

10/19/2011

Strategic plan refocusing on profitable growth

As announced at the June 10, 2011 shareholders meeting, and after four months at the head of the Altran group, the new Chairman and Chief Executive Philippe Salle has presented his strategic plan for 2012-2015, targeting a return to profitable growth with the launch of twelve major projects.

The strategic review carried out over the past few months confirms the high level of Altran's consulting expertise with regards to technological innovation and high-tech engineering and underscores the significant growth potential in the Group's field of activity. It has also enabled management to identify numerous sources of potential performance improvement and prompted the launch of an ambitious growth and profitability action plan for the coming years.

Objectives

Boost sales	▶ Revenue: more than €2.0bn in 2015
Enhance margins	▶ EBITA: 11-12% of sales (<i>at peak of cycle</i>)
Cash generation	▶ Free cash flow: 2-4% of sales

Sales will be driven initially by organic growth and, thereafter, by strategic medium-sized acquisitions.

To achieve this, Altran has chosen to:

- focus on six European regions: Germany, Belgium, Spain, France, Italy and the UK;
- undertake the global management of four of its industrial segments of activity: Automotive, Infrastructure & Transportation; Aeronautics, Space & Defence; Energy & Healthcare; Telecoms;
- push the global development of two of its solutions, Product Lifecycle Management and Embedded & Critical Systems.

Strategic refocusing will enable Altran to capitalise on its strengths and consolidate its undeniable position as European leader in engineering and innovation consulting, a status the Group has earned by its very size on this still highly fragmented market.

Sales growth will also be driven by the growing momentum of technological innovation in the most advanced emerging markets. Priority will be on China, via the setting up of regional partnerships, and on India, where the Group plans to reinforce its existing offshore platform.

Margin enhancement and cash-flow optimisation will be underpinned by greater added value and tight control of operating costs, as well as a reduction in sales volatility, rendered possible by the geographic and sectoral redeployment of its activities (portfolio rebalancing). Measures will be taken to boost the gross margin (by optimising prices), lower indirect costs as a percentage of sales (via tight overhead-cost management) and shorten the duration of client receivables (by reducing the number of days of sales outstanding - DSO).

Cash thus generated will enable the Group to maintain debt at a limited level and cover future investments and acquisitions.

The implementation of this strategy will require the setting up of a new and more functional organisational structure centred around twelve major projects, focused on client-based services, staff loyalty and margin enhancement.

According to Group Chairman & Chief Executive, Mr Philippe Salle:

« After carrying out this strategic review, I am convinced that, in order to benefit fully from the numerous strengths the Group has to offer, we must refocus on our key markets and cut operating costs. This is the objective of the action plan that I have presented and will implement with my team over the coming months; a plan designed to revive growth and restore margins to levels more in keeping with the status of the Group. »

About Altran

As European leader in Innovation and high-tech engineering consulting, Altran accompanies companies in the creation and development of their new products and services.

With a global network of 17,000 collaborators, (including 15,000 consultants), and some 500 major clients throughout the world, the Group reported sales of €1,437m in 2010.

www.altran.com

Contacts

Investor relations:

Altran:
Laurent Dubois
Group Deputy CFO
Tel: 33 (0)1 46 17 46 17

Public relations

Shan : Economic & financial press
Arnaud Monnin, Laetitia Baudon, François-Xavier Dupont
Tel: 33 (0)1 44 50 51 80

i&e Consultants : Professional PR agency
Karine Jazra et Camille Petit
Tel: 33 (0)1 56 03 14 80
[*altranpresse@i-e.fr*](mailto:altranpresse@i-e.fr)

More information

<http://www.altran.com/finance/strategic-plan.html>

Other information

Toll-free number: 0 800 123 133

Codes : Euroclear 3463 , Bloomberg ALT FP , Reuters ALTR.PA , Nasdaq ALTKF