# 2017 half-year financial report

ALTEN, French limited company (Société Anonyme) with capital of €34,300,388.92
Registered office: 40 Avenue André Morizet 92100 Boulogne Billancourt
Listed in the Nanterre Trade and Companies Register under No. 348 607 417

# Contents

# 2017 half-year management report

**BUSINESS OVERVIEW**

**ALTEN's business:**

ALTEN is the European leader in engineering and technology consulting. The Group carries out design and research projects for the Technical and Information Systems Divisions of major customers in the industrial, telecommunications and service sectors.

ALTEN's business consists of three operating segments:

- Engineering and Technology Consulting (ETC);
- Telecoms and Networks;
- Information Systems.

At the end of June 2017, ALTEN had 26,200 employees, of whom 88% are high-level engineering consultants.

ALTEN generates 46.7% of its business in France and 53.3% internationally, primarily in Europe.

**Significant events for the first half of 2017:**

Business grew significantly, particularly internationally (+17%), despite an unfavourable calendar effect.

Revenue stands at €983.7 million, up 13% compared to 2016. On a like-for-like basis, organic growth remains strong at 7.1% (5.8% in France; 8.4% outside France).

ALTEN continues its international development (53.3% of revenue). With the exception of the United Kingdom, all geographical areas are experiencing growth (organic).

With the exception of the Energy sector, all business sectors are also experiencing growth, particularly the Automotive and Aerospace sectors.

In accordance with its strategic plan, ALTEN has consolidated its positions abroad thanks to it acquisitions policy.

ALTEN has acquired 6 companies internationally:

- Two companies (Germany and Switzerland) representing €20 million in revenue and 175 consultants;
- Four companies in the United States representing €32 million in revenue and over 200 consultants.

**FINANCIAL OVERVIEW**

The half-year consolidated financial statements presented in this document were approved by the Board meeting of 19 September 2017.

**Income statement (IFRS):**

***Revenue***

At 30 June 2017, revenue stands at €983.7 million versus €870.5 million at 30 June 2016, i.e. growth of 13 % (+8.7% in France; +17.1% internationally).

Activity at constant scope rose by 7.1% (5.8% in France and 8.3% internationally). International activity now represents 53.3% of the Group's business (51.4% at end-June 2016).

The first half of 2017 had one less business day than the first half of 2016, hampering organic growth by nearly 0.9%. At a constant number of business days, organic growth would have been 8%.

In France, organic growth has noticeably improved thanks to the Automotive sector. At a constant number of business days, it would have exceeded 6.5%.

Internationally, with the exception of the United Kingdom, all geographical areas are experiencing growth (organic). Growth accelerated in Northern Europe: Germany re-established organic growth, and growth in the Netherlands and Sweden showed noticeable improvement.

In contrast, growth slowed in Southern Europe (Spain and Italy).

All business sectors are growing, with the exception of the Energy sector. The Automotive and Aerospace sectors are driving growth.

***Operating profit on activity***

Consolidated operating profit on activity for the year-half stands at €92.6 million, equivalent to 9.4% of revenue versus €88.5 million, equivalent to 10.2% of revenue at 30 June 2016. It is only up by 4.7% compared to June 2016. Operating profit on activity is down in all geographical areas: 10.2% in France versus 11% in June 2016; 8.7% internationally versus 9.4% in June 2016.

The decline in operating profit on activity is partly due to the calendar effect (1 less business day compared to the first half of 2016) representing an impact of 0.6 bp. It is also due to the significant effort undertaken to strengthen the management teams, which is necessary to support growth and further develop the mix in sectors and regions.

***Profit from ordinary activities***

Profit from ordinary activities stands at €82.1 million (versus €86.9 million at 30 June 2016) after accounting for expenses of €10.5 million beyond operations, including €0.5 million in non-recurring costs (fees for acquisitions and restructuring costs) and €10 million in IFRS 2 expenses on share-based payments without a cash impact.

***Operating profit***

After taking into account the non-recurring profit of -€0.5 million consisting mostly of fees for acquisitions fee (-€0.5 million), restructuring costs (-€0.4 million), provisions for social security and tax adjustments (-€0.4 million), and various forms of income relating to earlier acquisitions (+€0.9 million), operating profit totals €82.1 million, i.e. 8.3% of revenue. It was €86.9 million at end-June 2016, i.e. 10.0% of revenue.

***Net income, Group share***

After taking into account net financial income (+€18.3 million), the majority of which comes from the capital gains on the disposal of the AUSY equity interests (€21.5 million), the tax expense (-€28.5 million), the earnings of equity-accounted companies (+€1.9 million), and some minority interests (-€0.5 million), net income, group share is €73.3 million, i.e. 7.5% of revenue, up by 20.4% compared to last year (€60.9 million at 30 June 2016, i.e. 7.0% of revenue).

**Consolidated balance sheet items and financial movements**

The financial structure of the ALTEN Group is very robust.

Under assets, non-current assets represent 39.3% of the overall balance sheet (€1,339.4 million) primarily consisting of goodwill (30.8%), an increase of €1.3 million.

Current assets, excluding cash assets, consist primarily of accounts receivable, which amount to 45.7% of the balance sheet. Under liabilities, the Group has significant equity (€760.9 million), which represents 56.8% of the overall balance sheet.

Following the payment of €33.2 million in dividends, the net cash position stands at €2.8 million. Its gearing (net debt/equity ratio) is -0.4% and its net debt/operating profit on activity ratio is -0.03.

ALTEN is therefore in compliance with all its bank covenants.

During the first half of 2017, the ALTEN Group generated gross cash flow of €94.4 million, an increase of 3.2% over last year (€91.5 million). The latter figure was negatively impacted by the taxes paid (€24.5 million) and an increase in working capital requirements (€46.3 million) due to an unfavourable seasonality factor during the first half of the year, alleviated during this first half by an improvement in the DSO (95.5 days in 2017 versus 98 days in June 2016).

The flows generated by business activity therefore total €23.6 million (i.e. 2.4% of revenue).

