authority (AMF) on 23 April 2012 under the registration number D12-0388.

The international accounting standards used to prepare the 2012 interim consolidated financial statements 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 were not mandatory at 30 June 2012.

The international accounting principles used to prepare Altran's 2012 interim financial statements are the same as those applied to the Consolidated Financial Statements at 31 December 2011 (presented in the appendix to the Consolidated Financial Statements in the 2011 registration document).

Use of estimates

As mentioned on page 95 of the 2011 registration document (note 1.5 of Section 20.3 – Financial Statements for the fiscal period ended 31/12/2011), 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 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 particularly given the macro-economic uncertainties that prevail.

These estimates mainly concern provisions and assumptions used in the preparation of business plans for carrying out impairment tests on the Group's intangible assets, as well as the recognition of deferred tax assets.

The consolidated interim financial statements for the period ending 30 June 2012, as well as the explanatory notes, were approved by the Board of Directors of Altran Technologies on 28 August 2012.

Note 2 Scope of consolidation

The consolidated financial statements incorporate the accounts of Altran Technologies and its 58 subsidiaries. The Group fully consolidates all of its subsidiaries, with the exception of the Tunisian company, Altran Telnet Corporation, which is consolidated by the equity method.

disposal of this company boosted H1 2012 results by €0.8m.

Acquisitions: Altran purchased several businesses in H1 2012. This subgroup contributed €5.5m to consolidated revenues over the period.

Disposals: On 30 March 2012, Altran sold its subsidiary Hilson Moran Italia. The

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 only factors that can

impact activity levels are the number of working days and holidays taken.

Note 4 Risks and uncertainties

The risks and uncertainties (IFRS 7) to which the Group is exposed are detailed below.

4.1. Liquidity risk

At end-June 2012, Altran's net financial debt stood at €191.1m, down €3.7m on end-2011 levels (see note 7.9).

The financial ratios at 30 June 2012 pertaining to the Group's medium-term credit lines are given in the table below:

	June 2012
Net financial debt/equity as defined in the credit agreement	0.39
Net financial debt/EBITDA before employee profit-sharing (financial gearing) as defined in the credit agreement	1.17

Note that 1/ the EBITDA used to calculate these covenants is the 12-month moving average before employee profit-sharing and staff costs relative to payment in shares (€145.8m) and that 2/ net financial debt

excludes employee profit-sharing and accrued interest on bond-related debt (€170.3m).

Trends in the Group's financial ratios in 2011 are set out in the table below:

	June 2011	December 2011
Net financial debt/equity as defined in the credit agreement	0.53	0.42
Net financial debt/EBITDA before employee profit-sharing (financial gearing) as defined in the credit agreement	1.80	1.24

The 4 July 2008 refinancing agreement signed by Altran signed and its pool of bankers (BNP Paribas, Crédit Agricole Île-de-France, Natixis and Société Générale) gave the Group access to a 5-year credit line initially amounting to €150m, of which €44.4m had been fully drawn down at end-June 2012.

The main characteristics of this credit line include:

- five-year maturity dating from the first draw-down;
- half-yearly amortisation as of July 2009;
- a maximum EURIBOR coupon of + 2.25%.

These credit lines are subject to the following covenants:

	Net financial debt / EBITDA	Net financial debt / Equity
31/12/2009	<4.5	<1.0
30/06/2010	<5.5	<1.0
31/12/2010	<4.0	<1.0
30/06/2011	<3.75	<1.0
31/12/2011	<3.0	<1.0
30/06/2012	<2.5	<1.0
31/12/2012 – 31/12/2013	<2.0	<1.0

The credit agreement contains several clauses pertaining to financial ratio thresholds, allocation of cash flow and limitations on acquisitions, in particular:

- one third of net consolidated cash flow over €15m generated by the Group must be allocated to pay down debt (excluding any future market operation);
- acquisitions are limited to a total annual investment of €50m, unless the Group obtains special permission from a majority of its lending banks.

At end-June 2012, Altran had respected all of its banking covenant obligations. Nevertheless, given continued uncertainties in the economic environment, it is possible that the Group may not be able to respect all of these ratios. If the company failed to honour any one of these ratios, it would have to renegotiate the conditions, terms and borrowing costs with its banks. Management is unable to assess the possible impact of such an eventuality.

In addition, the Group has factoring lines of credit amounting to €291.5m (of which €139.5m drawn down). These are free of any long-term commitment and are automatically renewed.

On 18 November 2009, the Group issued an OCEANE (convertible) bond for €132m, redeemable on 1 January 2015. The funds raised from this issue will allow the Group to meet its overall financing requirements, diversify its borrowing sources, extend average debt maturity and, if necessary, boost equity in the event of bond conversion.

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

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

- All subsidiary cash surpluses are invested exclusively in Altran's centralised cash-

management subsidiary, GMTS (Global Management Treasury Services), a company incorporated in France;

- GMTS invests these cash surpluses in money market instruments with sensitivity and volatility rates of less than 1% per annum.

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

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

4.2. Interest rate risk

At end-June 2012, the bulk of Altran's net debt (€191.1m) concerned the €132m convertible bond at a fixed rate of 6.72% and redeemable on 1 January 2015, with medium-term credit lines and factoring lines accounting for the remainder.

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

(€ million)	< 1 yr	1 - 5 yrs	> 5 yrs
Financial liabilities	201	129	-
Financial assets	139	-	-
Net position before hedging	62	129	-
Off-balance sheet (interest rate hedge)	65	230	-

In view of the level of Group borrowings, which are made up of medium-term credit lines and factoring resources and which are all indexed to variable interest rates, Altran opted to take out interest-rate cap and floor contracts on €160m for a maximum period of 18 months to provide a framework for its

variable-rate debt by fixing a minimum and maximum rate.

