

2012

REGISTRATION DOCUMENT  
INCLUDING THE FINANCIAL REPORT



ALTEN



# ALTEN, the technology partner of choice

€ **1,198**  
MILLION  
REVENUE

ALTEN, the European leader in Engineering and Technology Consulting, provides support for its clients' development strategies in the fields of innovation, R&D and IT systems.

Its 14,100 top engineers carry out studies and conception projects for the Technical and Information Systems divisions of large corporate clients in the industrial, telecommunications and services sectors. In a fast globalising world, ALTEN integrates with the R&D strategy of its clients to support performance and partner them in breaking into new markets.

ALTEN is active in 16 countries, covers the whole development cycle and offers a choice of service levels, from technology consulting to full-blown project outsourcing. It is the technology partner of choice for Europe's leading companies.

AUTORITÉ  
DES MARCHÉS FINANCIERS  
**AMF**

*This document and the corresponding financial report constitute the ALTEN Registration Document for the 2012 financial year.*

*It was submitted to the Autorité des Marchés Financiers (the French Financial Market Authority, or AMF) on 26 April 2013 in accordance with Article 212-13 of the Autorité des Marchés Financiers' general regulations.*

*This Registration Document may be used in connection with a financial transaction if it is accompanied by a prospectus approved by the Autorité des Marchés Financiers. Furthermore, pursuant to Article 28 of European Regulation No. 809, 2004, the following information is included in this Registration Document:*

- *The separate and consolidated financial statements as of 31 December 2011, along with the relevant reports prepared by the Statutory Auditors and presented on pages 173 to 239 of Registration Document No. D.12,0454 filed with the Autorité des Marchés Financiers on 27 April 2012.*
- *The separate and consolidated financial statements as of 31 December 2010, along with the relevant reports prepared by the Statutory Auditors and presented on pages 167 to 238 of Registration Document No. D.11,0420 filed with the Autorité des Marchés Financiers on 29 April 2011.*

*It was prepared by the issuer under the responsibility of the signatories.*



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# Interview with Simon Azoulay

Chairman and Chief Executive Officer



BY THE BEGINNING OF 2017  
WE SHOULD HAVE 20,000 EMPLOYEES,  
BE DOING MORE THAN HALF  
OF OUR BUSINESS ABROAD. ”

## How do you rate ALTEN's performance in 2012?

In volume terms, the first half of the year was very positive, despite the cautious noises we were hearing from many clients at the end of 2011 as the financial markets stagnated. The reality of the long crisis in Europe caught up with us in the second half. Some clients had no visibility in their markets or on their future investment budgets.

In this tricky environment, ALTEN still managed to end the year with organic growth of 8.7% and has consolidated its status as a major player in the European Engineering and Technology Consulting market. Growth was stronger internationally, where there are still many regions to conquer, than in France, which is a more mature market when it comes to outsourcing practices and where we have already built a strong position.

As for profitability, the key to any company's profits is the quality of its management and its organisation. There is currently a 10-point disparity in the margins being made by different players in the industry. ALTEN's profitability has held up robustly throughout. Profitability remained in double digits in 2012, thanks to our rapid international development into higher-margin regions. This global performance is all the more impressive as it was achieved just as we are accelerating the transformation of our offer, moving towards a greater level of commitment and investing heavily in a dedicated technical management organisation for structured projects. After three years under construction, in 2012 this organisation reached a phase of maturity and continuous improvement.

## Where does ALTEN stand in its market?

ALTEN has reaffirmed its position as a leader in France and internationally. We are developing strongly in all our target countries. We are staying faithful to the initial choices that made us successful, both business positioning – we are a company of engineers – and level of intervention – we are firmly rooted in studies and conception. This consistent approach has allowed us to hit our targets for profitable growth year after year. At end-2009, we set ourselves a target of having 16,000 employees by end-2014. We are already there. We are ahead of our road map and confident about the future.

## What is the outlook for 2013?

We are still achieving a good occupation rate for our consultants. As long as we continue to get this right we will continue to grow organically, as we start 2013 with a bigger operational workforce than in 2012.

## What is your long-term vision for ALTEN?

ALTEN is already a European leader. Now it must become a global leader in its field. Our capacity to manage major transnational projects can open the way to achieving critical mass – which we estimate at 1,500 people – in the countries we are interested in, in Western Europe, Asia and then the Americas.

By the beginning of 2017 we should have 20,000 employees, be doing more than half our business abroad and have a significant presence outside Europe. More generally, I am firmly convinced that engineering is a way for every country to remain internationally competitive and perhaps even save part of its industry. It seems that governments have realised this. This means ALTEN is now better positioned than ever.



# Board of Directors

## **COMPOSITION OF THE BOARD OF DIRECTORS**

Article 16 of the Company's Articles of Association provides that the Board of Directors is composed of no fewer than three (3) and no more than eighteen (18) members.

The appointment of each director is the subject of a separate resolution in accordance with the ninth Recommendation of the Reference Code.

### **The Board of Directors is composed of:**

- **Mr Simon Azoulay**,  
who also serves as Chairman  
and Chief Executive Officer;
- **Ms Catherine Behar**;
- **Mr Gérald Attia**,  
who also serves as Deputy  
Chief Executive Officer;
- **Mr Bruno Benoiel**,  
who also serves as Deputy  
Chief Executive Officer;
- **Ms Emily Luna**.

**Mr Simon Azoulay**, a French national, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. At 31 December 2012, he held 8,784,195 shares in his own name and via SGT1 and SGTI 2, of which he controls 100%, a total of 27.09% of the Company's capital.

**Mr Gérald Attia**, a French national, was born on 6 April 1962 in Livry-Gargan (93) and holds an MBA from Hartford. At 31 December 2012, he held in his own name, 138,477 ALTEN shares or 0.43% of the Company's capital.

**Ms Catherine Behar**, a French national, born 18 November 1958 in Paris (14th arrondissement) does not hold any shares in the Company as at 31 December 2012.

**Mr Bruno Benoiel**, a French national, born 13 May 1964 in Paris (17th arrondissement) holds as at 31 December 2012 52,800 ALTEN shares, i.e. 0.16% of the Company's capital.

**Ms Emily Luna**, a French national, born 20 July 1948 in Rabat (Morocco), holds as at 31 December 2012, 4,330 ALTEN shares, i.e. 0.01% of the Company's capital.



# General Management



**Olivier Granger,**  
*Chief Operating Officer  
Responsible  
for International Zone 1*

**Pierre Marcel,**  
*Deputy Chief Executive Officer  
Responsible for ALTEN  
Technology France and  
Solutions subsidiaries*

**Simon Azoulay,**  
*Chairman and Chief  
Executive Officer*

**Gérald Attia,**  
*Deputy Chief Executive Officer  
Responsible for Sales,  
Structured Projects  
and International Zone 2*

**Bruno Benoiel,**  
*Deputy Chief Executive Officer  
Responsible for Finance,  
Legal and Information Systems*

# Management Committee

**Simon Azoulay,**

Chairman and Chief Executive Officer

**Gérald Attia,**

Deputy Chief Executive Officer  
Responsible for Sales,  
Structured Projects  
and International Zone 2

**Bruno Benoiel,**

Deputy Chief Executive Officer  
Responsible for Finance,  
Legal and Information Systems

**Pierre Marcel,**

Deputy Chief Executive Officer  
Responsible for ALTEN  
Technology France  
and Solutions subsidiaries

**Olivier Granger,**

Chief Operating Officer  
Responsible for International  
Zone 1

**Pierre Bonhomme,**

Executive Vice President  
ALTEN Technology France

**Jean-François Guyomar,**

Executive Vice President  
Responsible for Paris NTIS  
division

**Stéphane Ougier,**

Executive Vice President  
ALTEN Technology France

**Pascal Amoré,**

Head of Structured Projects

**Jean-Marc Morawski,**

Head of Human  
Resources

**Fabrice Pecqueur,**

Head of External  
Development

**Franck Lect,**

Head of Internal  
Development

**Laurent Graciani,**

Head of Communication,  
Marketing, Engineers  
Recruitment and HR  
development, and Quality

## Executive Committee and Divisional Committees

Since 1 January 2012, the Board of Directors has been supported in preparing its decisions by the work of the Executive Committee and the Divisional Committees.

### EXECUTIVE COMMITTEE

The Executive Committee, which meets at least once a month, comprises the Chief Executive Officer, the Deputy Chief Executive Officers, the Chief Operating Officers and the Executive Vice Presidents of the Group's different divisions. It is chaired by the Chief Executive Officer.

Depending on the agenda, the Heads of Information Systems, Legal, Human Resources or Operational Directors may be invited to attend.

