



Press release

Paris, 7 March 2007

Annual results 2006

Strong progression in activity and results

In €m	Dec 2006	Dec 2005	Change %
Turnover	576.3	436.2	+ 32.1%
* France	430.7	318.6	+ 35.2%
* International	145.6	117.6	+ 23.8%
Operational profit	75.6	62.8	+ 20.4%
As % of turnover	13.1%	14.4%	
Stock options	- 2.5	- 1.4	-
Operating profit before exceptionals	73.1	61.4	-
Operating profit	73.0	61.0	+ 19.5%
As % of turnover	12.7%	14%	
Attributable net profit	45,8	38,0	+ 20,5%
As % of turnover	7,9%	8,7%	
Cash flow	79,7	65,9	+ 21,0%
Free cash flow	20,9	28,8	-
Headcount	8 700	6 540	-

Unaudited

2006 ACTIVITY

ALTEN, the European leader in High Technology Consulting, achieved 32.1% growth in 2006 (of which 17.8% through organic growth). International business represented 25.3% of turnover. The automobile, aeronautics and telecoms sectors were again the most dynamic. ALTEN's size has doubled in the space of three years thanks to strong organic growth and a strategy of targeted acquisitions.

OPERATIONAL PROFIT INCREASE: +20.4%

OPERATING PROFIT BEFORE EXCEPTIONALS

Operational profit stood at €75.6m, 13.1% of turnover, up by 20.4% in comparison with 2005 (14.4% of turnover).

The rate of business remained satisfactory for the year (approximately 95%), stable in comparison with 2005.

Salary control and staff growth compensated for the low rise in client rates.

Operational margin stood at 13.1% in 2006, down slightly in comparison with 2005 (14.4% of turnover) due to a reduced number of invoiceable business days and the consolidation of several recently-acquired companies with operating margins considerably lower than that of the ALTEN Group.

After the theoretical cost of stock options were posted for an amount of €2.5m in 2006—(this expense does not give rise to a future disbursement), operating profit before exceptionals stood at €73.1m.

OPERATING PROFIT: + 19.5%

After €0.1m in goodwill amortization was posted, operating profit stood at €73m, up 19.5% in comparison with 2005.

ATTRIBUTABLE NET PROFIT: + 20.5%

It amounted to €45.8m, or 7.9% of turnover, after deduction of - €1.7m in financial income and €25.4m in income tax expense.

The net interest expense on financial debt was zero, but the Group noted €0.9m in expense on medium-term accruals present value (IFRS standards) and depreciated a loan related to a company sold in H2 2006 for €0.8m.

AVAILABLE CASH-FLOW: + €18.2M

ALTEN generated €79.7m in cash-flow (20.9% of turnover), up 21% compared with 2005, which enabled it to finance its organic growth (income tax expense and change in WCR €58.8m) and to finance its investments (€47.1m), mostly dedicated to external growth.

The Group has a solid capacity for financing, which will enable it to continue its European development.

2007 OUTLOOK

In early 2007, ALTEN acquired a company specialised in Networks/Telecoms (50 consultants – approximately €4.7m in turnover in 2006).

Business levels should stay on track throughout 2007.

The Purchasing strategies of prime contractors reinforce the trend that's been in place over the past few years:

- pressure still strong in terms of pricing policies,
- a reduction in the number of referenced suppliers,
- a growing desire to work with "international" service providers.

Given this, ALTEN will continue to grow and will confirm its status of European leader in advanced technology consulting whilst maintaining its margin policy.

As the European Leader in Consulting and Engineering in Advanced Technology, ALTEN meets its major industrial, telecom, or service-providing clients' needs in R&D and new technology.

ALTEN's share is listed on 'compartiment B' of the Euronext Paris stock exchange (ISIN FR0000071946). It is part of the SBF 120, the IT CAC 50 and MIDCAP 100 indexes, and is eligible for SRD.

CONSULTING AND ENGINEERING IN ADVANCED TECHNOLOGY

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