Cash flow on investments, totaling +€8.7 million, corresponds primarily to:

- tangible and intangible assets (fittings, software licences, computer equipment and infrastructure, etc.) for -€5.3 million;
- external growth and earn-outs on acquisition for -€11.3 million;
- the disposal of the interest held in AUSY for +€28.0 million.

Cash flow on financing transactions represents -€42.9 million, mainly consisting of the payment of dividends for €33.2 million and additional bank financing for €9.8 million.

Consequently, the net change in cash position is -€11.9 million according to IFRS.

The net cash position at 30 June 2017 was €2.8 million (-€61.3 million at 30 June 2016 and €4.6 million at 31 December 2016).

**RELATED-PARTY TRANSACTIONS**

There were no related-party transactions in the first half of 2017.

**EVENTS SINCE 30 JUNE 2017**

ALTEN acquired several companies internationally (see paragraph 2.1.4 of the note to the consolidated financial statements).

**MAIN RISKS AND UNCERTAINTIES IN THE SECOND HALF OF 2017**

The nature and severity of the risks facing the ALTEN Group remain unchanged from those presented on pages 115 to 120 of the 2016 Registration Document filed with the French Financial Markets Authority (Autorité des Marchés Financiers, or AMF) on 28 April 2017.

Among these, changes in the economic environment, and particularly their impact on the activity rate and organic growth, as well as the Group's ability to recruit, are the main factors likely to affect the course of business over the second half of the year.

**2017 OUTLOOK**

In a relatively favourable economic environment, ALTEN will continue to pursue its development strategy based on a dynamic acquisitions policy and its organic development capacity.

ALTEN should achieve positive organic growth, as it did in the first half of the year, in compliance with its margin policy.

Signed at Boulogne-Billancourt,

19 September 2017,

The Board of Directors

# Half-year condensed consolidated financial statements

# 1. HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

## *1.1 CONSOLIDATED BALANCE SHEET*

| ASSETS (In thousands of euros) | Notes | 30/06/2017 | 31/12/2016 |
|---|---|---|---|
| Goodwill | 3.1 | 412 493 | 411 200 |
| Intangible assets | | 10 672 | 11 816 |
| Property, plant and equipment | | 22 930 | 23 107 |
| Investments in associates | | 15 160 | 12 716 |
| Non-current financial assets | 3.2 | 52 218 | 80 122 |
| Deferred tax assets | 3.10 | 13 450 | 13 368 |
| **NON-CURRENT ASSETS** | | **526 922** | **552 329** |
| Trade receivables | 3.3 | 612 009 | 579 164 |
| Other current assets | 3.3 | 52 225 | 43 680 |
| Current tax assets | | 65 146 | 58 809 |
| Cash and cash equivalents | 3.2 | 83 124 | 94 986 |
| **CURRENT ASSETS** | | **812 504** | **776 638** |
| **TOTAL ASSETS** | | **1 339 426** | **1 328 967** |

| LIABILITIES (In thousands of euros) | Notes | 30/06/2017 | 31/12/2016 |
|---|---|---|---|
| Share capital | | 34 245 | 34 240 |
| Additional paid-in capital | | 46 820 | 46 749 |
| Consolidated reserves | | 606 521 | 545 353 |
| Consolidated earnings | | 73 300 | 112 405 |
| **EQUITY (Group share)** | | **760 886** | **738 747** |
| **NON-CONTROLLING INTERESTS** | | **823** | **374** |
| **TOTAL EQUITY** | | **761 708** | **739 120** |
| Employee benefits | 3.4 | 23 110 | 21 622 |
| Provisions | 3.4 | 1 586 | 2 098 |
| Non-current financial liabilities | 3.5 | 9 590 | 9 766 |
| Other non-current liabilities | 3.6 | 17 108 | 18 418 |
| Deferred tax liabilities | 3.10 | 536 | 1 091 |
| **NON-CURRENT LIABILITIES** | | **51 930** | **52 995** |
| Provisions | 3.4 | 8 632 | 11 263 |
| Current financial liabilities | 3.5 | 71 000 | 80 971 |
| Trade payables | | 67 932 | 67 844 |
| Other current liabilities | 3.6 | 372 926 | 372 451 |
| Current tax liabilities | | 5 298 | 4 322 |
| **CURRENT LIABILITIES** | | **525 788** | **536 851** |
| **TOTAL LIABILITIES** | | **1 339 426** | **1 328 967** |

## 1.2 CONSOLIDATED INCOME STATEMENT

| (In thousands of euros) | Notes | 30/06/2017 | 30/06/2016 |
|---|---|---|---|
| **REVENUE** | **3.11** | **983 668** | **870 482** |
| Purchases consumed | | (92 936) | (83 100) |
| Personnel expenses | **3.7** | (710 610) | (610 239) |
| External charges | | (76 949) | (77 841) |
| Other taxes and levies | | (5 540) | (5 378) |
| Depreciation and amortisation charges | | (6 150) | (5 713) |
| Other operating expenses | | (3 829) | (1 358) |
| Other operating income | | 4 950 | 1 605 |
| **OPERATING PROFIT ON ACTIVITY** | | **92 604** | **88 458** |
| Share-based payments | **3.7** | (10 032) | 0 |
| **PROFIT FROM ORDINARY ACTIVITIES** | | **82 572** | **88 458** |
| Other operating expenses | **3.8** | (1 822) | (2 119) |
| Other operating income | **3.8** | 1 360 | 560 |
| Income from asset disposals | | 0 | 0 |
| Impairment of goodwill | | 0 | 0 |
| **OPERATING PROFIT** | | **82 109** | **86 900** |
| Net borrowing costs | **3.9** | (360) | (505) |
| Other financial expenses | **3.9** | (7 524) | (4 492) |
| Other financial income | **3.9** | 26 219 | 2 395 |
| Income tax expense | **3.10** | (28 545) | (25 798) |
| **EARNINGS OF CONSOLIDATED ENTITIES** | | **71 899** | **58 500** |
| Earnings from associates | | 1 859 | 2 456 |
| **NET OVERALL EARNINGS** | | **73 758** | **60 956** |
| **Including:** | | | |
| **Non-controlling interests** | | **459** | **84** |
| | | | |
| **Group share** | | **73 300** | **60 872** |
| Earnings per share in euros (Group share) | **3.12** | 2,21 | 1,83 |
| Diluted earnings per share in euros (Group share) | **3.12** | 2,17 | 1,83 |