Committee meetings are split into two parts. The first deals mainly with organisational issues:

- Group communications policy;
- employee relations and remuneration and incentives policy, particularly for the Group's senior executives;
- proposals submitted to the Board of Directors for implementation of internal administrative procedures for management and control, management guidelines and delegations of powers;
- proposals for the implementation and/or development of information systems in coordination with the operational and administrative management processes defined upstream.

The second part focuses on operational issues:

- analysis of sales and financial performance, target setting, implementation of operational measures;
- setting the Group's sales, organisational and development strategies;
- monitoring of major projects in progress.

### DIVISIONAL MANAGEMENT COMMITTEES

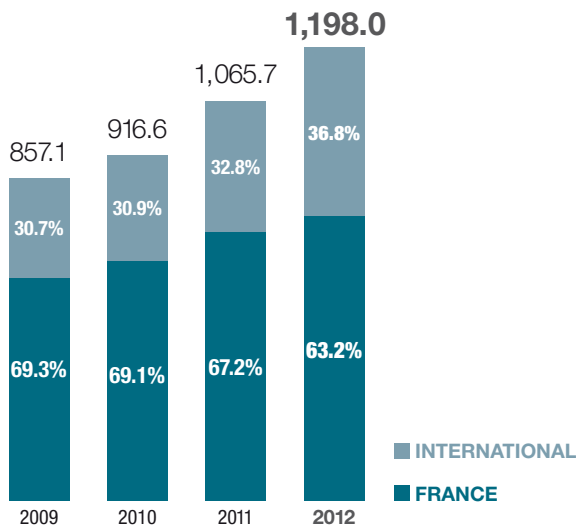
In each Division, Management Committees meet at least once a month under the chairmanship of the Divisional Head.

Their purpose is to implement the strategies defined by the Executive Committee. These committees must also report to General Management on key issues identified by the Operational Directors.

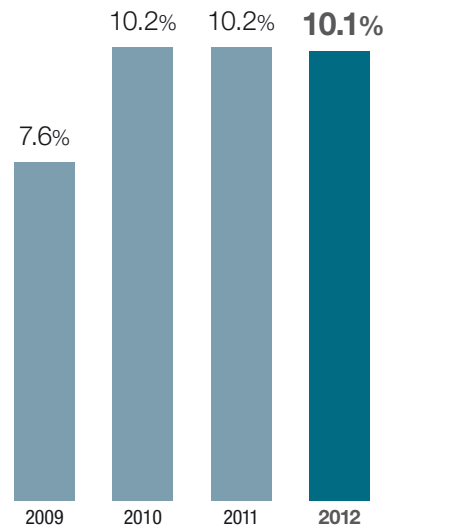
### DIVISIONAL ADMINISTRATIVE COMMITTEES

The Administrative Committees at each Division meet once a week. They are composed of the CFO, the Operational Director and the heads of the administrative departments and are chaired by the Division's CFO. Members of the Divisional Management Committee may attend.

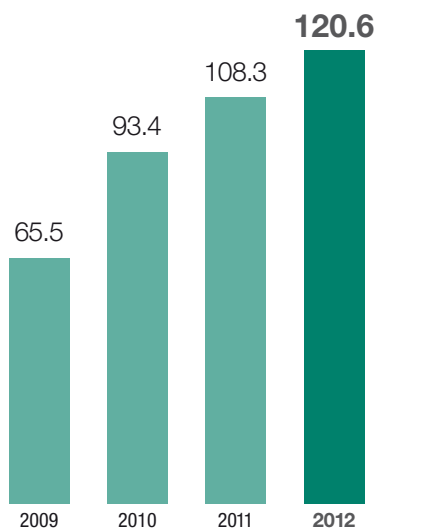
# Key figures 2012



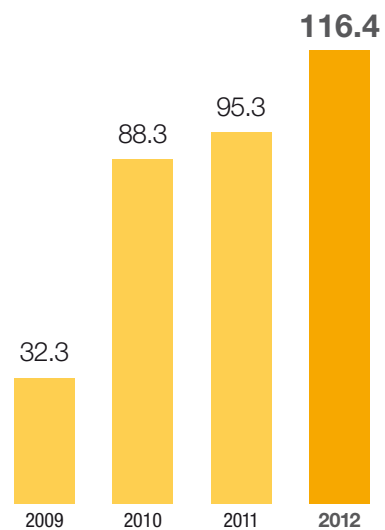
**REVENUE**  
IN MILLIONS OF EUROS



**OPERATING PROFIT ON ACTIVITY**  
AS % OF REVENUE



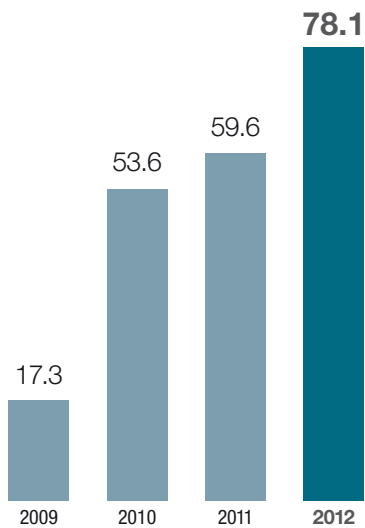
**OPERATING PROFIT ON ACTIVITY**  
IN MILLIONS OF EUROS



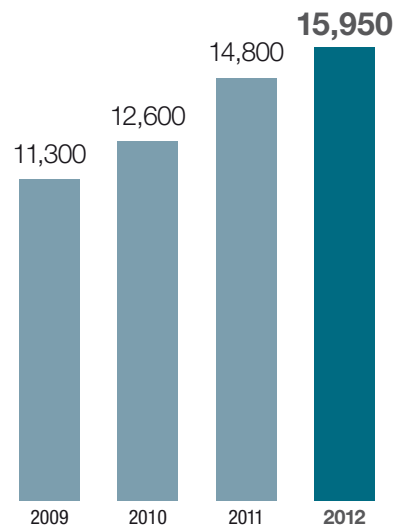
**OPERATING PROFIT**  
IN MILLIONS OF EUROS



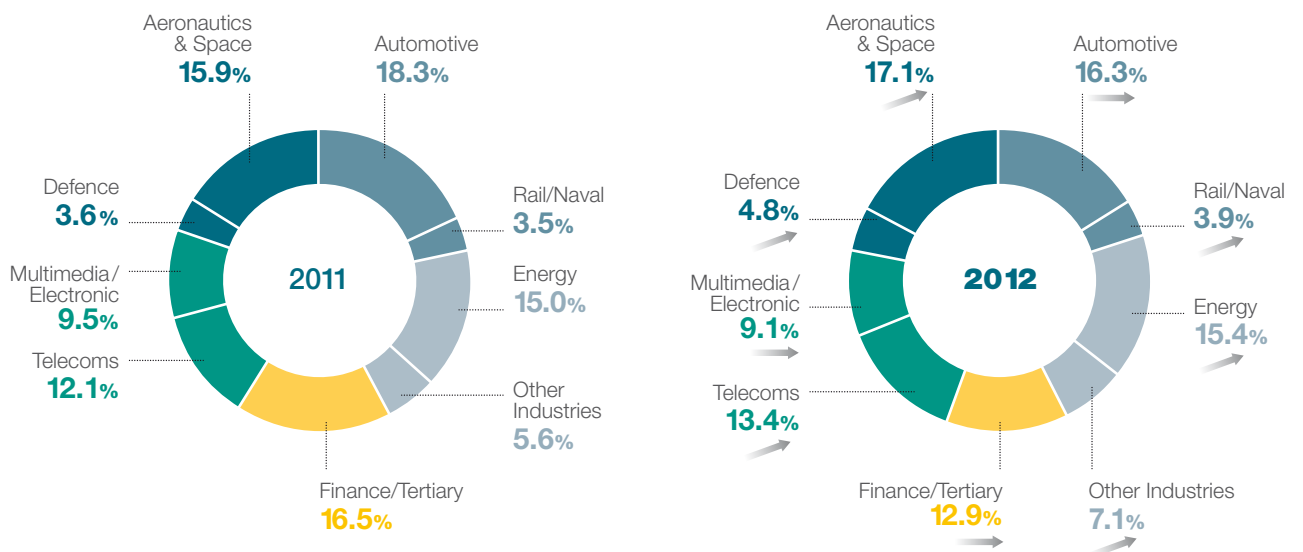
€ 1,198  
MILLION REVENUE IN 2012



NET INCOME, GROUP SHARE  
IN MILLIONS OF EUROS



WORKFORCE  
AT YEAR END



REVENUE BY BUSINESS SECTOR (%)



# ALLEN in the world

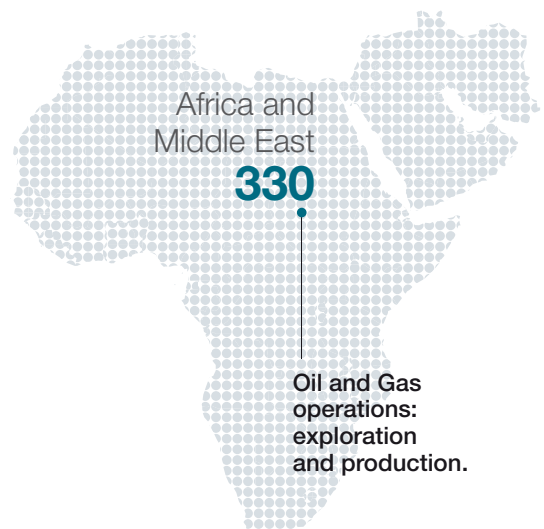
**14,100**  
ENGINEERS



Acquisition of a company, with 70 consultants, specialising in embedded systems for Telecoms and Automotive sectors.

