

Press release

14/03/2013

2012 results

Record results and strategic reinforcement in Germany thanks to acquisition of IndustrieHansa

In accordance with IFRS standards, the results of Arthur D. Little (divested in December 2011) are no longer included in Altran's consolidated revenues. The Group's 2011 sales have been restated to take this factor into account.

- **Operating income on ordinary operations of €125m, equivalent to 8.6% of sales (+10% vs. 2011)**
 - **Net Earnings of €65m and EPS of €0.45**
 - **Gearing less than 1x for the first time since the adoption of IFRS standards***
- *2005

Commenting on Altran's 2012 results, Philippe Salle, Group Chairman and Chief Executive, stated, "Altran's 2012 results confirm the recovery initiated by the Group at the beginning of 2011. This good performance bears out the strategic choices made by management 18 months ago and underscores our confidence in the Group's ability to achieve the financial objectives set out in the 2012-2015 strategic plan. Despite the harsh economic environment, the Group has proved its resilience and its ability to seize growth opportunities thanks to its R&D and innovation positioning together with international stamp. Stronger-than-expected cash generation in 2012 is indeed reassuring and makes us confident with regard further external growth operations after the finalisation of the IndustrieHansa acquisition in Germany in February 2013."

(€m)	2011	H1 2012	H2 2012	2012
Revenues	1,419.5	732.6	723.3	1,455.9
Gross margin	406.7	200.2	213.9	414.1
As % of sales	28.7%	27.3%	29.6%	28.4%
Indirect costs	(293.6)	(144.8)	(144.7)	(289.5)
Operating income on ordinary activities	113.1	55.4	69.2	124.6
As % of sales	8.0%	7.6%	9.6%	8.6%
Other non-recurring operating income and expenses	(47.3)	(2.4)	(7.7)	(10.1)
Goodwill impairment & assimilated	(15.0)		(3.5)	(3.5)
Operating income	50.8	53.0	58.0	111.0
Financial expenses	(27.8)	(8.1)	(12.5)	(20.6)
Tax income/charges	(17.6)	(12.3)	(11.0)	(23.3)
Net income before discontinued operations	5.3	32.6	34.5	67.1
Net income/loss on discontinued operations	(50.5)	(2.4)	(0.1)	(2.5)
Minority interests	(0.3)			
Net profit/(loss)	(45.5)	30.2	34.4	64.6
EPS (€)	(0.32)	0.21	0.24	0.45

2012 results

Altran's accounts for the fiscal year ended 31 December 2012 were approved by the Board of Directors on 13 March 2013.

In accordance with the AMF recommendation of 5 February 2010, please note that the consolidated accounts have been audited and the certification report is being prepared.

Consolidated 2012 revenues came out at €1,456m, vs. €1,420m in 2011, implying organic growth of 4.3% and economic growth¹ of 3.6%. All geographic zones contributed to growth. Business was particularly brisk in Northern Europe (+6.3%) and the RoW zone (+46%), where growth was underpinned by Altran's activities in the US nuclear sector. French operations also reported growth (+2.7%) and revenues in Southern Europe (Spain, Italy and Portugal) edged up 1.5%. Performances by operating segment are available on the Group's website.

Operating income on ordinary activities came out at €125m, equivalent to 8.6% of sales vs. €113m (8.0%) in 2011. Profitability was enhanced by brisker sales (reflecting the success of the strategy announced at end-2011), coupled with tight management of indirect costs which narrowed steadily throughout the year. As such, overheads accounted for less than 20.0% of sales (19.9%) at end-2012, vs. 20.7% in 2011 and 21.8% in 2010.

Financial expenditure also improved significantly, narrowing €7m over the period to -€21m due to a reduction in net debt and the expiry at the beginning of 2012 of interest-rate hedging instruments contracted in 2008.

Factoring in the above elements, **net income before discontinued operations** increased to €67m, an improvement of €62m vs. 2011.

Net income attributable to the Group stood at €65m compared with a loss of €46m in 2011 due to a capital loss incurred on the disposal of Arthur D Little in 2011.

Net debt and Gearing

In 2012, the Group pursued its strategy of paying down debt and strengthening its financial structure, and generated Free Cash Flow² of €50m, equivalent to 3.4% of sales.

As such, in line with the priorities set out in the strategic plan, cash generated in 2012 enabled the Group to reduce its net financial debt from €170m in 2011 to €140m in 2012, implying an improvement of nearly €30m.

Enhanced profitability and the reduction in financial net debt therefore made for a further improvement in gearing³ from 1.24 at end-2011 to 0.99, the best performance since the adoption of IFRS.

¹ Economic growth = organic growth restated for the forex impact and the change in the number of working days

² Free cash Flow = (Ebit + depreciation & amortisation) - exceptional costs - tax- changes in WCR - Capex +/- WCR

³ Gearing = Net financial debt / (Ebit + depreciation & amortisation)

Total net debt (after employee profit-sharing, interest and convertible-bond amortisation) now stands at €169m, vs. €195m at end-2011.

Outlook

Altran's financial performance in 2012 was in line with the guidelines presented in the 2012-2015 strategic plan. Similarly, despite the current weak economy, Altran should be able to pursue profitable growth in 2013.

About Altran

As European leader in innovation and high-tech engineering consulting, Altran accompanies its clients in the creation and development of their new products and services. Altran's Innovation Makers⁴ have been providing services for thirty years to key players in the Aerospace, Automotive, Energy, Railways, Finance, Healthcare and Telecoms sectors. Covering every stage of project development from strategic planning through to manufacturing, Altran's offers capitalise on the group's technological know-how in four key areas: Product Lifecycle Management, Mechanical Engineering, Embedded & Critical Systems, and IT Systems.

In 2012, the Group generated revenues of €1456m. Altran now has a staff of 20,000 employees in more than 20 countries.

www.altran.com.

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Financial calendar

- 30th April 2013 2013 1st quarter revenues
- 28th June 2013 2013 Annual General Meeting
- 30th July 2013 2013 2nd quarter revenues
- 5th September 2013 2013 Half-year results
- 31st October 2013 2013 3rd quarter revenues

⁴ Altran Group employees