# 1.3 STATEMENT OF COMPREHENSIVE INCOME

| (In thousands of euros) | Notes | 30/06/2017 | 30/06/2016 |
|---|---|---|---|
| Net income, Group share | | 73 300 | 60 872 |
| Net income, non-controlling interests' share | | 459 | 84 |
| **Consolidated net income** | | **73 759** | **60 956** |
| Change in fair value of sellable financial assets (net of income tax) | **3.2** | (20 419) | 3 365 |
| Translation adjustments | | (6 262) | (1 382) |
| **Income and expenses recognised directly in equity and transferable to profit or loss** | | **(26 681)** | **1 983** |
| Actuarial differences on employee benefits (net of income tax) | | 0 | (1 876) |
| **Items recognised directly in equity and not transferable to profit or loss** | | **0** | **(1 876)** |
| **TOTAL INCOME FOR THE PERIOD** | | **47 078** | **61 063** |
| Including: | | | |
| Group share | | 46 640 | 60 991 |
| Non-controlling interests | | 438 | 72 |

## 1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

| (In thousands of euros) | Notes | 30/06/2017 | 30/06/2016 |
|---|---|---|---|
| **Consolidated net income** | | **73 759** | **60 956** |
| Earnings from associates | | (1 859) | (2 456) |
| Depreciation, provisions and other calculated expenses | 3.13 | 4 807 | 6 688 |
| Share-based payments | 3.7 | 10 032 | 0 |
| Income tax expense | 3.10 | 28 545 | 25 798 |
| Capital gains or losses from disposals | | (21 445) | 123 |
| Net borrowing costs | 3.9 | 360 | 505 |
| Financial cost on update and provisions | | 243 | (71) |
| **Gross cash flow before borrowing costs and tax** | | **94 443** | **91 542** |
| Taxes paid | 3.13 | (24 480) | (23 596) |
| Change in working capital requirements | 3.13 | (46 326) | (56 835) |
| **Net cash flow from operating activities** | | **23 637** | **11 111** |
| Acquisitions of tangible and intangible assets | | (5 297) | (5 494) |
| Acquisitions of financial assets | | (4 716) | (1 128) |
| Impact of changes in scope and earn-outs | 3.13 | (11 300) | (45 387) |
| Disposals of tangible and intangible assets | | 330 | 210 |
| Reductions in financial assets | | 29 683 | 577 |
| **Net cash flow from investing activities** | | **8 699** | **(51 222)** |
| Net financial interest paid | | 64 | (704) |
| Dividends paid to shareholders | | (33 232) | (33 224) |
| Capital increase | 3.13 | 76 | 481 |
| Acquisitions and disposals of treasury shares | | (26) | 96 |
| Changes in non-current financial liabilities | 3.5 | 7 | (3 436) |
| Change in current financial liabilities | | (9 810) | 73 502 |
| **Net cash flow from financing transactions** | | **(42 921)** | **36 716** |
| **Change in cash position** | | **(10 585)** | **(3 395)** |
| Impact of exchange rate variations | | (1 277) | (1 730) |
| Cash at beginning of period | | 94 986 | 91 918 |
| **Cash at end of period** | | **83 124** | **86 793** |

| (In thousands of euros) | | 30/06/2017 | 30/06/2016 |
|---|---|---|---|
| **Cash at end of period** | 3.2 | **83 124** | **86 793** |
| + Other bank borrowings and related debt | 3.5 | (69 305) | (130 968) |
| + Bank borrowings | | (10 985) | (17 098) |
| **= Net cash position/(Net debt)** | | **2 833** | **(61 273)** |

In accordance with IAS 7 identifying bank borrowings and loans with financing transactions, the table above shows the change in positive cash flow items.

The Group's net cash position/(net debt) breaks down as follows:

| (En milliers d'euros) | | 30/06/2017 | 30/06/2016 |
|---|---|---|---|
| **Trésorerie à la clôture** | 3.2 | **83 124** | **86 793** |
| + Emprunts bancaires et dettes assimilées | 3.5 | (69 305) | (130 968) |
| +Concours bancaires | | (10 985) | (17 098) |
| **= Trésorerie nette / (Endettement net)** | | **2 833** | **(61 273)** |

# 1.5.1 STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

**Change in equity capital, Group share**

| (In thousands of euros) | Number of shares in circulation | Number of shares issued | Capital | Additional paid-in capital | Reserves | Treasury shares | Translation reserve | Earnings (Group share) | Shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **AT 31 DECEMBER 2015** | **33 195 228** | **33 662 625** | **34 214** | **46 272** | **466 308** | **(9 102)** | **4 079** | **106 262** | **648 034** |
| 2015 allocation of earnings | | | | | 106 262 | | | (106 262) | 0 |
| Capital increase[1] | 23 700 | 23 700 | 24 | 457 | | | | | 481 |
| Dividends paid to shareholders | | | | | (33 224) | | | | (33 224) |
| Other variations | | | | | (906) | | | | (906) |
| Treasury shares | 1 609 | | | | | 96 | | | 96 |
| Share-based payments | | | | | 0 | | | | 0 |
| **Transactions with shareholders** | 33 220 537 | 33 686 325 | **34 238** | **46 729** | **538 441** | **(9 006)** | **4 079** | **0** | **614 482** |
| Total income for the period | | | | | 1 489 | | (1 370) | 60 872 | 60 991 |
| **At 30 June 2016** | **33 220 537** | **33 686 325** | **34 238** | **46 729** | **539 930** | **(9 006)** | **2 709** | **60 872** | **675 474** |
| | | | | | | | | | |
| **At 31 December 2016** | **33 224 769** | **33 687 725** | **34 240** | **46 749** | **548 909** | **(8 901)** | **5 345** | **112 405** | **738 747** |
| 2016 allocation of earnings | | | | | 112 405 | | | (112 405) | 0 |
| Capital increase[1] | 4 992 | 4 992 | 5 | 71 | | | | | 76 |
| Dividends paid to shareholders | | | | | (33 231) | | | | (33 231) |
| Other variations | | | | | | | | | 0 |
| Treasury shares | (266) | | | | | (26) | | | (26) |
| Share-based payments | | | | | 8 680 | | | | 8 680 |
| **Transactions with shareholders** | 33 229 495 | 33 692 717 | **34 246** | **46 820** | **636 763** | **(8 927)** | **5 345** | **0** | **714 246** |
| Total income for the period | | | | | (20 419) | | (6 241) | 73 300 | 46 640 |
| **At 30 June 2017** | **33 229 495** | **33 692 717** | **34 246** | **46 820** | **616 345** | **(8 927)** | **(896)** | **73 300** | **760 886** |

