PRESS RELEASE

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AKKA – 2014 RESULTS

Results in line with objectives
Strong recovery in the German activities
Over 50% of sales generated internationally

Meeting in Paris on Tuesday 31 March 2015, the Board of Directors of AKKA Technologies approved the financial statements for the year ended 31 December 2014. The financial statements have been audited, and the certification report is in the process of being issued.

Maurice Ricci, Chairman and CEO of the Group, said: *"The 2014 results are consistent with the Group's objectives, and are in line with its 2018 strategic plan. 2014 was marked by the strong recovery of the German activities.*

The return to growth in Germany allowed international operations to exceed the threshold of 50% of consolidated revenue for the first time since the Group's creation. AKKA Technologies' unique positioning will result in an acceleration of this international momentum. The Group will also build on its healthy balance sheet and its comfortable cash position to make targeted acquisitions generating organic growth."

2014 RESULTS

2014 revenue: €885.6m (+0.9%)
Recurring operating margin: 6.2%
Gearing: 23%; gross cash: €220m

(€ million)	2014	2013
Revenue	**885.6**	**878.8**
Recurring operating income	**55.1**	**57.9**
As a % of revenue	*6.2%*	*6.6%*
Net income	**27.2**	**30.1**
Gearing	**23.0%**	**15.7%**

- *Change in revenue by BU at constant scope and exchange rates.*
- *Recurring operating income is calculated before non-recurring items and expenses relating to stock options and free shares.*

- ✓ AKKA Technologies recorded 2014 revenue of €885.6 million. After a contraction of 2.8% in the first quarter, attributable to contract deferrals early in the year, the Group returned to growth in the second quarter. This allowed it to record an increase of 0.9% in revenue at constant scope and exchange rates over 2014 as a whole, with the French BU down 2.3%, the German BU up 2.2% and international operations up 10.1%.

- ✓ The steep improvement in the margins of the three BUs in the second half allowed recurring operating income to remain virtually stable at €55.1 million in 2014. Over the full year, the decline in the margins of the French operations was offset by improved margins in Germany and in international operations. Overall, the recurring operating margin was 6.2% in 2014, compared with 6.6% in 2013.

- ✓ Operating income amounted to €43.3 million. It was impacted by non-recurring charges, primarily attributable to the acceleration of the PACT 17 transformation plan (€11.8 million in 2014, vs €8.2 million in 2013).

- ✓ The Group's net income accordingly totalled €27.2 million, compared with €30.1 million in 2013. The net margin was 3.1%.

2014 RESULTS BY GEOGRAPHY

- ✓ The revenue of the **French operations** was €440.5 million, compared with €450.9 million in 2013. In a sluggish environment, revenue suffered from the deferral of a large project with a Russian customer. It was also impacted by the acceleration of the reprofiling of the French activities under the PACT 17 transformation plan, aimed at preparing the Group for major international contracts. The transformation is well underway, and is starting to pay off. The decline in revenue in France was under control in the fourth quarter (-3.9%). Above all, this is reflected in the resumption of net hires in December and the significant improvement in the operating margin of the French operations to 6.8% in the second half, up from 2.7% in the first half of 2014. The full-year recurring operating margin was 4.7%, compared with 7.1 % in 2013.

- ✓ **Germany** benefited from the improvement in MBtech's competitiveness and performances achieved through the PACT 17 transformation plan. The Powertrain and Design activities enjoyed strong momentum. However, their growth is being dampened by hiring capacity. Over the full year, and after a decline in the first quarter, the German operations confirmed their recovery in 2014. Their full-year revenue was up 2.2% at €318.2 million. Their activity rate increased in line. It was 86.5% in Q4 and 84.5% over the full year. These increases positively impacted the margins of the BU, where the recurring operating margin increased from 4.8% in 2013 to 6.8% in 2014, and 9.6% in H2.

- ✓ **International operations** continued to record stellar performances. Their revenue grew by 10.1% on an organic basis to €126.9 million, thanks chiefly to growth rates of more than 10% in several countries. Among the many high-growth regions, the Middle East benefits from the Group's unique positioning in the modification and certification of aircraft. China benefits from its expertise in large transnational projects. Italy and the Czech Republic are reaping the benefits of diversification work carried out in recent years. This strong growth was accompanied by high margins. Most countries recorded impressive margins of more than 10%, despite continued investment on future growth. In total, international operations generated an recurring operating margin of 13.3% in 2014, up from 12.8% in 2013.