At 30 June 2012, the main characteristics of the Group's hedging contracts were as follows:

	Start date	Maturity Date	Type	Fixed rate	Nominal	Initial rate	Currency
BNP	02/01/2012	02/01/2013	CAP	2.00%	25,000,000	EURIBOR3M	EUR
BNP	02/04/2012	02/01/2014	TUNNEL CAP	1.25%	40,000,000	EURIBOR 3M	EUR
BNP	02/04/2012	02/01/2014	TUNNEL FLOOR	0.65%	40,000,000	EURIBOR 3M	EUR
BNP	02/04/2012	02/01/2014	TUNNEL CAP	1.22%	10,000,000	EURIBOR 3M	EUR
BNP	02/04/2012	02/01/2014	TUNNEL FLOOR	0.70%	10,000,000	EURIBOR 3M	EUR
SG	02/01/2012	02/01/2014	TUNNEL CAP	1.50%	25,000,000	EURIBOR 3M	EUR
SG	02/01/2012	02/01/2014	TUNNEL FLOOR	0.50%	25,000,000	EURIBOR 3M	EUR
NATIXIS	02/04/2012	02/01/2013	TUNNEL CAP	1.25%	20,000,000	EURIBOR 3M	EUR
NATIXIS	02/04/2012	02/01/2013	TUNNEL FLOOR	0.65%	20,000,000	EURIBOR 3M	EUR
NATIXIS	02/04/2012	02/01/2014	TUNNEL CAP	1.25%	20,000,000	EURIBOR 3M	EUR
NATIXIS	02/04/2012	02/01/2014	TUNNEL FLOOR	0.70%	20,000,000	EURIBOR 3M	EUR
CA	02/04/2012	02/01/2014	TUNNEL CAP	1.18%	20,000,000	EURIBOR 3M	EUR
CA	02/04/2012	02/01/2014	TUNNEL FLOOR	0.70%	20,000,000	EURIBOR 3M	EUR

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

4.3. Investment risk

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

- SICAV money-market funds;
- Tradable debt securities;
- Interest-bearing foreign currency deposit accounts (GBP, USD and CHF);
- Investment growth bonds.

All foreign currency investments, excluding investment growth bonds, are indexed to the LIBOR benchmark rate. The sensitivity of these investments, based on a 10% fluctuation in the benchmark index (EONIA or LIBOR), is 0.01%.

The market value of the Group's marketable securities totalled €96m at 30 June 2012.

4.4. Exchange rate risk

Most of the Group's assets denominated in foreign currencies involve investments in non-eurozone countries (mainly the US, the UK, Sweden, Singapore and Switzerland).

At end-June 2012, the Group had contracted no financial debt in foreign currencies.

Commitments denominated in foreign currencies whose degree of sensitivity is presented in the table below concern intra-group loans.

<i>(€ million)</i>								
<i>Currency</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Net currency position</i>	<i>Exchange rate at 30/06/2012</i>	<i>Net currency position in euros before hedging</i>	<i>Off-balance sheet</i>	<i>Position in euros after hedging</i>	<i>Sensitivity *</i>
USD	92.6	-	92.6	0.7943	73.6	-	73.6	0.7
GBP	36.2	(22.0)	14.2	1.2395	17.6	-	17.6	0.2
CHF	2.1	-	2.1	0.8313	1.8	-	1.8	-
SEK	-	(31.8)	(31.8)	0.1140	(3,6)	-	(3,6)	-
SGD	25.4	-	25.4	0.6260	15.9	-	15.9	0.2
AED	-	(0.1)	(0.1)	0.2163	(0.0)	-	(0.0)	-
NOK	3.6	-	3.6	0.1327	0.5	-	0.5	-

* Sensitivity to a +1% change in exchange rates

In H1 2012, the Group generated sales of €100.3m outside the eurozone. Altran Technologies has no systematic foreign-exchange, hedging policy since the income generated, and the expenses incurred on the intellectual services it provides are denominated in the same currency.

4.5. Intangible asset risk

Goodwill is not amortised but is subject to at least one impairment test on 31 December of every year and more frequently if there are any indications that goodwill might be impaired.

As in H1 2011, no impairment losses were booked in the 2012 interim income statement, compared with goodwill depreciation of –€15m in H2 2011. The absence of depreciation in H1 2012 is linked to Altran’s profitability prospects which are considered to be both satisfactory and sustainable.

At end-June 2012, net book value before goodwill impairment totalled €322.3m

The results of the goodwill impairment tests carried out at end-June 2012 revealed no loss in value. These tests were based on a discount rate after tax (WACC) of 9.82% (versus 9.41% at end-December 2011 and 9.15% at end-June 2011) implying a pre-tax discount rate of around 10%, and sales growth to infinity of 2%.

The results of goodwill depreciation sensitivity tests are summarised in the table below and concern one CGU in Italy.

WACC	8.82%	9.82%	10.82%
Growth rate to infinity	2.00%	0	2,597
	1.00%	0	

In addition, an analysis of the sensitivity to variations in EBIT rates shows that, for the CGU in Italy, a 2% decline in EBIT would make for goodwill depreciation of €9.6m.

4.6. Environment risk

Since Altran Technologies provides intellectual services, environmental risks are limited.

4.7. Legal risk

There were no significant changes with respect to the legal risks described in paragraph 20.8 of the 2011 registration document.

4.8. Risk related to the management of convertible-bond (OCEANE) debt

On 18 November 2009, the Group issued an OCEANE bond for an initial sum of €132m, redeemable on 1 January 2015.

4.9. Risks specific to Altran's activity

All of the risks specific to Altran's activity are detailed on pages 7 to 9 of the 2011 registration document

There were no significant changes in the Group's assessment of these risks.

Risks linked to Altran's indirect-cost cutting strategy

Further cost-cutting measures in H1 2012 resulted in a reduction in the level of indirect costs as a percentage of sales to 20%. Nevertheless, given the general uncertainty in the current economic environment, it is impossible to guarantee the level of this ratio further out.

4.10. Risks associated with insurance cover of Group activities

The Group made no major changes to the insurance cover related to its businesses set out on page 9 of the 2011 registration document.

Note 5 Events in the first six months of 2012

At Altran's Combined Ordinary and Extraordinary Shareholders' Meeting on 1 June 2012, Group shareholders appointed four new directors – Mrs Florence Parly, Mrs Nathalie Rachou, Mr Christian Bret and Mr Hans-Georg Härter – to replace Messrs Roger Alibaut,

Dominique de Calan, Yves de Chaisemartin and Michel Sénamaud whose mandates expired on the same date.

Altran's special committees now comprise the following members:

The Audit Committee

Jacques Etienne de T'Serclaes (Chairman)

Jean-Pierre Alix

Nathalie Rachou

Thomas de Villeneuve (Censor)

The Appointment and Remuneration Committee

Florence Parly (Chairman)

Gilles Rigal

Jacques Etienne de T'Serclaes

The Investment and Acquisition Committee

Philippe Salle (Chairman)

Christian Bret

Monique Cohen

Hans-Georg Härter

Gilles Rigal

Note 6 Fiscal-year comparability

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

The impact of the application of IFRS 5 on the Group's 2011 consolidated financial statements is related to the disposal of the subgroup Arthur D. Little.

