

Press release

12 March 2015

2014 full-year results

Strong growth in earnings and free cash flow

- Operating income on ordinary activities: €165m (+15.1% on 2013)
- Earnings: €83m (+25.4% on 2013)
- Free cash flow¹ : €115m (+129% on 2013 level of €50m)
- Proposed shareholder payout: €0.15 per share (+36% on 2013)

Commenting on Altran 2014 results, Group Chairman and Chief Executive Philippe Salle stated: “In 2014, Altran full-year results continued to reflect strong growth in line with the 2015 strategic plan. Thanks to the quality of its teams and unique positioning on the outsourced R&D market, the Group can achieve its strategic objectives in a market that has not yet peaked. With the exception of Germany where performances suffered from exceptional measures taken by one of our clients in the Aeronautics sector, all of the Group’s core countries generated operating income on ordinary activities above 10%. This trend has continued into the first months of 2015. The Group therefore expects to see another year of profitable growth and is fully equipped in terms of leverage and expertise to announce, at the end of the year, a new ambitious 2020 plan based on its very solid organisational and financial structure. In addition, with net financial debt of only €37m and a treasure chest of €444m at end-2014, the Group has the financial means to achieve its ambitions.”

(in millions of euros)	2014	2013	
Revenues	1 756.3	1 632.8	+7.6%
Gross margin	503.1	453.6	+10.9%
As a % of sales	28.6%	27.8%	
Overheads	(338.5)	(310.6)	+9.0 %
Operating income on ordinary activities	164.6	143.0	+15.1%
As a % of sales	9.4%	8.8%	
Other non-recurring operating income and expenses	(28.8)	(35.8)	
Amortisation of customer-relationship intangible assets	(3.8)	(2.1)	
Operating income	132.0	105.1	+25.6%
Financial income (charges)	5.7	(12.9)	
Tax income/charges	(43.5)	(26.4)	
Minority interests	-	-	
Net income	82.5	65.8	+25.4%
EPS	0.47	0.40	

¹ Free cash flow = (Ebit + depreciation & amortisation) – exceptional costs – tax- changes in WCR – Capex +/-WCR
In case of discrepancy between the French version and the English version of this press release, the French version shall prevail.

2014 results

The consolidated financial statements were approved by the Board of Directors on 11 March 2015. In accordance with AMF recommendation dated 5 February 2010, please note that the consolidated financial statements have been audited and the certification report is being prepared.

Consolidated 2014 revenues increased 7.6% on year-earlier levels to €1,756m, implying economic growth² of 3.5% over the period. By region, Group revenues advanced 3.5% in France, 10.0% in the Southern zone, and 5.2% in the Rest of the World zone. Performances in the Northern zone narrowed 1.0% due to sluggish trading conditions in the German Aeronautics sector.

As a percentage of sales, the consolidated **gross margin** came out at 28.6% in 2014, up more than 80 basis points year-on-year. This increase stems directly from sustained growth in the invoicing rate, which widened to 86.5% in 2014 from 84.7% in 2013. This essential performance indicator has been improving steadily as of 2011 when Altran implemented its productivity-improvement plan and notably since the beginning of 2013 when productivity enhancement measures were intensified.

Operating income on ordinary activities increased to €165m, equivalent to 9.4% of sales, vs. €143m in 2013 (8.8% of sales). Note that, excluding Germany where performances were penalised by tough trading conditions, consolidated operating income on ordinary activities as a percentage of sales comes out at 10.4%.

Operating income rose 25.6% year-on-year to €132m, underpinned by the decline in non-recurring charges linked to the productivity-improvement plan, launched in 2013 and completed at the end of 2014.

Financial expenditure narrowed to -€5.7m, a sharp improvement on the end-2013 level of -€12.9m stemming mainly from the renegotiation of the Group's borrowing facilities and a favourable currency impact.

Net income attributable to the Group rose 25% from €65.8m in 2013 to €82.5m.

Free cash flow and DSO

Free cash flow generation is one of Altran three key financial objectives. In 2014, the Group generated free cash flow of +€114.7m, reflecting a sharp increase of +129% on the year-earlier level of +€50.1m. This performance was achieved on the back of the steady improvement in DSO levels, which narrowed from 83.5 to 81 days year-on-year, as well as the low level of net disbursements on non-recurring elements (outlays of €34m vs. inflows of €28m).

Note that the level of free cash flow generated by the Group in 2014 represents an EBITA conversion rate of 70%.

Net debt and gearing

Thanks to strong cash flow generation in 2014 the Group was able to contain debt at the very low level of -€37m (relatively stable on the 2013 level of -€26m) and finance more than €100m in acquisitions, €19m in shareholder payouts and €8m in share buy-backs. In addition, with a treasure

² Economic growth = organic growth restated for the forex impact and the change in the number of working days

chest of €444m at 31 December 2014, the Group has strengthened its capacity to finalise the 2015 strategic plan and envisage even more ambitious objectives for its 2020 strategic plan.

Shareholder payout proposal

At the General Shareholders Meeting on 30 April 2015, the Board of Directors of Altran Technologies will propose the distribution of a €0.15 per-share payout to be financed from the share premium account. This represents a 36% increase on the 2013 payout of €0.11 per share.

Outlook

While Altran financial performance is in line with the 2015 strategic plan in terms of profitability, the level of cash flow generated by the Group in 2014 has surpassed its objectives.

Based on the information currently at its disposal, Altran management believes that 2015 will be another year of significant growth for the Company.

Other information

On 10 March 2015, Altran completed the acquisition of 100% of Nspyre, the leading Dutch specialist in R&D and high technology services. With a permanent staff of 680 employees specialised in software development and mechanical engineering, Nspyre adds value to key players in the High Tech, Traffic, Infrastructure, Automotive, Industry and Energy & Utilities market sectors.

The acquisition of Nspyre is in line with the Group's strategic objectives and will reinforce the Altran Intelligent Systems and Lifecycle Experience solutions. With a current workforce of 1,800 employees in the Benelux countries (of which 1,000 in the Netherlands), Altran is now the leading innovation and high-technology engineering consulting company in this region.

Financial Calendar

30 April 2015:	Publication of Q1 2015 revenues
30 April 2015:	Shareholders' Annual General Meeting
30 July 2015:	Publication of Q2 2015 revenues
3 September 2015:	Publication of H1 2015 results
29 October 2015:	Publication of Q3 2015 revenues

About Altran

As global leader in innovation and high-tech engineering consulting, Altran accompanies its clients in the creation and development of their new products and services. Altran Innovation Makers³ 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 to manufacturing, Altran solutions capitalise on the Group's technological know-how in five key areas: Innovative Product Development, Intelligent Systems, Lifecycle Experience, Mechanical Engineering, and Information Systems.

In 2014, the Group generated revenues of €1.756bn. Altran now has a staff of around 23,000 employees in more than 20 countries.

³ *Employees of the Altran group*

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