- ✓ As of 31 December 2014, the Group had 10,605 employees, of which 5,436 in France, 3,003 in Germany and 2,166 internationally. The activity rate increased in each BU. It was 88% over 2014 as a whole.

CASH-FLOW GENERATION AND NET DEBT

- ✓ AKKA Technologies generated cash flow of €57.5 million, compared with €63.6 million in 2013, and net cash flow from operating activities of €35.4 million. This allowed it to further strengthen its balance sheet.

- ✓ After the payment of €9 million in dividends, share buybacks totalling nearly €9 million and expenses of €12 million relating to the transformation plan, net debt totalled €45.7 million as of December 31, 2014, on shareholders' equity of €198.6 million. This represents gearing of 23%, compared with 41% as of 30 June 2014 and 16% as of 31 December 2013.

- ✓ At the same time, gross cash increased from €113.4 million as of end-2013 to €220.1 million as of end-2014. This increase was primarily attributable to the issuance of a €140 million Schuldschein-type bond (private placement subject to German law) in October 2014.

- ✓ The quality of the Group's balance sheet and its gross cash position will enable it to capitalise on its unique positioning to speed up the diversification of its international activities.

DIVIDEND

- ✓ At its meeting of 31 March 2015, the Board of Directors of AKKA Technologies decided to propose to the Shareholders' Meeting of 9 June 2015 the payment of a dividend of €0.50 per share (unchanged compared with 2013).

HIGHLIGHTS OF 2014 AND EARLY 2015

- ✓ Following the success of the integration of MBtech, AKKA Technologies entered exclusive discussions in late 2014 for the acquisition of two companies in Germany and one in Italy, in the aim of accelerating the deployment of its diversification strategy.

- ✓ The AKKA Technologies Group at the same time issued a €140 million Schuldschein-type bond 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 growth in Germany and internationally.

- ✓ Against this backdrop, AKKA Technologies announced on 10 December 2014 the acquisition of Auronik, marking the first step in its diversification in Germany. **Its strategy is to double in size over the medium term in this region.**

Having grown swiftly since its creation in Munich in 2010, Auronik generated revenue of €12 million in 2014, with a double-digit recurring operating margin. The acquisition of Auronik will be accretive in 2015.

The high level of value added generated by Auronik in the fast-growing areas of eMobility and electric battery charging optimisation systems will allow AKKA Technologies to accelerate its growth with its strategic customers, including VW Group (Auronik's biggest customer).

- ✓ On 12 March 2015, the AKKA Technologies Group, through its subsidiary MBtech Group, signed an agreement on the establishment of a joint venture with BAIC, China's fifth-largest automaker. **This first R&D joint venture between a car manufacturer and an engineering company will be entrusted with BAIC's engineering work for the development of several new premium vehicles in China.**

  "*The excellent reputation of the AKKA Technologies Group and its acknowledged expertise in the automotive sector in Germany enabled us to win the confidence of BAIC,*" said Maurice Ricci. "A*KKA has been present in the Chinese market since 2006, where it has more than 100 employees. The signing of the joint venture agreement confirms the Group's perceived expertise around its 18 centres of excellence in Europe. It also demonstrates our ability to assist our international clients in connection with large transnational contracts.*"

SHORT- AND MEDIUM-TERM OUTLOOK – PROGRESS OF THE 2018 STRATEGIC PLAN

- ✓ The 2014 operational performances were in line with the Group's medium-term strategic plan.
- ✓ Following the success of the first phase of the integration of MBtech, the Group has launched the second phase, which aims to accelerate the diversification of its activities in Germany and internationally.
- ✓ The second phase of the PACT 17 transformation plan, which aims to complete the reprofiling of the Group for the production of large transnational global contracts, was stepped up at the end of 2014. This will provide an additional and progressive source of growth for the Group as a whole.

2018 objectives reinforced

- ✓ The resumption of organic growth in Germany, the strong increase in margins in Germany and France in H2, the momentum of the international BU, the recent acquisition of Auronik in Germany, and the constitution of a joint venture with BAIC in China marked the first successes of the 2018 strategic plan. This backs up our objectives.

  - Revenue: €1.2 billion,
  - Recurring operating income* of €100 million,
  - Recurring operating margin of between 8% and 10%,
  - Control of financial equilibrium.