In accordance with IFRS 5, net income on discontinued operations is reported separately on a dedicated line in the income statement of the H1 2011 comparable fiscal period. Net changes in cash generated from operations, financing and investment are reported on a separate line in the statement of cash flows of the H1 2011 comparable fiscal period.

6.2. Impact on the consolidated H1 2012 financial statements

Impact on the H1 2011 income statement

<i>(in thousands of euros)</i>	June 2011 (Reported)	IFRS 5 impact	June 2011 (Restated)
Revenues	775,934	(62,999)	712,935
Other income from operations	6,903	277	7,180
Revenues from ordinary operations	782,837	(62,722)	720,115
Raw materials	(5,964)	262	(5,702)
Change in work in process	330		330
External expenses	(168,070)	19,119	(148,951)
Staff costs	(547,153)	40,095	(507,058)
Staff costs – payment in shares	(247)		(247)
Taxes & duties	(1,471)	115	(1,356)
Depreciation and net provisions	(7,473)	539	(6,934)
Other operating income and expenses	(2,222)	446	(1,777)
Operating income on ordinary activities	50,566	(2,146)	48,420
Other non-recurring operating income	708	49	757
Other non-recurring operating expenses	(8,753)	31	(8,721)
Other non-recurring operating income and expenses	(8,045)	80	(7,964)
Goodwill depreciation	(38,612)	38,612	0
Operating income	3,910	36,546	40,456
Income on cash and cash equivalents	972	(15)	957
Cost of gross financial debt	(13,506)	18	(13,488)
Cost of net financial debt	(12,534)	3	(12,531)
Other financial income	2,642	(583)	2,059
Other financial expenses	(9,698)	1,143	(8,556)
Tax expenses / income	(12,002)	(124)	(12,126)
Equity share in net income of associates			
Net income before discontinued operations	(27,683)	36,985	9,302
Net profit/loss on discontinued operations		(36,985)	(36,985)
Net income	(27,683)	0	(27,683)
Minority interests	32		32
Net income attributable to group	(27,651)	0	(27,651)

Impact on the H1 2011 statement of cash flows

<i>(in thousands of euros)</i>	June 2011 (Reported)	IFRS 5 impact	June 2011 (Restated)
Operating income on continuing activities	3,910	36,546	40,456
Goodwill amortisation	38,612	(38,612)	0
Operating income before goodwill depreciation	42,522	(2,066)	40,456
Depreciation and net operating provisions	2,669	(716)	1,953
Income and charges from stock options	247	0	247
Capital gains (losses) on disposals	7,539	(31)	7,508
Other income and expenses	(4,558)	242	(4,316)
Cash flow before net interest expenses and taxes	48,419	(2,571)	45,848
Change in inventory and work in progress	(267)	0	(267)
Change in client accounts and other receivables	(70,419)	8,178	(62,241)
Change in supplier accounts and other payables	37,343	(406)	36,937
Change in working capital requirement	(33,343)	7,772	(25,571)
Net cash flow from operations	15,076	5,201	20,277
Interest paid	(17,392)	38	(17,354)
Interest received	767	(15)	752
Taxes paid	(21,053)	1,510	(19,543)
Cash impact of other financial income and expenses	(78)	(41)	(119)
Operating cash flow from discontinued operations	0	(6,693)	(6,693)
Net cash flow from operations	(22,680)	0	(22,680)
Cash outflows for fixed and intangible asset acquisitions	(10,568)	800	(9,768)
Cash inflows from fixed and intangible asset disposals	478	(78)	400
Cash outflows for financial asset acquisitions (non-consolidated holdings)	(2)	0	(2)
Cash inflows from financial asset disposals (non-consolidated holdings)	3,948	0	3,948
Earn-out disbursements	(652)	0	(652)
Impact of scope-of-consolidation changes	(9,290)	0	(9,290)
Dividends received (associates, non-consolidated holdings)	4	0	4
Changes in loans and advances granted	(2,900)	244	(2,655)
Investment subsidies received	0	0	0
Other flows from investment transactions	(366)	(158)	(524)
Cash flow from investments made by discontinued operations	0	(808)	(808)
Net cash flow from investments	(19,347)	0	(19,347)

<i>(in thousands of euros)</i>	June 2011	IFRS 5	June 2011
	(Reported)	impact	(Restated)
Proceeds from capital increases	0	0	0
Proceeds from the exercise of stock options	0	0	0
Treasury stock transactions (purchase/sales)	0	0	0
Cash outflows for employee profit share	0	0	0
Dividends paid during the period	0	0	0
Proceeds from new loans	1,542	0	1,542
Reimbursement of loans	(18,805)	0	(18,805)
Other flows from financing operations	(11,302)	3,395	(7,906)
Cash flow from financing activities of discontinued operations	0	(3,395)	(3,395)
Net cash flow from financing operations	(28,564)	0	(28,564)
Impact of exchange rate swings	(854)	0	(854)
Impact of changes in accounting principles	0	0	0
Change in net cash position	(71,446)	0	(71,446)
Opening cash balance	215,052	0	215,052
Closing cash balance	143,607	0	143,607
CHANGE IN NET CASH POSITION	(71,446)	0	(71,446)

Note 7 Notes relative to certain balance sheet items

7.1. Net goodwill

Movements in net goodwill are analysed in the table below:

Balance at 31 December 2011	316,596
Earn-outs	0
Loss in value	75
Scope-of-consolidation changes	3,804
Exchange-rate changes	1,850
Other transactions	0
Balance at 30 June 2012	322,325

Cash Generating Units (CGUs) indicating a loss in value at 30 June 2012 were subject to an impairment test.

No impairment losses were booked in the income statement over the period.

The breakdown of impairment losses by regional segment is given in the table below:

At 30 June 2012	France	Northern zone	Southern zone	ROW zone	Total
Impairment losses booked to income for the period	0	0	0	0	0

The discount rate after tax (WACC) and sales growth to infinity used at end-June 2012 were 9.82% and 2%, respectively.

The results of goodwill depreciation sensitivity tests are summarised in the table below and concern one CGU in Italy.

WACC		8.82%	9.82%	10.82%
Growth rate to infinity	2.00%	0		2,597
	1.00%		0	

In addition, an analysis of the sensitivity to variations in EBIT rates shows that, for the CGU in Italy, a 2% decline in EBIT would make for goodwill depreciation of €9.6m.

