

AKKA TECHNOLOGIES

Passion for technology

Paris, 13 November 2014 – 5:35 p.m.

PRESS RELEASE – Third-quarter 2014 revenue

Q3 revenue of €212.5 million, in line with the Group's objectives

Impact of the transformation plan across the Group:

Good resilience in France in a challenging environment

Expansion confirmed in Germany

Further strong growth internationally

Q3-2014 revenue

- AKKA Technologies recorded revenue of €212.5 million in the third quarter of 2014, an increase of 0.4% compared with the revenue of €211.7 million recorded in the third quarter of 2013. At constant scope of consolidation and exchange rates (lfl),* growth was 0.5%. Revenue for the nine months from January to September 2014 totalled €650.9 million, an increase of 0.8% like-for-like. It is in line with the objective of recording slight growth in revenue over 2014 as a whole.

(€ million)	Q3-2014	Q3-2013	% change	% change organic*
France	101.0	106.6	-5.2%	-5.2%
Germany	80.4	76.6	+4.9%	+4.9%
International (excluding Germany)	31.2	28.6	+9.2%	+10.2%
Revenue	212.5	211.7	+0.4%	+0.5%

* Adjusted for currency effects.



Q3-2014 revenue by region

- France recorded a 5.2% decline in revenue to €101.0 million. Activity was adversely affected by an unfavourable calendar effect and the deferral of a large project with a Russian customer. It was also impacted by the accelerated reshaping of its operations under the PACT 17 transformation plan initiated in H1 to prepare the group for major international contracts. Activity is expected to be further impacted in the fourth quarter. However, the operating profitability of this BU is set to improve in the second half of 2014 thanks to strong measures taken at the end of the first half.
- Germany recorded revenue growth of 4.9% to €80.4 million, confirming the improvement seen in previous quarters. As during the second quarter, the Group recorded double-digit growth in revenue with its biggest customer, Daimler. These performances are the result of the improvement in MBtech's competitiveness and performances achieved through the PACT 17 transformation plan. They were accompanied by continued growth in the activity rate, which rose to nearly 86% over the quarter.
- Revenue from international activities (excluding Germany) amounted to €31.2 million, an increase of 10.2% like-for-like (vs +7.8% in H1). Many countries continue to record growth above 10%, including the Middle East, which boasts significant growth potential stemming from the modification and certification of aircraft, and Spain, despite an unsettled economic environment. Italy also recorded a double-digit increase in revenue, thanks to the diversification undertaken in recent years. Belgium, the Group's biggest international market (excluding Germany), also resumed growth (+2.5% in Q3).

Highlights of Q3-2014

- AKKA Technologies and Dassault Systèmes announced in early October the establishment of a long-term partnership to promote innovation in the market for “autonomous and connected vehicles”. AKKA engineers will launch the new generation Link & Go, based on the 3DEXPERIENCE platform, using Dassault Systèmes applications to create new services adapted to the “fully connected” world.
- With MBtech, AKKA Technologies is currently developing a complete vehicle known as “BAIC C90 L” for the Chinese auto market. The vehicle also meets European standards in terms of design and development. The development phase of this vehicle for the high-end and mid-range segments of the Chinese market is expected to last until the end of 2016. This contract confirms the Group's ability to become the best-in-class leader in large comprehensive and transnational contracts in Germany and on new growth markets internationally, notably in Asia.
- AKKA Technologies has entered into exclusive talks for the full acquisition of two companies in Germany and one company in Italy in order to accelerate the deployment of its diversification strategy.
- The AKKA Technologies Group issued a €140 million Schuldschein-type bond (private placement subject to German law) on 30 October 2014. The bond has two tranches, maturing in five and seven years respectively, with an average interest rate of approximately 2%. The bond, which is non-dilutive for shareholders and does not affect the Group's net debt, reinforces its financial flexibility and diversifies its sources of funding. It also extends the average maturity of the Group's debt, taking advantage of very attractive market conditions. Above all, it gives the Group the means to finance the acceleration of its expansion in Germany and internationally.