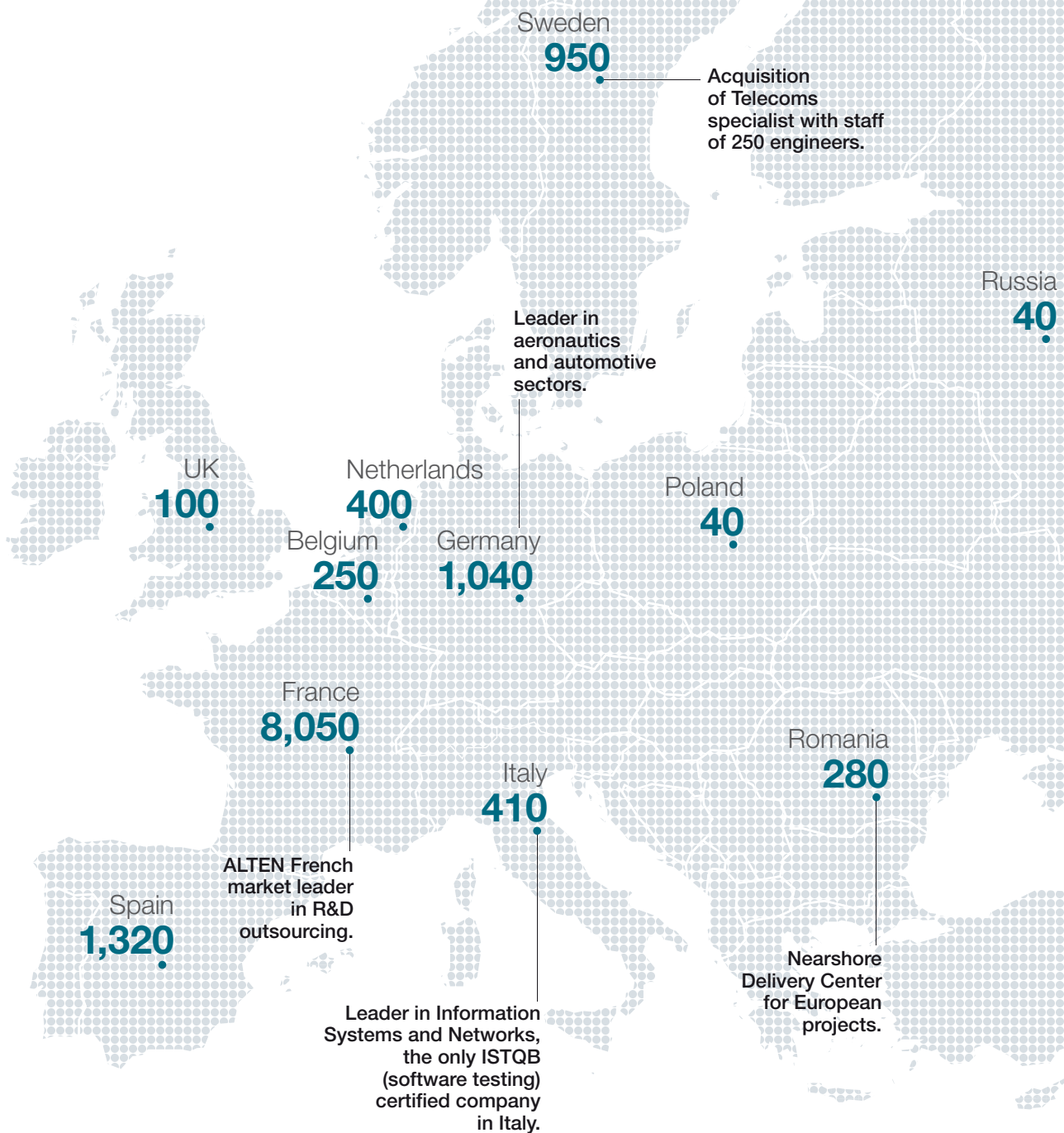


Offshore Delivery Center for US and European projects.



Oil and Gas operations: exploration and production.

# PRESENT IN 16 COUNTRIES





# The benefits of development

## **A HIGH VALUE-ADDED POSITIONING IN TECHNOLOGY**

100% engineers, strategically positioned  
in upstream studies and conception.

## **A DIVERSIFIED OFFERING**

Technology consulting and management  
of structured projects.

## **A DEDICATED ORGANISATION FOR RUNNING STRUCTURED PROJECTS**

Mature methodologies of project  
execution, rated CMMI level 3.

## **AT THE HEART OF INNOVATION AND TECHNOLOGY**

R&D integrated  
with Projects Division.

## **A GLOBAL PRESENCE**

14,100 engineers in 16 countries,  
more than 40% working outside France.

## **HIGH-LEVEL RECRUITMENT DRIVE**

3,200 engineers recruited in 2012.

---

**HEALTHY FINANCIAL POSITION,  
DECISIVE COMPETITIVE ADVANTAGE**

Capacity to make acquisitions and invest in end-to-end infrastructure projects.

**BALANCED MIX OF SECTORS**

No overreliance on a particular business sector.

**ALTEN, TECHNOLOGY PARTNER FOR MAJOR CUSTOMERS  
IN THE INDUSTRIAL, TELECOMS AND SERVICE SECTORS**

All listings were renewed in 2012.

**SPECIAL RELATIONSHIPS  
WITH THE TOP ENGINEERING SCHOOLS**

ALTEN partner of the *Confédération Nationale des Junior-Entreprises*.

**CAREER PATHS THAT CULTIVATE EXCELLENCE**

Heavy investment in developing skills, in areas of expertise and management.



# 01

## ALTEN, **TECHNOLOGY PARTNER**

PAGE 14 GROWTH OF GLOBAL R&D

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PAGE 16 ALTEN'S TWO BUSINESSES

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PAGE 18 THE SERVICES

PAGE 20 CONSULTING SERVICES  
AND WORKPACKAGE SERVICES



A large, stylized puzzle piece graphic is the central focus of the page. The puzzle piece is composed of several interlocking sections, with a large, irregularly shaped hole in the center. The entire graphic is rendered in a vibrant blue color with a glossy, 3D effect, giving it a sense of depth and movement. The puzzle piece is set against a solid blue background. Five labels are placed within the puzzle piece: 'RESEARCH' is at the top right, 'TECHNOLOGY' is on the left side, 'DESIGN' is at the bottom left, 'EXCELLENCE' is at the bottom right, and 'PROJECTS' is at the very bottom. Each label is enclosed in a thin, white rectangular border.

RESEARCH

TECHNOLOGY

DESIGN

EXCELLENCE

PROJECTS

# Growth of global R&D

## ETC MARKET

The ETC (Engineering and Technology Consulting) market can be defined as the portion of technology R&D that is outsourced by industrial companies. There is not a one-to-one relationship with R&D spending but it is closely correlated.

## Global investment in R&D

- Public-sector investment in R&D (government labs, universities, etc.)
- = Private-sector investment in R&D
- Private-sector investment in non-technology R&D (medicines, vaccines, etc.)
- = Private-sector investment in technology R&D
- ✕ Proportion outsourced
- = ETC market

**Global spending on R&D has been sustained and is expected to grow by 3.9% in 2013** to \$1,498.1 billion.

**Asia, North America and Europe account for 90% of investment.**

**Germany and France fund 40% of European investment.**

Different situations in different regions, with investment **relatively stable in the West (US, Europe) but growing in Asia**, particularly China, continuing a 10-year trend, and in **South America**.

**Europe and the US still have solid competitive advantages**, particularly in **human capital, quality of scientific training and capacity to innovate**.