(1) Capital increases associated with the exercise of stock options

**Change in equity capital, non-controlling interests**

| (In thousands of euros) | Reserves | Translation reserve | Earnings | Shareholders' equity |
|---|---|---|---|---|
| **At 31 december 2015** | **1 305** | **(10)** | **482** | **1 777** |
| 2015 allocation of earnings | 482 | | (482) | 0 |
| Change in scope | (1 817) | | | (1 817) |
| Capital increase | | | | 0 |
| Total income for the period | | (11) | 84 | 72 |
| **At 30 June 2016** | **(30)** | **(21)** | **84** | **32** |
| | | | | |
| **At 31 December 2016** | **66** | **(34)** | **342** | **374** |
| 2016 allocation of earnings | 342 | | (342) | (0) |
| Change in scope | 12 | | | 12 |
| Capital increase | | | | 0 |
| Total income for the period | | (21) | 459 | 438 |
| **At 30 June 2017** | **419** | **(55)** | **459** | **823** |

## 2. NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2.1 SIGNIFICANT EVENTS DURING THE HALF-YEAR

### 2.1.1 Acquisitions

**KS ENGINEERING (Revenue: €6 million; 75 consultants)**
On 17 March 2017, ALTEN Europe acquired 100% of the shares and voting rights of KS Engineering, a company specialising in the automotive field with a subsidiary in Poland.

**TECHNO LIKE US (Revenue: €6 million; 70 consultants)**
On 15 May 2017, ALTEN Europe acquired 51% of the securities of Techno Like US, a Japanese company specialising in Engineering Consulting. The company was consolidated at 30 June 2017 using the equity-accounted method given that the Group does not have control.

The revenue of the acquired companies, indicated above, are the latest known corporate figures presented on an annual basis.

### 2.1.2 Dividends

During the first half of the year, €33.2 million in dividends were paid to ALTEN SA shareholders for the financial year ended at 31 December 2016.

### 2.1.3 Other key events

ALTEN SA contributed its AUSY securities to the takeover bid initiated by Randstad France during the first half of 2017. As a result of this disposal, the Group recorded a capital gain of €21.5 million in financial income over the period.

### 2.1.4 Events after the reporting period

The Group made several acquisitions at the beginning of the second half of 2017:

- In July 2017, Calsoft Labs Inc. acquired a US company specialising in IT (Revenue: €10 million; 70 consultants);
- In July 2017, ALTEN USA acquired a US company specialising in technology consulting (Revenue: €13 million; 70 consultants);
- In July 2017, ALTEN Switzerland acquired a Swiss company specialising in technology consulting (Revenue: €15 million; 95 consultants);
- In August and September 2017, C Prime acquired two US companies specialising in IT (Revenue: €11 million; 60 consultants).

## 2.2 ACCOUNTING PRINCIPLES AND METHODS

The condensed consolidated financial statements of 30 June 2017 were prepared in accordance with IAS 34 "Interim Financial Reporting", as published by the IASB (International Accounting Standards Board) and adopted by the European Union (EU), which allows for the presentation of a number of appended notes. These interim financial statements do not include all the required information and the consolidated financial statements for the period ended at 31 December 2016 (included in the 2016 Registration Document) are to be used as a reference while reviewing them. The 2016 consolidated financial statements included in the issuer's 2016 Registration Document are also available on its website page dedicated to financial statements: http://www.alten.com/investors.

The financial statements presented in this document were approved by the Board meeting of 19 September 2017. They are presented in thousands of euros unless otherwise indicated.

### *2.2.1 Basis of preparation and accounting principles*

The accounting principles and calculation methods used to prepare the condensed consolidated financial statements at 30 June 2017 are identical to those used for the consolidated financial statements at 31 December 2016. The other standards, amendments or interpretations published or applicable at 1 January 2017 have not resulted in any changes in the half-year condensed consolidated financial statements of 30 June 2017. Moreover, the Group did not apply in advance the latest standards, amendments or interpretations published by the IASB and adopted at European level but whose application was not mandatory at 1 January 2017.
The Group is continuing its qualitative and quantitative assessment of the impact of adopting IFRS 15, which however should not have any major impact on future financial statements.

### *2.2.2 Management estimates*

The preparation of financial statements in accordance with IFRS standards requires that certain estimates and assumptions be made which may affect the amounts shown in these financial statements. These estimates and assessments are continuously made on the basis of past experience and other factors considered reasonable.

The main estimates provided by Management in the preparation of the consolidated statements are presented on page 215 of the 2016 Registration Document.

## *2.3 FINANCIAL RISK FACTORS*

The financial risk factors noted in the 31 December 2016 consolidated financial statements remain essentially unchanged.