7.2. Intangible assets

<i>(in thousands of euros)</i>	Trademarks	Development costs	Software	Other	Total
At 31 December 2011					
Gross value at opening	2,098	4,200	27,323	643	34,264
Amortisation and provisions	(1,799)	(3,062)	(19,660)	(325)	(24,846)
Net value at opening	299	1,138	7,663	318	9,418
Transactions during the period					
Acquisitions :		296	1,077	312	1,685
Disposals					
Net amortisation and provisions	(5)	(281)	(1,797)	(20)	(2,103)
Amortisation and provision write-backs					
Scope-of-consolidation changes			74		74
Forex changes		32	8		40
Other transactions	123	(130)	188	(194)	(13)
TOTAL MOVEMENTS (net value)	118	(83)	(450)	98	(317)
At 30 June 2012					
Gross value at closing	2,098	4,320	28,290	899	35,607
Amortisation and provisions	(1,681)	(3,265)	(21,077)	(483)	(26,506)
Net value at closing	417	1,055	7,213	416	9,101

7.3. Tangible assets

<i>(in thousands of euros)</i>	Land	Construction	General facilities, fixtures and furnishings	Office & computer equipment & furniture	Other	Total
At 31 December 2011						
Gross value at opening	880	11,343	25,392	57,325	3,609	98,549
Depreciation and provisions		(5,293)	(17,087)	(45,544)	(1,893)	(69,817)
Net value at opening	880	6,050	8,305	11,781	1,716	28,732
Transactions during the period						
Acquisitions :		2,010	1,071	2,227	4,279	9,587
Disposals			(1,268)	(527)		(1,795)
Net depreciation and provisions		(126)	144	(2,154)	(490)	(2,626)
Depreciation and provision write-backs						
Scope-of-consolidation changes			(23)	67		44
Forex changes		215	39	94		348
Other transactions			247	(68)	(282)	(103)
TOTAL MOVEMENTS (net value)	0	2,099	210	(361)	3,507	5,455
At 30 June 2012						
Gross value at closing	880	13,714	23,799	58,295	7,552	104,240
Depreciation and provisions		(5,565)	(15,284)	(46,875)	(2,329)	(70,053)
Net value at closing	880	8,149	8,515	11,420	5,223	34,187

Altran owns property in France, Italy and the UK worth a total net value of €9m.

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

In H1 2012, net depreciation on tangible assets totalled €2,626k, of which €2,616k in net depreciation and provisions, plus a non-recurring operating loss of €10k.

7.4. Non-current financial assets

<i>(in thousands of euros)</i>	June 2012	December 2011
Available for sale		
Cambridge Consultants incubator	1,821	1,160
Loans and credits generated by the Group		
Construction-effort loans	9,055	7,719
Deposits and guarantees	10,232	9,108
	19,287	16,827
Total	21,108	17,987

The €3,121k variation in non-current financial assets in H1 2012 stemmed mainly from an increase of €1,337k in construction-effort loans and €1,124k in deposits and guarantees, plus €661k invested in the Aveillant incubator by Cambridge Consultants Limited.

7.5. Trade receivables net of provisions for depreciation

Trade receivables are due within a maximum of one year.

<i>(in thousands of euros)</i>	June 2012			December 2011		
	Total	Matured	Not matured	Total	Matured	Not matured
Net accounts receivable (client)	441,340	58,042	383,298	423,187	58,251	364,936

Changes in provisions for trade receivables are broken down as follows:

<i>(in thousands of euros)</i> 31/12/2011	Provisions booked over the period	Write-backs	Exchange rate differences	Scope of consolidation changes	Other changes	30/06/2012
(5,670)	(763)	685	(3)	217	0	(5,534)

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

<i>(in thousands of euros)</i>	June 2012	December 2011
Expiring in less than 1 month	32,118	32,860
Expiring in 1–3 months	16,083	15,399
Expiring in more than 3 months	9,841	9,992
Total trade receivables overdue	58,042	58,251

With regards factoring agreements, the Group is responsible for recovering trade receivables. These receivables are booked as assets and offset in "Current financial liabilities".

The impact of these elements on the financial statements is detailed in the table below:

Assets	June 2012	December 2011
Accounts receivable (client)	177,691	232,637
Cancellation of deposits	(38,202)	(44,678)
	139,489	187,959

Liabilities	June 2012	December 2011
Current financial liabilities	139,489	187,959
	139,489	187,959

7.6. Other receivables

This item includes tax receivables and other operating receivables.

7.7. Current financial assets

This item includes deposits and guarantees due within one year.

7.8. Shareholders' equity and earnings per share

The average H1 2012 share price used for this analysis is €3.97.

At 30 June 2012, Altran's share capital totalled €72,360,712.00 for 144,721,424 ordinary shares. The weighted average

number of ordinary shares outstanding at the end of the period totalled 144,701,122 and the weighted average number of ordinary and dilutive shares totalled 144,757,468.

Breakdown of equity capital	N° of shares	Nominal value
Number of shares comprising the equity capital at opening	144,721,424	€0.50
Capital increase - recognition of Ocean bond conversion		€0.50
Capital increase - reserved for the employee share-purchase plan		€0.50
Cancellation of treasury stock	(321,293)	€0.50
Number of shares comprising the equity capital at closing (ex. treasury stock)	144,400,131	€0.50

	June 2012	December 2011	June 2011
Net income (Altran Technologies)	30,081	(45,499)	(27,651)
Impact of dilutive share-based payments	366	294	247
Ordinary shares (weighted average number)	144,701,122	143,718,136	143,704,532
Options granted with dilutive impact	56,346	4,144	1,966,039
Earnings per share (€)	0.21	(0.32)	(0.19)
Diluted earnings per share (€)	0.21	(0.32)	(0.19)

	June 2012	December 2011	June 2011
Net income (Altran Technologies) on continuing activities	32,485	5,042	9,334
Impact of dilutive share-based payments	366	294	247
Ordinary shares (weighted average number)	144,701,122	143,718,136	143,704,532
Options granted with dilutive impact	56,346	4,144	1,966,039
Earnings per share (€)	0.22	0.04	0.06
Diluted earnings per share (€)	0.22	0.04	0.06

	June 2012	December 2011	June 2011
Net income (Altran Technologies) on discontinued operations	(2,404)	(50,541)	(36,985)
Impact of dilutive share-based payments			
Ordinary shares (weighted average number)	144,701,122	143,718,136	143,704,532
Options granted with dilutive impact	56,346	4,144	1,966,039
Earnings per share (€)	(0.02)	(0.35)	(0.26)
Diluted earnings per share (€)	(0.02)	(0.35)	(0.26)

With the exception of the 31 January 2012, free-share plan which is subject to performance conditions, the strike prices of all share-warrant options and free shares outstanding are higher than the average H1 2011 share price. As such, these plans did not have a dilutive impact over the period.