2014 outlook

- Q3 revenue is in line with the Group's objectives. It confirms the recovery of the German activities and the continued strong growth in international business. This offset the decline in the France BU, attributable to the accelerated reshaping of its operations under the PACT 17 transformation plan.
- The strong growth in Germany and internationally allows the Group to confirm its objective of positive organic growth over 2014 as a whole, giving it confidence in its ability to generate an operating margin from ordinary operations in line with consensus expectations.

Medium-term outlook

- The improvement in the operational performance of the German activities continues, with further progress expected in the coming quarters. It confirms the validity of the acquisition of MBtech and the success of the first stage of its integration. This success has led Daimler (the Group's biggest customer) to announce its intention of strategically increasing its business volume with MBtech in Germany and internationally.
- AKKA Technologies has launched the second phase of its transformation plan as part of its medium-term strategic plan. This phase aims at further improving the skills and competitiveness of the Group's German subsidiary, diversifying its activities, preparing France for large transnational contracts and accelerating its penetration of international markets, building on its Franco-German base.
- This will result in faster growth for the Group, both in organic terms and through targeted acquisitions, facilitated by the issuance of the Schuldschein bond in late October.

Together, these factors reinforce the Group's medium-term objectives, namely:

- **revenue of €1.2 billion,**
- **operating income from ordinary operations* of €100 million, without compromising its financial equilibrium,**
- **a recurring operating margin of between 8% and 10%.**

** Operating income calculated before non-recurring items and expenses related to stock options and bonus shares.*

Next release: 2014 revenue, on 11 February 2015 after trading



Revenue as of end-September (9 months)

(€ million)	9 months 30 Sept. 2014	9 months 30 Sept. 2013	% change	% change organic*
France	325.2	330.9	-1.7%	-1.7%
Germany	233.2	229.5	+1.6%	+1.6%
International (excluding Germany)	92.6	87.0	+6.5%	+8.6%
Total Group	650.9	647.4	+0.5%	+0.8%

* Adjusted for currency effects.

Quarterly revenue

(€ million) Change at constant scope and exchange rates	Q1	Q2	Q3-2014	Jan.-Sept. 2014
France	113.1	111.0	101.0	325.2
	-2.2%	+2.2%	-5.2%	-1.7%
Germany	75.6	77.2	80.4	233.2
	-6.9%	+7.7%	+4.9%	+1.6%
International (excluding Germany)	29.6	31.8	31.2	92.6
	+6.8%	+8.9%	+10.2%	+8.6%
Total Group	218.3	220.1	212.5	650.9
	-2.8%	+5.0%	+0.5%	+0.8%

*“The best way to predict the future is to invent it.
Let’s share our passion for technology.”*

AKKA Technologies is an international Group with nearly 11,000 employees working in Europe, America and Asia. Its experts serve in the field of innovation, assisting large manufacturing and tertiary services companies in the full range of their innovation processes and in the lifecycle of their products, from initial studies to the start of large-scale production.

With AKKA Research, the Group boasts its own research centre, dedicated to innovation and the anticipation of future technologies. AKKA Technologies’ centres of excellence work throughout Europe on international work packages, offering unique expertise in key areas: Systems Engineering, Product Engineering, Process Engineering, Engineering Support, Embedded and Electronics Systems, Information Systems and Consulting.

Its ability to carry out large transnational projects, which represent real strategic challenges for its customers, makes AKKA Technologies a key leader in Technology Consulting and Engineering.

After 30 years of growth in the service of innovation, AKKA Technologies, listed in Paris since 2005, today (2013) generates revenue of €879 million.

AKKA Technologies is listed on Euronext Paris TM - Segment B, ISIN code FR0004180537.

CAC® Small, CAC® Mid & Small, CAC® All-Tradable, CAC® All-Share indices

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In case of discrepancy between the French and English versions of this press release, only the French version should be deemed valid.

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