## *2.4 CHANGES IN THE SCOPE OF CONSOLIDATION*

- **Additions to the scope**

**Additions to the scope at 30-06-2017**

| Company name | Basis of consolidation(*) | % interest | % control | Country of operation |
|---|---|---|---|---|
| KS Engineering(1) | FC | n/a | n/a | Germany |
| Techno Like US | EM | 51,00 | 51,00 | Japan |
| LMACP(2) | FC | 90,00 | 90,00 | France |
| Anotech Energy Hong Kong(2) | FC | 85,00 | 85,00 | Hong Kong |
| Nuo Dai Business Consulting(2) | FC | 85,00 | 100,00 | China |
| Alten Austria(2) | FC | 100,00 | 100,00 | Austria |
| ADC Romania(2) | FC | 100,00 | 100,00 | Romania |
| Hotswap Gmbh(2) | FC | 100,00 | 100,00 | Germany |

(*) FC = Full consolidation; EM = Equity-accounted method

(1) KS Engineering was absorbed by ALTEN Gmbh concurrently with its acquisition.
(2) Companies created or acquired (prior to or during the half-year) and consolidated for the first time during this period.

- **Other changes in scope**

***Exclusion from scope and legal reorganisations***

Over the first half of the year, the Group has continued to streamline its legal structure by merging several entities in Germany, Finland, Belgium, and Poland.

***Change in the percentage of interests***

None.

# 3. DETAILS OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.1 GOODWILL

Goodwill, allocated by country, is broken down as follows:

| (In thousands of euros) | France | UK | Belgium | The Netherlands | Spain | Germany | Switzerland | Italy | Scandinavia | North America | Offshore and Asia | Nearshore | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **31/12/2016** | **127 396** | **4 236** | **12 686** | **21 097** | **19 991** | **65 910** | **10 177** | **19 507** | **43 159** | **69 214** | **13 352** | **4 306** | **169** | **411 200** |
| Acquisitions | | | | | | 2 971 | | | | | | | | 2 971 |
| Disposals | | | | | | | | | | | | | | 0 |
| Earn-out adjustments | | | | | | 320 | | | 1 126 | 1 062 | | | | 2 508 |
| Translation adjustments | | | | | | | | | (61) | (4 212) | (216) | | | (4 489) |
| Other | (430) | | | | | 19 | | | | 95 | | 618 | | 302 |
| Reclassifications | | | | | | | | | | | | | | 0 |
| Impairments | | | | | | | | | | | | | | 0 |
| **30/06/2017** | **126 966** | **4 236** | **12 686** | **21 097** | **19 991** | **69 220** | **10 177** | **19 507** | **44 224** | **66 159** | **13 136** | **4 924** | **169** | **412 493** |

For the first half of 2017, changes in goodwill were due to:

- the acquisitions made by the Group during the first half of the year (described in note 2.1.1);
- earn-out adjustments;
- translation adjustments on goodwill denominated in foreign currency;
- corrections for assets and liabilities identified (included in the item "Other") within the allocation period.

The Group performs value tests on an annual basis or when loss of value indicators emerge. The tests performed on 30 June 2017 for the assets of the CGUs showing signs of value loss demonstrate that their recoverable value is higher than their net book value. As a result, no impairment representing a loss in value was recorded at 30 June 2017.

The discount rate (WACC) of the country and the perpetual growth rate used at 30 June 2017 are identical to those of 31 December 2016 in the absence of any significant changes in the factors making up these rates.

## 3.2 FINANCIAL ASSETS

| (In thousands of euros) | Note | Carrying amount according to IAS 39 | | | | | Hierarchisation of the fair value of financial assets | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Amortised cost | Fair value through shareholders' equity | Fair value through earnings | 30/06/2017 | 31/12/2016 | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | | | | | | |
| **Non-current financial assets:** | | **34 399** | **17 819** | | **52 218** | **80 122** | | | **17 819** |
| *- Securities held for sale* | | | *17 819* | | *17 819* | *46 163* | | | *17 819* |
| *- Deposits and guarantees* | | *8 691* | | | *8 691* | *8 543* | | | |
| *- Other long-term assets (loans and receivables)* | | *25 708* | | | *25 708* | *25 416* | | | |
| **Trade receivables** | **3.3** | **612 009** | | | **612 009** | **579 164** | | | |
| **Other current assets*** | **3.3** | **6 821** | | | **6 821** | **6 562** | | | |
| **Cash and cash equivalents** | | **83 124** | | | **83 124** | **94 986** | **83 124** | | |

**excluding tax and social security receivables and prepaid expenses.*

Securities held for sale include the following interests:

| Entity | % Interest | Fair value 31/12/2016 | Acquisition (disposal) | Impairments | Change in fair value | Fair value 30/06/2017 | Fair value hierarchical level | Data used |
|---|---|---|---|---|---|---|---|---|
| AUSY[1] | 0,00% | 27 140 | (6 521) | | (20 619) | 0 | | |
| FCP XANGE | | 3 133 | 67 | | 200 | 3 400 | 3 | Net asset value |
| PHINERGY LTD | 12,83% | 8 391 | | | | 8 391 | 3 | |
| MISCELLANEOUS | | 7 499 | (1 471) | | | 6 028 | 3 | |
| **Total** | | **46 163** | **(7 925)** | **0** | **(20 419)** | **17 819** | | |

(1) ALTEN SA contributed its AUSY securities to the takeover bid initiated by Randstad France.

## 3.3 CURRENT ASSETS

| (In thousands of euros) | 30/06/2017 | 31/12/2016 |
|---|---|---|
| ***TRADE RECEIVABLES*** | | |
| Gross value | 620 765 | 585 947 |
| Impairments | (8 756) | (6 783) |
| **Total** | **612 009** | **579 164** |
| ***OTHER CURRENT ASSETS*** | | |
| Inventory | 27 | 110 |
| Social security receivables | 4 231 | 3 527 |
| Tax receivables | 23 725 | 22 300 |
| Other receivables | 7 419 | 7 557 |
| Impairment of other receivables | (625) | (1 105) |
| Prepaid expenses | 17 449 | 11 292 |
| **Total** | **52 225** | **43 680** |

The following table shows the breakdown of the portfolio of trade receivables based on age:

| (In thousands of euros) | 30/06/2017 | | | | | 31/12/2016 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Unmatured | Less than 6 months | 6 months to one year | More than 1 year | **Balance** | Unmatured | Less than 6 months | 6 months to one year | More than 1 year | **Balance** |
| **TRADE RECEIVABLES** | | | | | | | | | | |
| Gross value | 519 165 | 86 423 | 7 179 | 7 998 | **620 765** | 432 360 | 130 094 | 11 132 | 12 361 | **585 947** |
| Provisions | 0 | (943) | (991) | (6 823) | **(8 756)** | 0 | (1 450) | (573) | (4 760) | **(6 783)** |
| **Net values** | **519 165** | **85 480** | **6 189** | **1 175** | **612 009** | **432 360** | **128 644** | **10 560** | **7 601** | **579 164** |

Based on experience and considering its policy for recovering trade receivables, the Group feels that the level of impairment for the financial year is appropriate to the risks involved.