1. Instruments with a strike price below the average H1 2012 share price and which are expected to have a dilutive impact concern:

- the January 2012 free-share plan involving a maximum of 617,500 free shares, the conversion of which would have a dilutive impact equivalent to 56,346 Altran Technologies shares.

2. Although the instruments with a strike price higher than the average H1 2012

share price could dilute future earnings per share, they have not been included in the diluted EPS calculation in the table above. These instruments include:

- The June 2005 stock-option plan involving a maximum of 132,369 stock options;
- The December 2005 stock-option plan involving a maximum of 979,672 stock options.
- The December 2007 stock-option plan involving a maximum of 1,502,612 stock options.
- The 1 January 2015 OCEANE bond involving a maximum number of 30,129,437 convertible bonds.

The characteristics of the Group's stock-option plans are presented in note 8.4.

7.9. Net financial debt

<i>(in thousands of euros)</i>	June 2012	December 2011
Cash and cash equivalent	138,605	187,070
Cash liabilities		
Net cash	138,605	187,070
Convertible bond loans (> 1 year)	113,782	110,676
Credit establishment borrowings and debt (> 1 year)	12,698	28,492
Other non-current financial liabilities	2,416	2,606
Convertible bond loans (> 1 year)		
Current bond loans	4,434	8,868
Current borrowings	32,906	34,599
Bank overdrafts (*)	162,760	194,480
Other current financial debt	744	2,219
Gross financial debt	329,740	381,940
NET FINANCIAL DEBT	(191,135)	(194,870)

(*): including factoring (see note 7.5 for details)

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

Group net debt narrowed €3,735k on end-2011 levels to -€191,135k at end-June 2012.

Cash equivalents

At 30 June 2012, the market value of cash equivalents totalled €95,843k and may be broken down as follows:

<i>(in thousands of euros)</i>	June 2012	December 2011
Certificates of deposit and other	87,655	90,126
SICAV and mutual funds	8,188	55,515
Total	95,843	145,641

Debt repayment schedule

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

<i>(In thousands of euros)</i>	< 1yr	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	>5 yrs
Convertible bond loans (> 1 yr)		0	113 782	0	0	0
Credit establishment borrowings and loans (> 1 yr)		12 698	0	0	0	0
Other non-current financial liabilities		1 099	545	735	13	24
Long-term financial liabilities	0	13 797	114 327	735	13	24
Current bond loans	4 434					
Current borrowings	32 906					
Bank overdrafts	162 760					
Other current financial liabilities	744					
Short-term financial liabilities	200 844	0	0	0	0	0
Total	200 844	13 797	114 327	735	13	24

In percentage terms, the maturity of the Group's financial liabilities at 30 June 2012 may be broken down as follows:

-	less than 1 year	60.91%
-	due: 1 – 5 years	39.08%
-	more than 5 years	0.01%

Main changes in credit lines

On 4 July 2008, Altran signed a refinancing agreement with its bankers giving the Group access to total credit lines amounting to €44.4m at 30 June 2012. The amortisation schedule for these credit lines is presented in the table below:

<i>(€ million)</i>	Dec 2008	June 2009	Dec 2009	June 2010	Dec 2010	June 2011	Dec 2011	June 2012	Dec 2012	June 2013	Dec 2013
Tranche A revolving credit	26.0	23.1	20.2	17.3	14.4	11.6	8.7	5.8	2.9	0.0	0.0
Tranche B revolving credit	124.0	111.6	99.2	86.8	74.4	62.0	49.6	37.2	24.8	12.4	0.0
Total	150	134.7	119.4	104.1	88.8	73.6	58.3	43.0	27.7	12.4	0.0
Renegotiated credit line with CADIF	5.0	5.0	4.4	3.8	3.2	2.6	2.0	1.4	0.8	0.2	0.0
Total	155.0	139.7	123.8	107.9	92.0	76.2	60.3	44.4	28.5	12.6	0.0

At 30 June 2012, the Group had drawn down all of its medium-term credit lines, amounting to €44.4m.

Changes in the fair value of cap and floor interest-rate derivatives are booked as:

- Equity with regards the intrinsic value of the instruments: -€64,000, of which -€97,000 in gross value terms and deferred taxes of +€34,000;
- Financial Income (expenditure) for the time value component: -€47,000 that generated deferred tax savings of €16,000.

All information relative to liquidity risk is given in note 4.1 - "Liquidity risk" of the present document.

7.10. Provisions for risks and charges

Trends in short and long-term provisions for liabilities and charges over the period are given in the table below:

<i>(in thousands of euros)</i>	Dec. 2011	Provisions booked over the period	Write-backs (used)	Write-backs (not used)	Forex diff.	Change in scope of conso.	Other changes	June 2012
Provisions for labour disputes	2,418	646	(335)				(190)	2,539
Provisions for other disputes	1,513	90	(150)	(62)				1,391
Provisions for legal disputes and tax penalties	354	1						355
Provision for other risks >1 year	7,250	1,271			0			8,521
Other provisions for expenses	556	0						556
Total provisions for long-term risks and charges	12,091	2,008	(485)	(62)	0	0	(190)	13,362
Provisions for labour disputes	4,147	1,291	(1,256)		1	762	190	5,135
Provisions for other disputes	654	52	(85)					621
Provisions for warranties		10						10
Provisions for legal disputes and tax penalties	207	54			8			269
Provisions for losses on completion	313	253	(313)					253
Provisions for other risks	4,359	225	(3,042)		2	83		1,627
Provisions for restructuring	10,158	959	(5,820)		2		(71)	5,228
Provisions for other charges	2	647	(2)					647
Total provisions for short-term risks and charges	19,840	3,491	(10,518)	-	13	845	119	13,790