	Public and private sector R&D spend, in billions of \$			Change		
	2011	2012	Est. 2013	2012/2011	2013/2012	%
<b>North America</b>	440	447.4	454.6	1.7%	1.6%	30.3%
<b>Central and South America</b>	45.4	47.5	53	4.6%	11.6%	3.5%
<b>Asia</b>	487.1	518.6	554.6	6.5%	6.9%	37.0%
<b>Europe</b>	342.9	346.7	349.5	1.1%	0.8%	23.3%
<i>Germany</i>	89.5	90.9	91.1	1.6%	0.2%	6.1%
<i>France</i>	49.6	50.4	50.6	1.6%	0.4%	3.4%
<i>UK</i>	41.4	42	42.4	1.4%	1.0%	2.8%
<i>Italy</i>	24.3	24.1	24	-0.8%	-0.4%	1.6%
<i>Spain</i>	20	20	19.8	0.0%	-1.0%	1.3%
<i>Sweden</i>	14	14.2	14.5	1.4%	2.1%	1.0%
<i>The Netherlands</i>	13.3	13.5	13.5	1.5%	0.0%	0.9%
<i>Belgium</i>	8.4	8.5	8.5	1.2%	0.0%	0.6%
<b>Rest of the World</b>	78.8	82.3	86.4	4.4%	5.0%	5.8%
<b>TOTAL</b>	1,394.2	1,442.5	1,498.1	3.5%	3.9%	100.0%

(source: Battelle, R&D Magazine, IMF, World Bank, CIA World Factbook)



# Market trends in R&D outsourcing (ETC)

ALTEN's market includes all consulting services, technical assistance, fixed-price projects and outsourced platforms in the field of Engineering and Technology Consulting and Information Systems and Technological Networks.

Consultancy firm Pierre Audoin Conseil (PAC) expects the market accessible to ALTEN in France to grow as shown below:

(in € millions)	2011	2012	12/11	2013	13/12	2014	14/13	2015	15/14	2016	16/15
<b>Aerospace and Defence</b>	1,020	1,020	0.0%	1,050	2.9%	1,090	3.8%	1,133	3.9%	1,176	3.8%
<b>Land transport</b>	762	737	-3.3%	737	0.0%	759	3.0%	790	4.1%	829	4.9%
<b>Telecoms and Multimedia</b>	490	485	-1.0%	486	0.2%	501	3.1%	519	3.6%	540	4.0%
<b>Energy and Life Sciences</b>	1,185	1,220	3.0%	1,285	5.3%	1,350	5.1%	1,423	5.4%	1,509	6.0%
<b>Other</b>	1,012	1,028	1.6%	1,080	5.1%	1,142	5.7%	1,207	5.7%	1,276	5.7%
<b>Total Technology Consulting (scope: ALTEN core business)</b>	<b>4,469</b>	<b>4,490</b>	<b>0.5%</b>	<b>4,638</b>	<b>3.3%</b>	<b>4,842</b>	<b>4.4%</b>	<b>5,072</b>	<b>4.8%</b>	<b>5,330</b>	<b>5.1%</b>

The ETC sector, particularly in France, has undergone a major transformation over the last 10 years. The way Consultancy and Engineering companies work with their clients has developed towards ever greater commitment and more responsibility, up to and including a sharing of risks. This last approach is restricted to the big engineering firms, which act as industrial partners to large corporates.

The leading ETC companies are becoming technology partners, helping to improve the efficiency of R&D operations and identify potential productivity gains. The requirements to break into this market are demanding and pose an entry barrier for many companies:

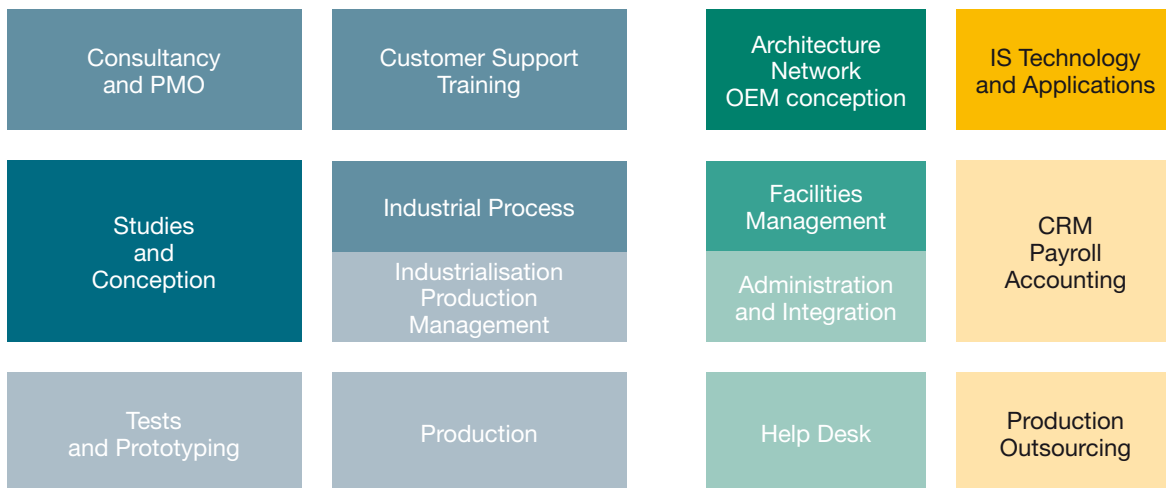
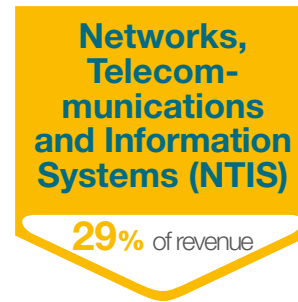
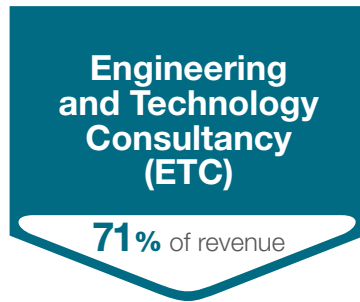
- the ability to deliver research workpackages, which requires tools, processes and project management skills as well as cutting-edge technological expertise;
- quality and process (CMMI) certifications;
- a presence at all first-tier suppliers in the sector (equipment and systems suppliers) to streamline the industrial cycle;
- a presence in all scopes and all countries where the industrial client is active in R&D;

- positioning across the whole of each business segment, from system specifications to design, testing and going into production;
- ability to make authoritative recommendations on technological choices and innovation.

Expectations of outsourcing are high. ETC companies must be able to reproduce the client's engineering environment. This requires healthy financials and an ability to invest in full-scale infrastructure (premises, equipment, software, etc.) where the projects are going to be run. It is also essential to have a strong Technical Division to propose the right technological choices during tenders, to steer projects, to manage knowledge effectively and to extract productivity gains for both the client and ALTEN.

This development has been accompanied by a streamlining of supplier listings that gives listed companies greater market share and better long-term visibility. All ALTEN's listings were reaffirmed in 2012 (including as an EADS A-Supplier of engineering services for a four-year term) and it won new listings with high-potential industrial companies (e.g. Huawei – the telecoms equipment supplier).

# ALTEN's 2 businesses: ETC and NTIS



**ALTEN IS POSITIONED IN TWO BUSINESSES**

- Engineering and Technology Consulting (ETC): studies and conception of technological products, for technical divisions in industry and telecoms.
- Networks, Telecoms and Information Systems (NTIS): networks and telecoms architecture, development customised of IT systems, for Information Systems departments in industry, telecoms and the service sector.

**WE DO ANY PROJECT WHERE TECHNOLOGY IS A KEY FACTOR:**

- Transport and mobility: design and validation of powertrains for electrical vehicles, European harmonisation of rail signalling systems, design of critical avionics systems, studies of airframe components as

