altran

PRESS RELEASE

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Strong growth in 2010 results

Strong growth in current operating profit in 2010 (€69.1m)

Significant and better-than-expected improvement in H2 current operating margin (7.1% of sales)

Further reduction in indirect costs and recovery in H2 gross margin to 28.6%

Balance sheet ratio improvement with leverage of 2.09

Altran's accounts for fiscal year ended 31 December 2010 were approved by the Board of Directors on 10 March 2010. In accordance with the AMF recommendation of 5 February 2010, the consolidated accounts have been audited and the certification report is being prepared.

(€ million)	**31/12/2009**	**1H 2010**	**H2 2010**	**2010**
Revenue	1,403.7	709.2	727.5	1,436.7
CURRENT OPERATING INCOME *	**31.0**	**17.5**	**51.6**	**69.1**
As % of sales	*2.2 %*	2.5%	7.1%	4.8%
Other non-recurring operating income and expenses	(64.4)	(15.9)	(5.5)	(21.4)
Goodwill depreciation	(38.6)	(14.6)	(15.6)	(30.2)
Operating income	(72.1)	(12.9)	30.5	17.6
As % of sales	*5.1 %*	1.8%	4.2%	1.2%
Cost of net financial debt	(14.3)	(12.6)	(11.8)	(24.4)
Other financial income and expenses	(5.2)	4.2	(8.8)	(4.6)
Tax income/charges	16.3	(6.1)	(8.2)	(14.3)
NET PROFIT	**(75.3)**	**(27.5)**	**1.7**	**(25.8)**
Minority interests	0.6	(0.4)	0.2	(0.2)
NET INCOME ATTRIBUTABLE TO THE GROUP	**(74.7)**	**(27.9)**	**1.9**	**(26.0)**

2010 results

Group sales rose 2.3% on 2009 levels, with a reversal in trends in H2, which marked up growth of 6.6%, vs a decline of 1.7% in H1.

Current operating profit increased more than two-fold on year-earlier levels to €69.1m, equivalent to 4.8% of sales. **Current operating margin rose more than two-fold** to 7.1% of sales in H2, vs 2.5% in H1.

Further reduction in indirect-costs, which narrowed to 22.1% as a percentage of sales in 2010 (22.7% in H1 and 21.5% in H2).

Operating profit of €17.6m factors in:

- non-recurring operating expenses and income (linked to restructuring and staff adaptation measures) totalling €21.4m, for the most part booked in H1;
- exceptional goodwill depreciation of €30.2m (vs €38.6m in 2009) mainly concerns the subgroup, Altran Control Solutions (sold in July 2010) and Arthur D. Little.

The cost of net financial debt increased to €24.4m in 2010 due mainly to costs linked to the 2015 OCEANE bond issued in November 2009 that were booked over the full year.

Net income attributable to the Group was negative over the full year (- €26m) but positive in H2 (+€1.9m).

Balance sheet ratio improvement in 2010 with leverage of 2.09; thanks to tight clients receivables (DSO reduced to 87.7 days) and margin enhancement, Altran had no difficulty in respecting all of its banking covenants; group net debt of €203.4 at end-2010 with leverage of 2.09 and gearing at 0.41.

Key events

H2 2010 was marked by stronger growth in all of Altran's regional markets, a recovery in prices both in France and abroad and, above all, a return to margin levels more in line with group objectives for France. Excluding holding costs, Group operations in France actually reported a double-digit current operating margin on ordinary activities of 10.1% in H2 2010.

Brazil / Arthur D. Little

Altran is currently in negotiations to sell all of its activities in Brazil.

Given the improvement in Arthur D. Little's performances over the last few months, the Group is still reviewing several possible scenarios and has engaged an exterior advisor to carry out a strategic revue of this activity.

Outlook

The Group expects strong growth trends in France to continue in 2011. At the International level, recovery in demand over the past few months is expected to continue and boost performances in most regions.

After the acquisitions of Xype (UK) and Igeam (Italy) in 2010, Altran intends to pursue its targeted external growth strategy in 2011 and is hoping to carry out one or more acquisitions the same size as those acquired last year.

The pursuit of tight indirect-cost management and the gradual recovery in gross margin should continue to enhance operating margins.

As such, Altran expects to see further improvement in the operating margin on ordinary activities in 2011.

Yves de Chaisemartin, Chairman and CEO of Altran, stated that, « The positive impact of organisational and cost-control measures carried out over the last two years began to feed through in 2010 with a sharp increase in operating profit on ordinary activities, a widening in the operating margin and recovery in gross margin. These efforts, combined with the improving economic environment, make us confident for 2011 ».

* The 2010 French Finance Act replaced the liability of French tax-paying entities to pay business tax (taxe professionnelle) by two new contributions: a property contribution (Cotisation Foncière des Entreprises - CFE) assessed exclusively on the rental value of real estate assets, and a Value Added Contribution (Cotisation sur la Valeur Ajoutée des Entreprises - CVAE), assessed on the value added derived from the company accounts. At 31 December 2009, the value added contribution (CVAE) would have amounted to €7.2 m, compared with €8.7m at end-December 2010.

For more information

Shareholders toll-free number: 0 800 123 133
Euroclear 3463 / Bloomberg ALT FP/ Reuters ALTR.PA/ Nasdaq ALTKF/ Sicovam
www.altran.com.

About Altran

As European leader in Innovation and High-Tech Consulting, Altran has been providing services for almost thirty years to key players in the Automotive, Aeronautics, Telecoms, Energy, Healthcare and Finance sectors. Thanks to its expertise in the fields of advanced technology and innovation, the Group is able to advise and accompany its clients in the creation and development of their products and services. Present at every stage of project development from strategic planning through to manufacturing, Altran provides new-technology services in the fields of Innovation Management, Mechanical Engineering, Engineering and Embedded Systems, IT Systems and Performance Management.