Provisions for restructuring

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

<i>(in thousands of euros)</i>	Dec. 2011	Provisions	Write-backs	Forex changes	Change in scope of consolidation	June 2012
Albatros plan						
Salaries	1,358		(7)			1,351
Property lease rationalisation						
Other						
Total	1,358	0	(7)	0	0	1,351

<i>(in thousands of euros)</i>	Dec. 2011	Provisions	Write-backs	Forex changes	Change in scope of consolidation	June 2012
Operational-efficiency plan						
Salaries	848		(175)			673
Property lease rationalisation	65		(17)	1		49
Other						
Total	913	0	(192)	1	0	722

<i>(in thousands of euros)</i>	Dec. 2011	Provisions	Write-backs	Forex changes	Change in scope of consolidation	June 2012
Crisis-impact plan						
Salaries	1,792			1		1,793
Property lease rationalisation						
Other	12			0		12
Total	1,804	0	0	1	0	1,805

<i>(in thousands of euros)</i>	Dec. 2011	Provisions	Write-backs	Forex changes	Change in scope of consolidation	June 2012
Recovery plan						
Salaries	3,492	959	(3,392)			1,059
Property lease rationalisation	2,586		(2,295)			291
Other	5		(5)			0
Total	6,083	959	(5,692)	0	0	1,350

7.11. Employee benefits

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

<i>(in thousands of euros)</i>	June 2012	December 2011	Change
Personnel and social security charges	161,342	146,893	14,449
	161,342	146,893	14,449
Non-current employee benefits	31,169	28,765	2,404
	31,169	28,765	2,404
Total	192,511	175,658	16,853

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

Hedging assets are essentially located in Belgium and Switzerland. These mainly comprise mutual funds, insurance assets and securities.

7.12. Trade payables

Trade payables totalled €67,253k at 30 June 2012, compared with €63,621k at end- 2011.

<i>(In thousands of euros)</i>	June 2012			December 2011		
	Total	Matured	Not matured	Total	Matured	Not matured
Accounts payable	67 253	16 166	51 087	63 621	16 962	46 659

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

<i>(In thousands of euros)</i>	June 2012	December 2011
Expiring in less than 1 month	8 573	3 483
Expiring in 1 - 3 months	5 007	11 325
Trade payables due in more than 3 months	2 586	2 154
TOTAL ACCOUNTS PAYABLE MATURED	16 166	16 962

7.13. Other current liabilities

This item mainly comprises advance billing for products and services contributing to revenues.

7.14. Short-term securities debt

This item comprises outstanding earn-out commitments.

Note 8 Notes to the income statement

8.1. Segment reporting at 30 June 2012

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 2012 included:

France

Northern zone: Germany, Austria, the Benelux countries, Denmark, Ireland, Norway, Romania, the UK, Sweden and Switzerland.

Southern zone: Spain, Italy and Portugal

Rest of the World (RoW): North America, Asia, the Middle East and Tunisia

Segment reporting

At 30 June 2012 (€ million)	France	Northern zone	Southern zone	RoWzone	Arthur D. Little, Inc.	Inter-segment eliminations	Total
Revenues							
External	381	183	152	17		0	733
Inter-segment eliminations	17	6	5	2		(30)	0
Total revenues	399	189	156	19		(30)	733
Total operating revenues	408	191	157	19		(30)	745
Total operating expenses	(380)	(176)	(144)	(20)		30	(689)
Operating income on ordinary activities	28	15	13	(1)		0	55
Operating income on ordinary activities (%)	7.0%	7.8%	8.5%	(3.1%)			7.6%
Assets by region	1,042	303	194	4		(371)	1,172
Non-allocated assets	-	-	-	-		-	-
Equity holdings	-	-	-	-		-	-
Total assets	1,042	303	194	4	0	5371	1,172

At 30 June 2011* (€ million)	France	Northern zone	Southern zone	RoW zone	Arthur D. Little, Inc.	Inter-segment eliminations	Total
Revenues							
External	367	181	152	13		0	713
Inter-segment eliminations	13	6	3	2		(24)	0
Total revenues	380	187	155	15		(24)	713
Total operating revenues	384	189	155	16		(24)	720
Total operating expenses	(362)	(174)	(144)	(16)		24	(672)
Operating income on ordinary activities	22	15	11	0		0	48
Operating income on ordinary activities (%)	5.9%	8.1%	7.0%	(1.8%)			6.7%
Assets by region	1,111	221	201	1		(503)	1,030
Non-allocated assets							
Equity holdings							
Total assets	1,111	221	201	1	0	(503)	1,030

(* 2011 figures restated for Arthur D Little (see note 6).

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

Altran turned in a solid H1 2012 performance despite the slowdown in the global economic environment. Interim revenues came out at €732.6m, up 2.8% on the year-earlier level of €712.9m.

This performance factors in the negative impact of changes in the scope of consolidation (-1.8%), and the number of working days (-0.3%), as well as a favourable forex effect (+0.6%).

Revenue growth over the period made for an improvement in consolidated margins: operating income on ordinary activities came out at €55.4m, equivalent to 7.6% of sales (up 14.5% on H1 2011 levels).

8.2. Revenues

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

<i>(in thousands of euros)</i>	June 2012	June 2011 *	Change
Sale of goods	2,989	3,194	(6.4%)
Sale of services	729,444	709,264	2.8%
Royalties	151	477	(68.3%)
Total	732,584	712,935	2.8%

(*) 2011 figures restated for Arthur D Little (see note 6)

8.3. External expenses

The breakdown of Altran's external expenses at 30 June 2012 is given in the following table:

<i>(in thousands of euros)</i>	June 2012	June 2011 *	Change
Outsourcing	51,719	57,207	(9.6%)
Operating-lease and related expenses	22,437	23,961	(6.4%)
Training	4,379	4,908	(10.8%)
Professional fees and external services	10,701	12,996	(17.7%)
Transport and travel expenses	29,516	28,569	3.3%
Other purchases and external services	21,636	21,31	1.5%
Total	140,388	148,951	(5.7%)

(*) 2011 figures restated for Arthur D Little (see note 6)

Trends in the Group's external expenses are examined in paragraph 2 under "Current operating expenses".

8.4. Personnel costs

The breakdown of personnel costs at 30 June 2012 is as follows:

<i>(in thousands of euros)</i>	June 2012	June 2011 *	Change
Salaries and payroll taxes	527,439	504,281	4.6%
Employee profit share	392	1,062	(63.1%)
	527,831	505,343	4.4%
Expenses related to share-based payments	366	247	48.4%
Long-term employee benefits	1,890	1,715	10.2%
Total	530,087	507,305	4.5%

() 2011 figures restated for Arthur D Little (see note 6)*

Share-based payments

Total share-based payments of €366k in H1 2012 (versus €247k at end-June 2011) concerned the 31 January 2012 free-share plan subject to performance conditions (attaining objectives in terms of margins and trade-receivable recovery).