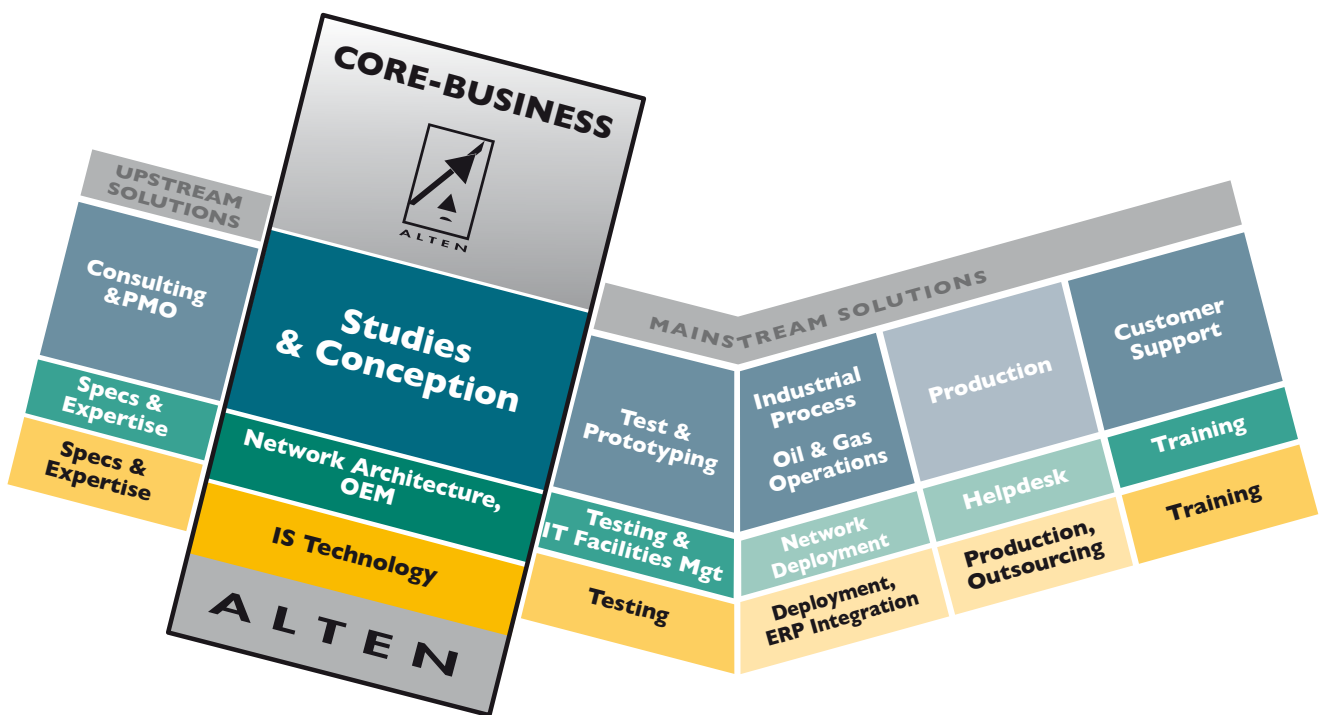
the industry moves toward lighter materials, software validation of network equipment for high-speed broadband.

- Energy performance: study and design of production sites, export operations, innovative battery technologies for storage and distribution, obsolescence management to keep nuclear reactors in operational condition.
- Safety and risk management: security of IT systems, secure functioning of nuclear systems, detection and identification systems for public places, critical avionics systems.
- User services: professional mobile applications, in-vehicle infotainment, development of ticketing systems.

# ALTEN's positioning

**88%**  
HIGHLY QUALIFIED  
ENGINEERS

ALTEN is active throughout the life cycle of an industrial or IS project...



... and remains 75% focused on studies and conception.

## THE ALTEN GROUP'S STRATEGIC POSITIONING IS BASED ON:

- ALTEN's core business offering: consulting, project management, studies and conception, mainly carried out by engineers.
- The Solutions offering, delivered by specialist, horizontal and transnational companies. These independent companies are there to meet a specific client need

that is essential to the development cycle of an industrial or IS project (e.g. PMO/programme management, industrial processes, documentary engineering, technical training, etc.). They can also complement ALTEN's offering in an end-to-end service (consulting and expertise).

# The services

5 service offerings to meet our clients' technology needs.

ALTEN offers different service levels to provide the best response to clients' needs:

<b>Consulting</b>	Technology consulting with a commitment of resources	Delivery of specific, flexible expertise
<b>Workpackage</b>	Globalisation and services contract: - performance indicators - work units with commitment	Cost reductions: - More efficient administration - Management time-saving - Productivity gains by leveraging experience and ALTEN methodology
<b>Fixed-price</b>	Fixed-price projects with commitment to results based on specifications	Cost controls through the fixed-rate billing system, if the specifications are correct

Project execution can be outsourced to one of the ALTEN Delivery Centers in "outsourced platform" or "workpackage" mode.

ALTEN is the uncontested French leader in executing workpackages, which now make up around 49% of its business.

#### CLIENT BENEFITS

In general, outsourcing allows an industrial company to:

- control internal R&D costs, as internal teams can be scaled to suit recurrent demands for project management work;

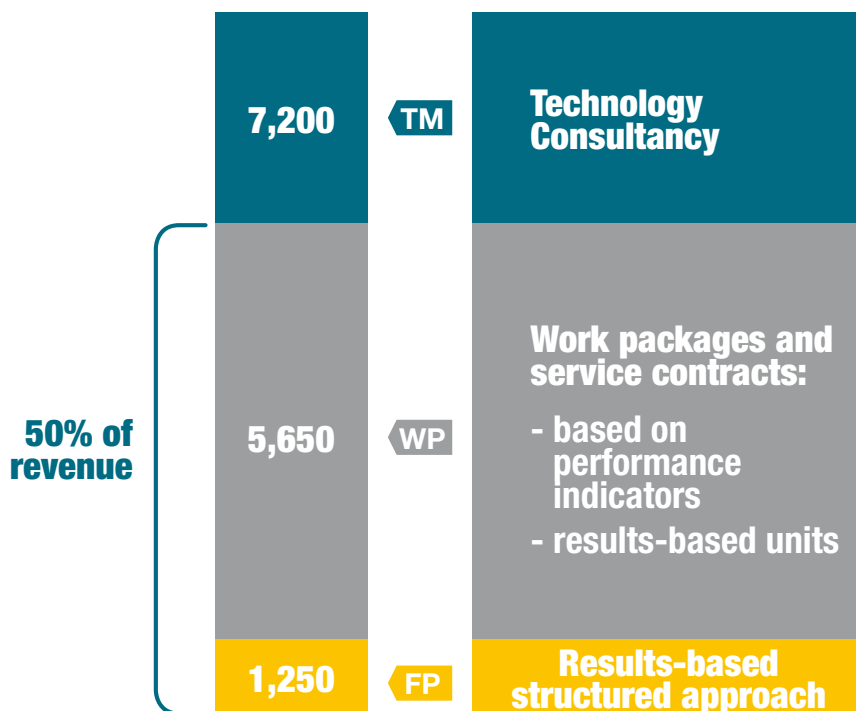
- manage sudden swings in workforce needs during peak workloads;
- concentrate on product strategy, or on design and implementation of the associated specifications and project management, with ALTEN identifying and recruiting the necessary engineers;
- improve productivity using project management methodologies developed by ALTEN.



**ALTEN MANAGES AND EARNS**  
**50%**  
**OF ITS REVENUE FROM WORK PACKAGES**

**14,100**  
engineers

**A wide offer**



**ALTEN IS A LEADING SERVICE PROVIDER OFFERING:**

- technological consultancy,
- and structured project management

Alten manages and earns 50% of its revenue from work packages

**TM** Consultancy TM  
**WP** Work Package WP  
**FP** Fixed-price Project FP

# Consulting services

The Consulting offering means going on-site at a client's own premises to carry out a project, with a commitment of resources. Charging is on a time-spent basis and the project is supervised by an ALTEN manager.

Consulting can work in a wide range of fields, depending on the phase of the development cycle where the client has a specific need:

Field of activity	ALTEN expertise	Contribution of consulting mission
<b>Project owner support</b>	Functional expertise	Intervention during phases upstream of specifications that demand a good understanding of the client's organisation, needs and industry, leading to formal drafting of specifications.
<b>Project management</b>	Technical expertise	Added capacity in studies and conception phases, or technological support in high value-added niches.
<b>Project management support</b>	Support expertise	Support to help manage the different components of a project (planning, quality, cost control, supplier management, etc.) or to assist the client with change management, for example by providing training.

Actions in all these areas are carried out by highly qualified ALTEN engineers.

# Workpackage services

In 2012 the Workpackage offering made up 49% of ALTEN's business. This is set to rise to 70% in 2014.

This policy has been accelerated by two factors, the streamlining of supplier listings, which is driving increased use of embedded engineering suppliers who act as true technology partners, and clients' search for productivity gains which have hit a ceiling in consulting mode.