## 3.4 EMPLOYEE PROVISIONS AND BENEFITS

**Provisions**

| (In thousands of euros) | Social disputes(1) | Commercial disputes | Miscellaneous risks | TOTAL |
|---|---|---|---|---|
| **At 31/12/2016** | **3 852** | **1 443** | **8 067** | **13 361** |
| Change in scope | | | | |
| Translation adjustments | | | | |
| Reclassifications | | 482 | (705) | (223) |
| Exchange rate variations | | (3) | (5) | (8) |
| Provisions for the financial year | 1 009 | 69 | 160 | 1 239 |
| Reversals (provisions used) | (1 011) | (643) | (749) | (2 403) |
| Reversals (provisions not used) | (637) | (130) | (982) | (1 748) |
| **At 30/06/2017** | **3 213** | **1 218** | **5 787** | **10 218** |
| ***Of which current provisions*** | **2 320** | **1 178** | **5 133** | **8 632** |
| ***Of which non-current provisions*** | **893** | **39** | **654** | **1 586** |

(1) Social disputes involve sums that taken individually are insignificant.

### Employee benefits

Employee benefits primarily comprise end-of-career commitments. These commitments were determined at the end of June 2017 based on the same actuarial assumptions as those used at 31 December 2016 with, in particular, a discount rate of 1.85%.

| (In thousands of euros) | Retirement benefits |
|---|---|
| **At 31/12/2016** | **21 622** |
| Change in scope | 0 |
| Cost of services provided | 1 353 |
| Interest expenses | 181 |
| Actuarial gains and losses | 0 |
| Benefits paid | -45 |
| **At 30/06/2017** | **23 110** |

## 3.5 *FINANCIAL LIABILITIES*

| (In thousands of euros) | 31/12/2016 | Inc | Repayment | Change in scope | Other (translation adjustments, reclassificati | 30/06/2017 | *Current* | *Non-current* |
|---|---|---|---|---|---|---|---|---|
| **Bank borrowings and related debt** | **88 277** | **626** | **(19 330)** | **166** | **(454)** | **69 285** | ***59 796*** | ***9 489*** |
| *Bank borrowings* | *86 143* | | *(18 889)* | | *(256)* | *66 998* | *58 750* | *8 248* |
| *Other loans and related debt* | *2 134* | *626* | *(441)* | *166* | *(198)* | *2 287* | *1 046* | *1 241* |
| **Bank borrowings** | **2 132** | **8 908** | | | **(56)** | **10 984** | ***10 984*** | |
| **Deposits and guarantees received** | **103** | | | | | **103** | | ***103*** |
| **Other financial liabilities** | **225** | **6** | **(14)** | | | **218** | | ***218*** |
| **Total** | **90 738** | **9 541** | **(19 344)** | **166** | **(510)** | **80 590** | **70 780** | **9 810** |

### Bank borrowings

| (In thousands of euros) | 30/06/2017 | EUR | USD | GBP | CAD | *Fixed rate* | *Variable rate* |
|---|---|---|---|---|---|---|---|
| Bank borrowings | *66 998* | 62 013 | *1 227* | *1 404* | *2 354* | *2 644* | *64 354* |

At 30 June 2017, this item consists of:

- The drawdown of the "Club Deal" for €62 million (short-term variable-rate financing) on a line opened for €160 million;
- Other mid- and long-term loans denominated in foreign currencies amounting to €5.0 million.

### Other loans and related debt

Other loans and related debt at 30 June 2017 comprised, in particular, leases amounting to €1.4 million.

## 3.6 *OTHER LIABILITIES*

| (In thousands of euros) | 31/12/2016 | Change | Change in scope | Other (Translation adjustments, reclassification) | 30/06/2017 | *Current* | *Non-current* |
|---|---|---|---|---|---|---|---|
| Earn-outs (1) | 30 975 | (7 252) | 0 | (1 112) | 22 611 | *9 140* | *13 471* |
| Social security debt | 181 765 | 9 444 | 141 | (397) | 190 954 | *187 326* | *3 627* |
| Tax liabilities | 100 385 | (1 571) | 86 | 171 | 99 072 | *99 073* | |
| Deferred income | 27 843 | 4 171 | 4 | 398 | 32 416 | *32 416* | |
| Other liabilities | 49 900 | (5 164) | 1 395 | (1 150) | 44 981 | *44 971* | *10* |
| **Total** | **390 869** | **(372)** | **1 626** | **(2 089)** | **390 034** | ***372 926*** | ***17 108*** |

(1) Earn-outs related to company acquisitions.

## 3.7 PERSONNEL EXPENSES

| (In thousands of euros) | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Salaries and benefits | (694 101) | (594 535) |
| Social disputes | 639 | 244 |
| Retirement benefits | (1 308) | (1 394) |
| Taxes levied on wages | (12 103) | (11 328) |
| Employee profit sharing | (3 737) | (3 225) |
| **Total** | **(710 610)** | **(610 239)** |