The main characteristics of the Group's stock-option and free-share plans are as follows:

	Stock options		Stock options		Free shares	
	2004 (c)	2005 (c)	2005 (c)	2007 (c)	2012 France	2012 Abroad
Date of Shareholders' meeting	28/06/2004	28/06/2004	28/06/2004	29/06/2005	10/06/2011	10/06/2011
Date of Board of Directors' meeting	29/06/2004	15/06/2005	20/12/2005	20/12/2007	31/01/2012	31/01/2012
Total number of shares initially available for subscription or allocation	2,762,000	340,000	2,630,000	2,589,830	390,000	232,500
<i>o/w granted to corporate officers</i>	<i>80,000</i>	<i>200,000</i>	<i>210,000</i>	<i>100,000</i>	<i>0</i>	<i>0</i>
<i>o/w granted to ten highest paid employees</i>	<i>510,000</i>	<i>340,000</i>	<i>635,000</i>	<i>340,000</i>	<i>130,000</i>	<i>0</i>
<i>Balance at 30 June 2012</i>	<i>451,792</i>	<i>132,369</i>	<i>321,068</i>	<i>333,446</i>	<i>130,000</i>	<i>0</i>
Vesting date	30/06/2008	16/06/2009	21/12/2009	21/12/2011		
Deadline for granting free shares					31/01/2014	31/01/2016
Maturity	29/06/2012	15/06/2013	20/12/2013	20/12/2015		
End of lock-in period for free shares					31/12/2016	31/12/2016
Subscription price of options/reference share price (€)	9.27	7.17	9.52	4.25	3.54	3.54
Valuation method used	Black&Scholes	Black&Scholes	Black&Scholes	Hull&White	Binomial	Binomial
Number of shares available for subscription or allocation at 31/12/2011	1,087,955	132,369	1,061,521	1,585,779	0	0
Rights created in 2012					390,000	232,500
Rights forfeited in 2012	1,087,955		81,849	79,125	5,000	
Rights exercised in 2012				4,042		
Number of shares available for subscription or allocation at 30/06/2012	0	132,369	979,672	1,502,612	385,000	232,500

Free shares were valued on the grant date using a model based on *CNC* recommendations.

The main market criteria, determined on the grant date, used to value the notional cost of non-transferability of free shares, are as follows:

- Altran-share spot price at 31/01/2012: €3.54
- Risk-free interest rate: 6.41%
- Interest rate on 5-year open-cash credit facility applicable to beneficiaries of shares with a limited transfer facility : 2%
- Vesting period: 2 years for staff hired under a French contract with a supplementary 2-year retention commitment (4 years for employees recruited outside France).

The notional cost of non-transferability of shares expressed as a percentage of the spot price of the share on the grant date is negligible.

8.5. Depreciation and net provisions

<i>(in thousands of euros)</i>	June 2012	June 2011 *	Change
Depreciation of tangible and intangible assets	(6,656)	(5,990)	11.1%
Provisions for current assets	(53)	(851)	(93.8%)
Provisions for risks and charges	(1,765)	(93)	Na
Total	(8,474)	(6,934)	22.2%

(*) 2011 figures restated for Arthur D Little (see note 6).

8.6. Other non-recurring operating income and expenses

<i>(in thousands of euros)</i>	June 2012	June 2011 *
Net proceeds from tangible and intangible asset disposals	(4)	(102)
Net proceeds from divestment & liquidation of holdings in consolidated subsidiaries	688	(8,567)
Provisions net of write-backs for legal disputes	134	17
Minority buybacks	84	
Exceptional costs related to previous fiscal periods	(450)	
Asset disposals	(287)	5
Employee benefits		(53)
Restructuring costs	(9,976)	(2,556)
Provisions net of write-backs for restructuring	(6,803)	3,255
Other	14	37
Total	(2,420)	(7,964)

(*) 2011 figures restated for Arthur D Little (see note 6).

A non-recurring operating loss of €2,420k includes:

- a €771k capital gain on the disposal of Hilson Moran Italia;
- litigation damages paid to the Group by former employees: €475k;
- exceptional costs relative to previous fiscal periods: -€450k;
- a net impact of -€3,173k for the restructuring plans detailed below:

Restructuring costs

<i>(in thousands of euros)</i>	June 2012	June 2011 *
Restructuring costs		
Albatros plan		
Furnishing write-offs		
Salaries		(44)
Property lease rationalisation		(1)
Other		
	0	(45)
Operational-efficiency plan		
Furnishing write-offs		
Salaries	(174)	(899)
Property lease rationalisation	(17)	(449)
Other		(216)
	(191)	(1,564)
Crisis-impact plan		
Furnishing write-offs		(3)
Salaries	(64)	(1,070)
Property lease rationalisation		(46)
Other		172
	(64)	(947)
Recovery plan		
Furnishing write-offs	(1,759)	
Salaries	(5,866)	
Property lease rationalisation	(1,772)	
Other	(324)	
	(9,721)	0
Total	(9,976)	(2,556)

<i>(in thousands of euros)</i>	June 2012	June 2011 *
Provisions net of write-backs		
Albatros plan		
Furnishing write-offs		
Salaries	8	13
Property lease rationalisation		1
Other		
	8	14
Operational-efficiency plan		
Furnishing write-offs	187	(31)
Salaries	175	900
Property lease rationalisation	17	446
Other		8
	379	1,323
Crisis-impact plan		
Furnishing write-offs		(3)
Salaries		1,869
Property lease rationalisation		52
Other		
	0	1,918
Recovery plan		
Furnishing write-offs	1,683	
Salaries	2,433	
Property lease rationalisation	2,295	
Other	5	
	6,416	0
Total	6,803	3,255

(*) 2011 figures restated for Arthur D Little (see note 6)

Breakdown of net costs

<i>(in thousands of euros)</i>	June 2012	June 2011 *
Albatros plan	8	(31)
Operational-efficiency plan	188	(241)
Crisis-impact plan	(64)	971
Recovery plan	(3,305)	0
Total	(3,173)	699

(*) 2011 figures restated for Arthur D Little see note 6)

8.7. Cost of net financial debt

<i>(in thousands of euros)</i>	June 2012	June 2011 *
Gains on cash and cash equivalents		
Interest income generated by cash and cash equivalent	878	752
Income from disposal of cash equivalents	97	205
	975	957
Cost of gross financial debt		
Interest expenses on bond loans	(7,541)	(7,169)
Interest expenses on other financing operations	(2,435)	(6,319)
	(9,976)	(13,488)
Cost of net financial debt	(9,001)	(12,531)

(*) 2011 figures restated for Arthur D Little (see note 6).