Workpackage projects can involve different levels of responsibility and risk-sharing and be delivered either on-site at the client or wholly outsourced to an ALTEN Delivery Center:

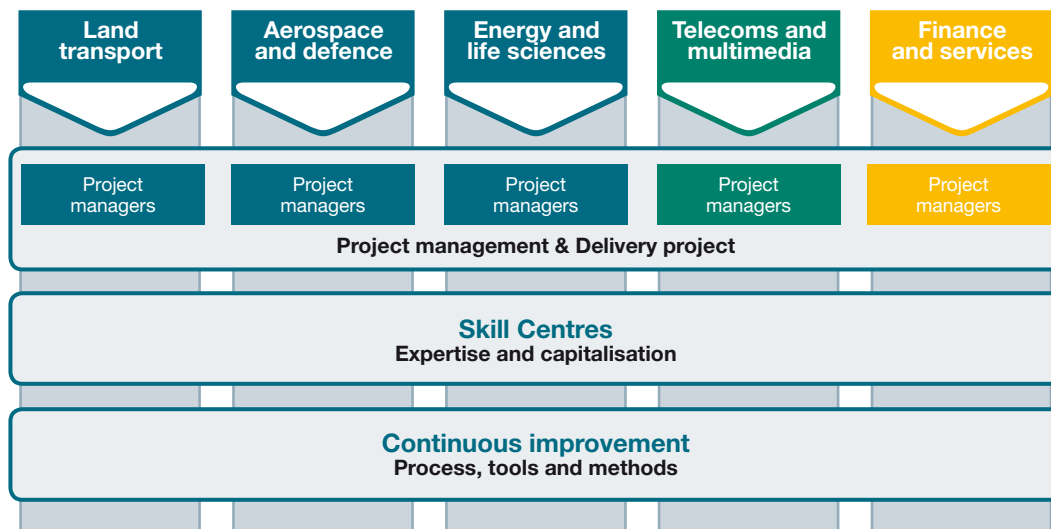
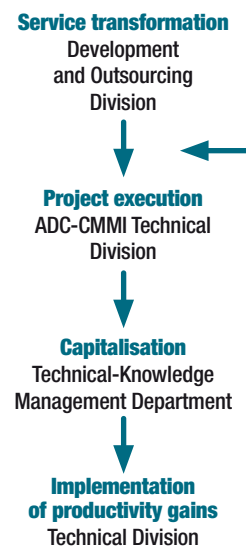
- a single contract covering several technology consulting projects;
- service contracts with a commitment of resources benchmarked to performance indicators;
- work unit service contracts with a commitment of resources or results;
- fixed-price projects with commitment to results based on specifications.

The workpackage offering provides a structured, multidisciplinary team led by a project manager, with

levels of commitment defined with the client. It gives the client field-specific know-how (PMO, technical management and project engineers) and logistical support (facilities, professional software, secure communications, etc.).

The expansion of workpackage services has major implications for ALTEN but also for clients. Besides delivery of the project itself, either on-site at the client or from an ALTEN Delivery Center, the structures, methodologies and tools have to be in place to prepare for the transformation of the service and to identify and implement productivity gains. ALTEN provides solutions to all these needs.

Depending on the client's needs, ALTEN can put in place specific organisational structures for transnational projects, with extra coordination across several teams in different countries, or call in one of the near-shore/offshore structures (Romania, India) for some project phases.





# 02

# Business sectors

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PAGE 30 TELECOMS AND MULTIMEDIA

PAGE 32 FINANCE AND TERTIARY





LAND  
TRANSPORT

AEROSPACE  
AND DEFENCE

ENERGY AND  
LIFE SCIENCES

TELECOMS  
AND MULTIMEDIA

FINANCE  
& TERTIARY



**20.2%**  
OF REVENUE

#### **AUTOMOTIVE: A NATIONAL CRISIS NOT A SECTOR CRISIS**

Following the shock wave of 2009, a crisis has enveloped the European automotive industry. Vehicle sales fell 3% in 2012 to a new low, with no recovery in prospect before 2014. 2012 was particularly bleak for the French market: new vehicle registrations were down 14%. Faced with this recession car manufacturers have launched a drive to reduce development and production costs and cut new programmes, all bad news for the engineering business. Product models are increasingly being built on shared modular platforms. For instance, Volkswagen's MQB platform is the basis for 40 different models. They are also resorting to carry-over, reusing components developed for other models.

But some markets are still growing, such as the US, where an economic upturn is helping local manufacturers, and emerging markets, which continue to develop. Experts\* expect global auto sales to grow at an annual average of 5.6% between now and 2018. Of this, 83% is likely to come from emerging markets, led by China (40.4%), India (12.6%) and Brazil (6.4%).

#### **VARIED IMPACT ON EACH MANUFACTURERS**

Amid this vast market reconfiguration, the picture for French car manufacturers is mixed. Renault has decided to try and break into emerging markets and invested in a new Indian R&D centre having already set up a Romanian centre some years back. PSA has been harder hit. It is pruning its panel of engineering suppliers based on business volumes and offering drastically worse pricing terms.

In the German market, premium manufacturers (BMW, Audi, Porsche) are in robust health. Despite some projects delayed or postponed in the first half-year, ALTEN ended the year with 40% growth in the automotive sector. In Sweden, Volvo, the Group's leading automotive client, is cutting budgets as from the second half of 2012.

#### **ADAPTING THE OFFER**

Against this difficult backdrop ALTEN was quick to react, moving rapidly to adapt the ways it delivers services to clients. On PSA's request it has transformed its engineering offering by creating several outsourcing service centres, a move that has consolidated its market share with PSA.

In terms of business lines, and depending on the region of operation, ALTEN offers services in the fields of powertrain engineering (thermal and electrical), software development, electronics, infotainment, and mechanical and manufacturing engineering.

Supporting manufacturers and equipment suppliers in their international projects is a priority and the Group has brought synergies between subsidiaries into play. ALTEN's presence in India (800 people) and China will allow it to support future local programmes for many automotive clients, mainly in powertrains and telematics.

\*Source: PwC Autofacts 2012.

## MAJOR PROJECT

*At the invitation of Toyota Motor Europe (TME), which has for the first time been permitted by its Japanese parent to perfect a new diesel engine, in 2012 ALTEN deployed its first automotive workpackage in Belgium. After a four-month tender process, the manufacturer chose the Group from among many leading engineering firms to partner it in this project. TME thus began the first experiment in using a Service Centre approach for its Engine Perfection engineering work, which had previously always been offered as technical assistance.*

*This ALTEN Service Centre, set up in August 2012, has been fully operational in all areas since December. It deploys a multidisciplinary team of engineers to perfect the technologies for analysis, characterisation, testing and validation of the engine.*

*A range of professional skills are brought to bear:*

- engine combustion and calibration;
- DPF (Diesel Particulate Filter) regeneration;

- Euro 6-compliant embedded diagnostics;
- tuning for extreme weather and severe environmental constraints;
- endurance tests.

*Thanks to the expertise of the Skill Centres and steering of the Automotive Projects Division, a knowledge transfer was arranged within six months between France and Belgium to develop the skills of the technical team and give the local teams total independence to run this pioneering structured project. ALTEN's commitment is based on three indicators: increased skills of the platform, quality of the deliverable, meeting delivery deadlines. This first outsourced project is a huge opportunity for ALTEN to extend its market share in the Toyota group, with potential to expand out into other skills areas.*

## RAIL: A DYNAMIC MARKET

Rapid urbanisation and the rise of environmental concerns have made rail a dynamic sector. Traffic is set to grow by around 5% annually and the global market should increase by an average of 2.6% annually between now and 2017\*. In France, the world's third-biggest rail market after China and Germany, upcoming programmes (renewal of Corail, Teoz, Lunéa and a possible new TGV in 2018) mean activity should be robust for several years to come. International prospects are also opening up. Rail-related exports are set to double by 2020.

A major government consultation in 2011 led to the launch of "Ambition 2020", a project that involves six strategic areas and 24 operational proposals.

Following on from this, the "Fer de France" association was formed in 2012 to bring together all the industry's specialist businesses (manufacturers, engineers, operators, infrastructure managers and transport authorities) to promote French know-how internationally. ALTEN is a participant as part of Syntec-Ingénierie.

## A SOLID POSITION

The Group's rail offering is based around several specialised areas of expertise:

- design, scaling, execution, certification and validation of rolling stock;
- development and validation of signalling systems, traffic and information management in real time.

Against a background of streamlining and reduced listings, ALTEN has reinforced its positions in France, Italy, Germany, Canada, Spain, the USA and Russia, not only with manufacturers (Alstom Transport, Bombardier, GE, Siemens) but also with equipment suppliers (Thales, Faiveley, Compin, etc.) and operators (SNCF, RATP, SNCB, DB, etc.).

Over the last two years the Group's offering has undergone a major transformation. Structured projects have grown from 10% to 55% of revenue and 2012 will end with an overall 20% increase in activity.

Source: Cabinet Roland Berger Strategy for the Association of the European Rail Industry (UNIFE).

## PROJECT REFERENCES

- French car manufacturers: massive transformation in ALTEN's commitment level, creation of 12 outsourcing service centres.
- French equipment supplier: fine-tuning of an exclusive prototype for an embedded real-time analyser of fuel quality for a high-potential technology SME.
- German car manufacturer: deployment of a dedicated team to project manage a new engine production line in China.
- Rail manufacturer: Service centre for the development and maintenance of Train Control Monitoring Systems for nearly all Metro and Tramway projects.
- Maintenance of and changes to central command software to manage rail traffic through the Channel Tunnel.
- Rail manufacturer: taking over the development of software that can model every aspect of a railway line, with a view to adapting it for urban transport lines.
- Rail manufacturer: design and industrialisation of aluminium structural components for a locomotive that will operate in Kazakhstan. Outsourced project platform which reduces weight while respecting structural constraints.