**Share-based payments**

| PLAN | 1 | 2 | 3 | 4 | 5 | 6 | TOTAL |
|---|---|---|---|---|---|---|---|
| Date awarded by the Board of Directors | 27/07/2016 | 27/07/2016 | 27/07/2016 | 20/09/2016 | 27/10/2016 | 23/12/2016 | |
| Class of financial instruments awarded | Ordinary shares | Preferred A share | Preferred B share | Ordinary shares | Preferred B share | Preferred A share | |
| Number of financial instruments awarded | 99 880 | 2 520 | 1 873 | 99 800 | 500 | 230 | |
| *of which number awarded to employees* | *99 880* | *840* | *1 873* | *99 800* | *500* | *230* | |
| *of which number awarded to Corporate Officers* | *0* | *1 680* | *0* | *0* | *0* | *0* | |
| Fair value of the financial instruments (in euros) | 55,1 | 3 460,4 | 1 438,7 | 59,6 | 1 702,7 | 3 967,2 | |
| Final award date | 27/07/2017 | 27/07/2017 | 27/07/2018 | 20/09/2017 | 27/10/2018 | 23/12/2017 | |
| End of lock-up/non-transferability period | 27/07/2018 | 27/07/2019 | 27/07/2020 | 20/09/2018 | 27/10/2020 | 23/12/2019 | |
| Cost of services provided first-half 2017 (in thousands of eu | 1 065 | 4 336 | 393 | 2 344 | 136 | 407 | ***8 680*** |
| Cost of corporate social contribution first-half 2017 (in thou | 185 | 755 | 62 | 324 | 26 | 0 | ***1 352*** |
| **Total** | | | | | | | **10 032** |

## 3.8 NON-CURRENT OPERATING INCOME AND EXPENSES

| (In thousands of euros) | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Restructuring costs | (423) | (466) |
| Costs associated with the acquisition of new companies | (537) | (748) |
| Social security and tax adjustments | (439) | (496) |
| Other | 936 | 151 |
| **Total earnings** | **(463)** | **(1 559)** |
| ***Including non-current operating expenses*** | ***(1 822)*** | ***(2 119)*** |
| ***Including non-current operating income*** | ***1 360*** | ***560*** |

Non-current operating income and expenses consist of fees for acquisitions (-€0.5 million), restructuring costs (-€0.4 million), provisions for social security and tax adjustments (-€0.4 million), and miscellaneous income related to prior acquisitions (+€0.9 million).

## 3.9 NET FINANCIAL INCOME

| (In thousands of euros) | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Bank interest charges | (482) | (587) |
| Interest on lease-financing agreements | (51) | (207) |
| **Gross borrowing costs** | **(533)** | **(794)** |
| Income from receivables and investments | 173 | 289 |
| Income from the disposal of marketable securities | 0 | 0 |
| **Net borrowing costs** | **(360)** | **(505)** |
| Foreign exchange losses | (6 731) | (3 898) |
| Other financial expenses | (369) | (398) |
| Discounted financial expenses | (424) | (196) |
| Financial provisions | 0 | 0 |
| **Other financial expenses** | (7 524) | (4 492) |
| Foreign exchange gains | 4 024 | 1 812 |
| Other financial income | 22 195 | 511 |
| Financial income as a result of discount | 0 | 71 |
| Reversal of financial provisions | 0 | 0 |
| **Other financial income** | 26 219 | 2 395 |
| **Other net financial income and expenses** | **18 695** | **(2 097)** |
| **NET FINANCIAL INCOME (EXPENSES)** | **18 336** | **(2 602)** |

Other financial income mainly comprises the capital gains on the disposal of the AUSY securities for an amount of €21.5 million (please refer to note 2.1.3).

## 3.10 INCOME TAXES

- **Breakdown of income tax expenses**

| (In thousands of euros) | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Net income: Group and minority interests | 73 759 | 60 956 |
| Earnings of equity-accounted companies | (1 859) | (2 456) |
| Impairment of goodwill | 0 | 0 |
| Stock options | 8 680 | 0 |
| Income tax expense | 28 545 | 25 798 |
| **Pre-tax earnings** | **109 125** | **84 297** |
| Tax rate of the consolidating company | 34,43% | 34,43% |
| Theoretical income tax expense | 37 575 | 29 026 |
| Special 3% tax on dividends paid | 997 | 1 027 |
| Difference in tax rate versus foreign companies | (3 250) | (3 325) |
| Miscellaneous tax credits | (5 911) | (5 419) |
| Unactivated deferred tax assets | 433 | 469 |
| CVAE (value added tax) reclassification | 3 998 | 3 674 |
| Other permanent differences | (5 296) | 347 |
| **Tax expense recognised** | **28 545** | **25 798** |
| | | |
| **Effective income tax rate** | **26,16%** | **30,60%** |
| Including deferred taxes | (180) | 1 789 |
| Including income tax payable | 28 725 | 24 008 |
| **Total** | **28 545** | **25 798** |

The reduction in the effective income tax rate at 30 June 2017 compared to 30 June 2016 is primarily due to the long-term capital gains resulting from the disposal of the AUSY investment securities in France.

- **Deferred taxes**

Deferred tax receivables and liabilities consist of:

| (In thousands of euros) | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Employee profit-sharing | 1 246 | 1 056 |
| Retirement benefits | 7 703 | 7 475 |
| Other timing differences | 1 375 | (575) |
| Tax-loss carry-forwards | 2 590 | 2 780 |
| **Total deferred taxes** | **12 914** | **10 736** |
| ***Including:*** | | |
| **Deferred tax assets** | **13 450** | **12 115** |
| **Deferred tax liabilities** | **(536)** | **(1 378)** |

The amount of non-activated deferred taxes for tax-loss carry-forwards amounted to €3.4 million (€10.5 million basis) at 30 June 2017.