At end-June 2012, the cost of net financial debt (at -€9,001k) corresponds to interest paid on 1/ the convertible bond loan for -€7,541k and 2/ overdrafts and medium-term borrowings for -€2,435k.

8.8. Other financial income and expenses

<i>(in thousands of euros)</i>	June 2012	June 2011 *
Financial income		
Gains on other financial asset disposals		
Financial gains from conversion to present value	193	175
Forex gains	2,839	1,876
Write backs of provisions for non-consolidated holdings and other non-current financial assets		
Gains on financial instruments	78	
Other financial income	39	8
	3,149	2,059
Financial expenses		
Loss on other financial asset disposals		
Depreciation of non-consolidated holdings and other non-current financial assets	0	(1,015)
Employee-benefit provisions	(724)	(585)
Forex losses	(1,101)	(6,458)
Financial charges on conversion to present value	(372)	(389)
Loss on financial instruments		(101)
Loss on trading derivatives		
Other financial expenses	(39)	(7)
	(2,236)	(8,555)

() 2011 figures restated for Arthur D Little (see note 6)*

8.9. Tax

The differences between the company's actual tax on earnings and the theoretical tax obtained by applying the French tax rate are outlined in the table below:

<i>(in thousands of euros)</i>	June 2012
Net income attributable to the Group	30,081
Minority interests	(77)
Net income on discontinued operations	(2,404)
Tax expenses / income	(12,348)
Impairment losses	
Pre-tax profit before goodwill depreciation	44,910
Theoretical tax charge at rate applied to parent company (35%)	(15,719)
- other tax on income	(7,289)
- change in amortisation of deferred tax assets	2,771
- difference in tax rates in foreign countries	1,373
- other permanent differences	6,516
Effective tax paid	(12,348)
EFFECTIVE TAX RATE	27%

Other taxes on income mainly comprise secondary tax credits in France (€5.6m) and Italy (€1.5m).

8.10. Net income of discontinued operations

In accordance with IFRS 5, the elements of Arthur D. Little's income statement, after elimination of intra-group sales, are reported separately on a dedicated line "Net income on discontinued operations» in the consolidated income statements for 2011 (after inter-segment eliminations) and 2012.

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

(€ million)	June 2012	December 2011	June 2011
Revenues	–	116.7	63.0
Operating income on ordinary activities	–	(4.0)	(2.1)
Operating income	(3.7)	(98.3)	(36.5)*
Financial income	–	(0.7)	(0.6)
Tax expenses / income	1.3	48.4	0.1
NET INCOME ON DISCONTINUED OPERATIONS	(2.4)	(50.5)	(37.0)

* Including total goodwill depreciation of –€38.6m booked in H1 2011.

The main income-statement elements on discontinued operations are outlined in the table below:

(€ million)	June 2012	December 2011	June 2011
Income on discontinued operations	–	(43.5)	(37.0)
Capital gains (losses) on liquidation of shares	(3.7)	(21.6)	
Capital gains (losses) on liquidation of trademarks	–	(32.0)	
Fiscal impact	1.3	46.6	
NET INCOME ON DISCONTINUED OPERATIONS	(2.4)	(50.5)	(37.0)

Intra-group relations with the subgroup ADL booked to the income statement totalled €6,533k in 2011.

Movements in cash flow of discontinued operations are broken down as follows:

(€ million)	June 2012	December 2011	June 2011
Operating income	–	(98.3)	(36.5)
Cash flow before net interest expenses and taxes	–	(4.5)	2.6
Change in working capital requirement	–	(3.7)	(7.8)
Operating cash flow from discontinued operations (A)	–	9.0	6.7
Cash flow from investments made by discontinued operations (B)	5.3	8.9	0.8
Cash flow from financing activities of discontinued operations (C)	–	4.4	3.4
TOTAL (A) + (B) + (C)	5.3	22.3	10.9

Note 9 Major litigation issues and liabilities

At the close of H1 2012, there were no significant changes to the major litigation and contingent liabilities brought to the shareholders' attention when Altran's 2011 financial statements were approved (see page 13 of the 2011 registration document).

Note 10 Off balance sheet commitments

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

<i>(in thousands of euros)</i>	June 2012	< 1 year	1 – 5 years	> 5 years	December 2011
Commitments granted					
Pledges, security deposits and guarantees					
– on current operations	28,630	10,211	14,349	4,070	30,557
– on financing operations	26,730	11,730	15,000		40,000
Operating lease (property, fittings)					
– minimum future payments (see note 8.3)	170,370	31,710	88,928	49,732	198,608
Non-competition clause concerning former employees:	875	875			1,029
– gross amount	595	595			700
– social security contributions relative to non-competition clauses concerning former employees	280	280			329
Commitments received:					
–pledges, security deposits and guarantees	4,515	509	4,006		11,370
–on financing operations	15,000		15,000		15,000

Note 11 Information relative to related-party transactions

None.

Note 12 Post-closure events

No post-closure events were identified.

C. STATUTORY AUDITORS' REPORT

Mazars
Tour Exaltis
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92075 La Défense Cedex

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

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

Public 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 public limited liability company
58, boulevard Gouvion-Saint-Cyr
75017 PARIS

Statutory Auditors' Report

on the interim financial information

for the period from 1 January to 30 June 2012

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, 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 2012, 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.

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, 29 August 2012

The Statutory Auditors

Mazars

Deloitte & Associés

Jérôme de PASTORS

Philippe BATTISTI

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 2012 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 earnings 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.

Philippe SALLE
Chairman of the Board of Directors and Executive Officer

The logo for ALTRAn, featuring the word "ALTRAn" in a blue, lowercase, sans-serif font. The logo is positioned on the right side of a horizontal graphic element that consists of a light beige trapezoidal shape on the left and a blue trapezoidal shape on the right, both tapering towards the center.

INNOVATION MAKERS