21.9%

OF REVENUE

### AERONAUTICS: A POWERFUL AREA OF DEVELOPMENT

The Aeronautics sector was one of the key drivers for the world economy in 2012, with good medium-term visibility. Airbus, driven by the success of its A320 NEO, has a backlog of more than 4,600 aircraft orders, which it will take over seven years to fill at full capacity. Dassault Aviation, despite doubts about sales of its Rafale warplane, still grew revenues by 19% thanks to a resurgence in business aviation.

The longer-term prospects of the sector are equally encouraging. Passenger traffic is set to grow by 150%\* in the next twenty years and the current global aircraft fleet should more than double.

### PROJECT REFERENCES

- **Aerospace manufacturer: deployment of recognised expertise in weight management for several aircraft programmes, particularly on environmental issues and composite and electrical technologies for the aircraft of the future.**
- **Aerospace manufacturer: service centre with engineers in the field of cabin systems (lighting, oxygen, water, heating, communications, etc.). Intervention in several aircraft programmes throughout the development cycle, from definition of systems architecture to design and testing validation.**
- **Aerospace equipment supplier: fixed-price project to develop and validate the software component of the DLCS (Data Loader Configuration System) embedded calculator, enabling it to load all the aircraft's software.**
- **Helicopter manufacturer: drafting of technical and maintenance documentation for combat and troop transport helicopters. Franco-German team of 30 on a 5-year project.**
- **Space: technical synthesis, specifications, design, calculation and monitoring of manufacture of satellite antenna reflectors in composite materials (carbon fibre, aluminium honeycomb).**

The big issue for the industry is how to meet orders on time, creating pressure throughout the chain from equipment suppliers to engineers.

In this environment, ALTEN expects its business in this sector to grow consistently faster than the Group average as the main clients commission major volumes of long-term studies. ALTEN is gaining market share with the different companies that comprise the EADS group, its biggest client, and has been reaffirmed as the leading engineering partner in the A350 programme for systems integration. More generally, ALTEN's status as an EADS A-Supplier for engineering services was confirmed in 2012 for the next four years.

The Group's offering is particularly well suited to the challenges facing the sector, with:

- new demands for technical innovation in performance, weight reduction, fuel consumption and environmental concerns, all issues that ALTEN is addressing, for instance via its weight management offering;
- production and delivery constraints at record highs, challenging ALTEN's skills in lean manufacturing and supply chain optimisation;
- growth of emerging markets and the returns on investment demanded by countries. This issue is well addressed by ALTEN's range of offset solutions, particularly in India. ALTEN is also positioning itself to expand in these fast-growing markets;

■ rapid development of Customer Support issues as fleets grow and age. ALTEN is supporting airlines in their dealings with manufacturers in the areas of technical documentation, integrated logistics, maintainability and evolution of aircraft;

■ competitiveness and currency markets, particularly the euro/dollar exchange rate. ALTEN's near-shore and offshore solutions, for instance with delivery centers in Romania and India, allow it to produce high quality at competitive costs and to bill in dollars.

ALTEN offers its full range of engineering skills to the big players in the ASD (aerospace and defence) sector, developing and designing complex systems and supporting these developments with cross-functional skill sets: quality, configuration management, etc. Through its specialist subsidiaries the Group can offer a full range of services, deploying specific expertise through the rest of the development cycle: PMO, customer support engineering and technical documentation, and training – particularly in PLM.

ALTEN manages international projects on behalf of its clients through a set of Delivery Centers in France (Paris, Toulouse, Aix-en-Provence, Bordeaux), Germany (Hamburg), Spain (Madrid), the UK (Filton), India (Bangalore) and Romania (Iasi). Catalogues of work units have been developed which allow the Group to run projects that improve productivity, responsiveness and flexibility while managing risks and capitalising the know-how from each project. ALTEN's Structured Projects Division harmonises, across all Group countries and clients, the delivery of Project Management and technical expertise needed for right-first-time and on-time delivery in the aeronautics sector. These are major drivers of client satisfaction, which is at the core of Group strategy.

#### **SPACE: RECOGNISED EXPERTISE**

Space is a sector with few participants and high technology content. France is still one of the big players, in both satellites and launchers. The Group has developed a specialised high value-added offering in the sector, particularly in satellite integration. Aside from the Ariane and M51 programmes, in which ALTEN has long been involved, the Group will be contributing to the fine-tuning of two scientific micro-satellites, developed by the CNES and due for launch in mid-2013.

#### **DEFENCE: INTERNATIONAL OPPORTUNITIES**

In military aeronautics, cuts to the French budget have been offset by new opportunities internationally. A historic contract with India, announced for 2013, will involve multi-billion spending on Rafale aircraft that could have positive implications for some of the Group's main clients: Dassault, Thales, Safran. ALTEN has prepared for this by signing a deal with an Indian company to meet offset challenges.

In the Security area, ALTEN has been partnering Morpho (Safran group) in an ambitious biometric identification project in India.

In France, the Balard programme – to create a new HQ for the Armed Forces in 2015 – allows ALTEN to position its offering in securitisation of sites or networks and cyber-security.

\* Source: Airbus – September 2012.

#### **MAJOR PROJECT**

##### **DESIGN AND CALCULATION OF THE AIR INLET STRUCTURE FOR THE A320 NEO PROGRAMME**

*Following the success of the A320, Airbus is developing a new version, the A320 NEO, which will be lighter and more fuel-efficient than the current aircraft, as well as quieter and compliant with future environmental standards. Airbus has picked a network of suppliers to manage the various upgrades required to achieve the targets within constraints of tight planning, advanced technologies and more efficient production at record speeds.*

*ALTEN'S technical expertise and knowledge of engine pylons, nacelles and air inlets\* built up during previous projects led EADS to appoint ALTEN to run the design and structure calculation studies for the air inlets in the CFM – Leap-X 1A engine. The issue is how to manage the difficulties caused by the number of components,*

*(numbers have been cut to help reduce weight and each now needs to do more than one job, adding complexity), the number of interfaces (more than 100) and the targets for noise reduction and maintenance.*

*ALTEN has put in place an experienced multidisciplinary team, led by the Structured Projects Division, and deployed a project management methodology, based on the ALTEN Delivery Framework. This allows it to provide a robust quality system that is EN- and CMMI-compliant. Some aspects of the project also rely on the skills provided by ALTEN's team in India.*

\*The air inlet is the circular structure at the front of the engine. It determines the quality of the air flow feeding the engine while minimising noise.



**22.5%**  
OF REVENUE

### NUCLEAR AWAITS ITS SECOND WIND

Nuclear power, which has allowed countries like France and Japan to achieve energy independence, remains a highly controversial technology with the public. Two years on from the Fukushima disaster, nuclear power remains a matter of fierce debate and concern, not just in Japan but also in Europe. In France, the accident halted the EPR2 project in Penly and led to the closure of Fessenheim. The government has committed to reducing nuclear's share of the energy mix from 75% to 50% by 2025. This would require an estimated €380 billion of

investment. In fact, the question of extending the life of nuclear power stations beyond 30 or 40 years has become more pressing than ever. In the near future, 150 of the world's 437 nuclear reactors may be subject to Maintenance in Operational Condition (MCO) projects.

At the same time, new construction projects for EPRs – third generation nuclear reactors – rely on the expertise of French business. As well as the flagship FA3 at Flamanville, this is the case for power stations in Taishan in China, Hinkley Point in the UK, OL3 in Finland and opportunities in Poland.

The engineering demands of meeting these new challenges are not getting easier, either in France or internationally. Commissions are increasingly for MCO rather than new build. Nevertheless, ALTEN grew its revenues in new build in 2012, via design and implementation, as well as in maintenance and obsolescence management and in safety studies.

### OIL & GAS: GOOD VISIBILITY

The global growth in demand for oil, with the price per barrel holding firm at around 100 dollars, encouraged oil companies to invest during 2012. The development of new oil fields is now moving increasingly into deepwater offshore fields. These massive projects require long development cycles of four or five years, providing the sector's engineering companies with good visibility on their future business.

### PROJECT REFERENCES

- In the course of the Girri (Angola) and Egina (Nigeria) deepwater drilling projects, development of FPSO (Floating Production Storage and Offloading) installations for drilling, extraction, processing and storage of crude oil.
- As part of the Ichthys project to extract liquefied natural gas (LNG) launched by Japanese oil and gas group Inpex off the coast of Australia, deployment of four teams to Singapore, Malaysia, South Korea and Texas to support the different research and construction phases of a \$34-billion project.
- Design of the software architecture and development of critical software for the Carmat project to develop a wholly implantable artificial heart.
- Project management support for the MCO projects of EDF-UTO aimed at securing extended life for nuclear power plants. Several dozen engineers have been assigned as consultants from the ALTEN platform near Paris.
- Thorough overhaul of the architecture for a critical software programme supplied to medical analysis labs by a maker of innovative equipment and reagents for electrophoresis.