## *3.11 OPERATING SEGMENT INFORMATION*

In compliance with standard IFRS 8 – Operating Segments –, the financial information published hereinafter is the information used by the main operational decision-maker (the CEO) to assess the performance of business segments.

| (In thousands of euros) | 30/06/2017 | | | 30/06/2016 | | |
|---|---|---|---|---|---|---|
| | France | Abroad | TOTAL | France | Abroad | TOTAL |
| Net revenue | 459 390 | 524 279 | **983 668** | 422 802 | 447 680 | **870 482** |
| Operating profit on activity | 46 783 | 45 821 | **92 604** | 46 335 | 42 123 | **88 458** |
| *Rate of operating profit on activity/revenue for the seg* | *10,2%* | *8,7%* | ***9,4%*** | *11,0%* | *9,4%* | ***10,2%*** |
| Profit from ordinary activities | 36 750 | 45 821 | **82 572** | 46 335 | 42 123 | **88 458** |
| Operating profit | 36 889 | 45 220 | **82 109** | 45 871 | 41 028 | **86 900** |
| Net financial income | 17 787 | 548 | **18 336** | (357) | (2 245) | **(2 602)** |
| Income tax expense | (16 038) | (12 507) | **(28 545)** | (14 773) | (11 025) | **(25 798)** |
| Earnings of consolidated entities | 38 639 | 33 261 | **71 899** | 30 741 | 27 758 | **58 500** |
| **NET OVERALL EARNINGS** | **40 379** | **33 380** | **73 759** | **33 078** | **27 878** | **60 956** |

| (In thousands of euros) | 30/06/2017 | | | 30/06/2016 | | |
|---|---|---|---|---|---|---|
| | France | Abroad | TOTAL | France | Abroad | TOTAL |
| Goodwill | 126 966 | 285 526 | **412 493** | 113 208 | 267 444 | **380 652** |
| *Impairment over the financial year* | | | ***0*** | | | ***0*** |
| Investments in associates | 12 823 | 2 337 | **15 160** | 8 355 | 1 508 | **9 863** |
| Headcount at Year end | 11 280 | 15 014 | **26 294** | 10 485 | 12 435 | **22 920** |
| Cash at end of period | 24 389 | 58 735 | **83 124** | 14 545 | 72 248 | **86 793** |
| Financial liabilities | 71 485 | 9 105 | **80 590** | 139 404 | 9 155 | **148 559** |
| | | | | | | |
| Net investments for the period | (25 180) | 16 481 | **(8 699)** | 4 077 | 47 145 | **51 222** |

Companies included in the consolidation scope during the period contributed €4.4 million to revenue for the half-year.

## 3.12 *EARNINGS PER SHARE*

| (In thousands of euros) | 30/06/2017 | 30/06/2016 |
|---|---|---|
| **Earnings** | **73 300** | **60 872** |
| Weighted average number of shares | 33 228 525 | 33 215 391 |
| **Earnings per share** | **2,21** | **1,83** |

| (In thousands of euros) | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Earnings | 73 300 | 60 872 |
| Effect of dilutions | 0 | 0 |
| **Diluted earnings** | **73 300** | **60 872** |
| Weighted average number of shares | 33 228 525 | 33 215 391 |
| Effect of dilutions | 563 440 | 4 151 |
| Weighted average number of shares after potential dilution | 33 791 965 | 33 219 542 |
| **Diluted earnings per share** | **2,17** | **1,83** |

## 3.13 STATEMENT OF CASH FLOWS

| Changes in depreciation, amortisation and provisions net of reversals | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Amortisation of intangible assets | 1 544 | 1 252 |
| Depreciation of property, plant and equipment | 4 602 | 4 239 |
| Impairment of goodwill | 0 | 0 |
| Provisions for risks and expenses | (1 424) | 1 347 |
| Other income and calculated expenses | 84 | (151) |
| **Total** | **4 807** | **6 688** |

| Breakdown of taxes paid | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Repayments received | 3 501 | 1 669 |
| Payments made | (27 981) | (25 265) |
| **Total** | **(24 480)** | **(23 596)** |

| Breakdown of cash flow on working capital requirements | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Changes in net WCR - customers | 34 379 | (63 563) |
| Changes in net WCR - suppliers | 4 976 | 526 |
| Changes in net WCR – other receivables and operating payables | 6 972 | 6 201 |
| **Total** | **46 326** | **(56 835)** |

| Impact of changes in scope and earn-outs | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Acquisitions of consolidated subsidiaries | (3 232) | (34 094) |
| Cash from new consolidated subsidiaries | 2 021 | 5 997 |
| Cash from deconsolidated subsidiaries | 0 | (33) |
| Earn-out payments | (10 089) | (17 256) |
| **Total** | **(11 300)** | **(45 387)** |

| Capital increase | 30/06/2017 | 30/06/2016 |
|---|---|---|
| Stock options exercised | 76 | 481 |
| Cancellation of treasury shares | | |
| Issuance of share warrants | | |
| Subscription to equity of new companies | | |
| **Total** | **76** | **481** |

## 3.14 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities remain essentially unchanged from those presented in the 2016 consolidated financial statements.

## 3.15 RELATED PARTIES

**Compensation and benefits granted to Corporate Officers**
Over the first half of 2017, there were no significant changes to the compensation reported at 31 December 2016.

**Relations with related parties**
Over the first half of 2017, there were no significant changes to the information presented at 31 December 2016.

## 3.16 FINANCIAL COMMITMENTS

No material changes in financial commitments took place during the first half of 2017 compared to those published at 31 December 2016.

# Statutory Auditors' report on the half-yearly financial information

***For the period from 1 January 2017 to 30 June 2017***

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying half-yearly condensed consolidated financial statements of ALTEN SA, for the period from 1 January 2017 to 30 June 2017;
- the verification of the information presented in the half-year management report.

These half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

## 1 Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group and of the results of its operations for the period then ended in accordance with IAS 34 standard of the IFRSs as adopted by the European Union.

## 2 Specific verification

We have also verified the information presented in the half-year management report on the half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the half-yearly condensed consolidated financial statements.

Neuilly sur Seine, Paris La Défense, 20 September 2017.

The Statutory Auditors

| | |
|---|---|
| **Grant Thornton** | **KPMG AUDIT IS** |
| **French member** | |
| **of Grant Thornton International** | |
| Vincent Frambourt | Jean-Pierre Valensi |
| Partner | Partner |

# Declaration by the person in charge of the half-year financial report

"I declare, to the best of my knowledge, that the half-year condensed financial statements have been compiled in accordance with the applicable accounting standards and provide an accurate picture of the assets, financial position and results of the Company and all its subsidiaries, and that the half-year management report provides a fair view of the significant events that occurred during the first six months of the financial year, their impact on the statements, and the main uncertainties for the remaining six months of the financial year."

20 September 2017.

Mr Simon AZOULAY
Chairman and Chief Executive Officer