2015 objectives

The trends observed at end of 2014 should continue in 2015: improved operational performance in France (higher margins in H2, progressive stabilisation of workforce and revenue), good revenue and margins for the German and international activities. On this basis, the Group is anticipating organic revenue growth in 2015, combined with a further improvement in margins under its 2018 strategic plan.

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

Upcoming events: Q1-2015 revenue on 12 May 2015

Shareholders' meeting on 9 June 2015

KEY 2014 FIGURES

(€ million)	2014	2013
Revenue	**885.6**	**878.8**
Recurring operating income	**55.1**	**57.9**
As a % of revenue	*6.2%*	*6.6%*
Non-recurring income and expenses	-11.8	-8.2
Operating income	**43.3**	**49.7**
Pre-tax income	33.6	40.0
Net income	**27.2**	**30.1**
As a % of revenue	*3.1%*	*3.4%*
EPS	**1.51**	**1.86**
Net debt	**45.7**	**29.9**
Gearing	**23.0%**	**15.7%**

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- *Change in revenue by BU at constant scope and exchange rates.*
- *Recurring operating income is calculated before non-recurring items and expenses relating to stock options and free shares.*
- *2014 EPS has been adjusted for the distribution of new shares allocated free of charge to shareholders in May 2014 at the rate of 1 new share for every 10 AKKA Technologies shares held.*

QUARTERLY REVENUE IN 2014

Revenue (€ million) **Change at constant scope and exchange rates**	Q1-2014	Q2-2014	Q3-2014	Q4-2014	2014
France	113.1	111.0	101.0	115.3	440.5
	-2.2%	*2.2%*	*-5.2%*	*-3.9%*	*-2.3%*
Germany	*75.6*	77.2	80.4	85.1	318.2
	-6.9%	*+7.7%*	*+4.9%*	*+3.9%*	*+2.2%*
International (excluding Germany)	29.6	31.8	31.2	34.3	126.9
	+6.6%	*+8.9%*	*+10.2%*	*+14.5%*	*+10.1%*
Total Group	218.3	220.1	212.5	234.7	885.6
	-2.8%	*+5.0%*	*+0.5%*	*+1.2%*	*+0.9%*

REVENUE AS OF END-DECEMBER 2014 (12 MONTHS)

Revenue (€ million)	2014	2013	% change	% change at constant scope and exchange rates
France	440.5	450.9	-2.3%	-2.3%
Germany	318.2	311.4	+2.2%	+2.2%
International (excluding Germany)	126.9	116.5	+8.9%	+10.1%
Total Group	885.6	878.8	+0.8 %	+0.9%

RECURRING OPERATING INCOME BY BU

(€ million)	2014	2013
France	**20.8**	**31.9**
	4.7%	*7.1%*
Germany	**21.5**	**15.0**
	6.8%	*4.8%*
International (excluding Germany)	**16.8**	**14.9**
	13.3%	*12.8%*
Other	**-4.1**	**-3.9**
Total Group	**55.1**	**57.9**
	6.2%	*6.6%*

About AKKA Technologies

"The best way to predict the future is to invent it. Let's share our passion for technology."

AKKA Technologies is a European Engineering and Technology Consulting Group that supports large manufacturing and tertiary services companies, seeing their projects through from the initial studies and R&D to large-scale production. AKKA Technologies is an expert in various complementary business lines, and brings real value added to customers in sectors including aerospace, automotive, space/defence, consumer electronics, telecommunications, chemicals, pharmaceuticals, steel, energy, rail, marine and service industries.

AKKA Technologies is the leader in the automotive and aerospace sectors in Germany and France, and, thanks to the mobility of its staff and its international positioning, collaborates on state-of-the-art technology projects around the world.

The AKKA Technologies Group has nearly 11,000 employees and operates in 20 countries, including Belgium, Canada, China, Czech Republic, France, Germany, Hungary, India, Italy, Morocco, Netherlands, Romania, Russia, Spain, Switzerland, Tunisia, Turkey, UAE, UK and US. It is focused on building a group of €1.2 billion in revenue, of which more than 50% outside France.

AKKA Technologies is listed on Euronext™ Paris – 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.

AKKA Technology contacts

Nicolas Valtille
Group CFO
Tel.: +33 4 7892 6083
finances@akka.eu

Dov Lévy
Investor Relations & Corporate Development
Tel.: +33 1 5669 2652
dov.levy@akka.eu

Actus contacts

Amalia Naveira / Marie-Claude Triquet
Analyst/Investor Relations
Tel.: +33 4 7218 0493
anaveira@actus.fr / mctriquet@actus.fr