ALTEN has a specialist offering in the oil and gas exploration and production business, combining business expertise and administrative engineering (work permits, accommodation, transport, health and safety). Altogether, it has more than 600 experienced consultants working in complex environments in more than 40 countries. A US subsidiary was set up to support the development of unconventional gas extraction, an area where the USA will be the leading global producer in 2017.

#### **OFFSHORE WIND, DRIVER OF RENEWABLE ENERGY**

At a time when the role of nuclear and oil in the energy mix are being challenged, offshore wind is getting a lot of government support. Eventually, the aim is to develop an industrial business line in France that is intrinsically profitable (i.e. without purchase tariffs) and exportable. There are also R&D programmes for other promising technologies, such as tidal power. The big players in the industry (Areva, EDF, GDF and Alstom) are helping to structure this business line. In the current phase of upstream research, ALTEN is involved in research on anchoring installations, and assembling and installing their components and equipment, all complex technical challenges where the Group can offer high value added.

The emission of intermittent, unavoidable energy into the grid (happens with solar, wind, and to an extent hydro-electric power) makes it harder to match consumption to total production in real time, as electricity is difficult to store. ALTEN has therefore been involved in devising support technologies for smart grids, which will, in the future, tailor the amount of electricity produced to the amount demanded in real time. Electricity management also means developing innovative storage solutions, a field where ALTEN's R&D work earned the 2012 Grand Prix National de l'Ingénierie in the Industry category.

## MAJOR PROJECT

### **REVAMPING HYDROELECTRIC PLANTS**

*With a view to the upcoming renewal of concessions for hydro-electric dams, EDF has embarked on a programme to overhaul some of its obsolescent plants, through a vast revamping programme that has been running for more than 20 years. ALTEN makes an active contribution to this project, christened RenouvEau, which will involve 220 hydroelectric generators belonging to EDF by 2016 and make use of multiple engineering centres spread throughout France. ALTEN is taking part in this wide-ranging programme via a joint venture. It is contributing three outsourced technical platforms in Marseille, Brives and Grenoble,*

*and a team of 20 to 30 consultants. Revamping the generators and optimising their performance will take massive investment. ALTEN's role is to draft technical specifications, draw up calls for tender, analyse technical bids from would-be subcontractors, monitor the performance of chosen suppliers and control the work sites. This requires specialist skills in areas as diverse as civil, mechanical and electrical engineering and control and safety assurance systems. To make a success of this programme, ALTEN encourages cross-functional experience-sharing across its three centres.*

### **PHARMACEUTICALS, MEDICAL: A KEY AVENUE OF DEVELOPMENT**

Having got used to strong growth until the 2000s and having invested massively in R&D to develop new vaccines and medicines, pharmaceutical companies have now hit a patent cliff while proprietary medicines are increasingly being replaced by generics.

ALTEN provides a full range of services to support labs in their quest for innovation and productivity:

- software and image processing services, mainly aimed at medical interventions;
- support services for the critical areas of quality assurance, equipment and systems certification, process analysis and optimisation through the introduction of lean manufacturing techniques;
- services addressing regulatory issues and the coordination of clinical trials and pharmacovigilance studies leading to market authorisation.

\*Source: Areva.



### A YEAR OF RADICAL CHANGE

For the telecommunications sector, 2012 was a year of deep-seated change. Operators felt the full impact of competition from over-the-top majors such as Google and Apple in their core business, as the latter used the infrastructure while contributing nothing to investment in the networks. The issue is all the more pressing as the rising tide of data, doubling in volume each year, threatens to overwhelm existing networks. At the same time, the arrival of free SMS or Voice over IP services has left operators casting around for new sources of revenue from new services to fund their investments.

In France, the arrival of Free as the fourth national mobile operator has completely redrawn the competitive landscape, driving down tariffs. At end-2012, Free had signed up 5.2 million customers, giving it 8% of

the French market. This forced existing players (operators, MVNOs, etc.) to respond by radically overhauling their commercial offering, communications and the organisation of the historical incumbents. As a result, European equipment suppliers came under severe price pressures just as they faced a mounting challenge from China (Huawei, ZTE).

### NEW TECHNOLOGICAL CHALLENGES

Nevertheless, major opportunities to develop have opened up for ALTEN, linked to the new technical challenges in the sector. These include the development of further high-speed networks that use 4G and its LTE standard for mobile and fibre optic for fixed line. Other emerging issues in the sector are mobile apps, connected TV, social networks and the challenge of providing continuous QoS, defined mainly as speed, availability and network coverage.

### SOLID ADVANTAGES

ALTEN had a very dynamic 2012 in the telecommunications sector, thanks mainly to the thinning out of supplier listings by major clients, which delivered an increase in market share. The depth of its offering in Telecoms and information systems engineering for product design (terminals or networking equipment), and network architecture, deployment and operation are all assets that count heavily with clients in the industry. This offering, based on solid listings in

### PROJECT REFERENCES

- Nearshoring of IS activities at the request of an operator who wanted to develop management applications for the information system used by its end-user customers.
- Management of a national project for a French operator to swap 3G network equipment.
- Administration and operation of a replica model of an operator's network, for "in-vitro" quality control, before deployment, of new equipment and new versions of software.
- Set-up of a dedicated service centre for one operator, to manage networking for its "corporate" clients.



France, also provides a springboard for developing the Group's telecoms business internationally.

ALTEN's second asset in this market is its financial strength, which allows it to build up and industrialise its Delivery Centers. These generated 70% of revenue in 2012 (compared to 55% in 2011), help foster loyalty in the client base through multi-year contracts (1-3 years) and allow the Group to capitalise on the technical expertise of ALTEN consultants and the project tools and methodologies.

ALTEN's third competitive advantage is its geographical reach, which allows it to respond quickly in deploying international solutions. The Romanian nearshore structure, for instance, was able to deliver a rapid response to productivity issues sought by some French operators in 2012.

#### **INTERNATIONAL DEVELOPMENT**

Internationally, the foundations for cross-development between Group subsidiaries are now in place. In countries with telecoms activities – Sweden, Belgium, Italy, Spain and Germany – ALTEN can now provide local operators and equipment suppliers with structured offerings developed in France, where the Group is market leader with over 1,500 engineers.

In the supplier market, ALTEN leverages its experience in product R&D to support integration of the latest technological innovations into the specific architecture of the different French operators. Recognised by Huawei as Best Cooperation Partner in 2012, ALTEN has also developed its expertise in management of network deployment and maintenance projects.

#### **MAJOR PROJECT**

##### **4G OFFERING**

*With the European launch of the first 4G-compatible mobile terminals and heavy investment in 4G by operators, 2013 will be the year when France and Europe see their first significant deployments of 4G networks, opening the way to new mobility uses and services.*

*Following successful projects in 2011 and 2012, ALTEN plans to position itself as an expert in 4G/LTE technology and a supplier of support services for rollout of 4G equipment and networks.*

*ALTEN's expertise ranges from terminals to radio access equipment, impacts on network cores and mobile and multimedia applications.*

*This means we can offer a range of services and activities, including:*

- network architecture and engineering;
- terminal and LTE-equipment testing;
- project management for network deployment (migration, swaps, extensions, etc.);
- technical support for deployment (configuration, administration, support, etc.);

*• development of network and multimedia applications. ALTEN's biggest LTE-specific projects so far have been:*

- validation of radio access equipment and 4G mobile terminals for an operator;
- development of dedicated LTE test scripts for customers of a maker of test equipment, these being either telecoms operators or chipset and terminal manufacturers;
- running software system tests for a Telecoms equipment supplier;
- administration of network platforms for Telecoms operators;
- development of a call-filtering service demonstrator built on Voice over LTE (VoLTE) architecture.

Because of the strong synergies between the Telecoms and Multimedia sectors ALTEN has merged these two activities in France, Italy and Spain with a view to accelerating development.

At end-2012, ALTEN began to roll out its Cross-functional Telecoms Offering to Bank and Insurance clients, making its technical expertise available through consultancy in network architecture and security, telephony and convergence.



**12.9%**  
OF REVENUE

#### PROJECT REFERENCES

- Management of a service centre of several dozen consultants providing levels 1, 2 and 3 support for all professional and office applications used by SG CIB investment bank.
- Deployment of a service centre to oversee and support an international bank's global firewall systems.
- Support and supervision of the telephony system in a major retail bank.

#### A TOUGH ENVIRONMENT

2012 was the year of the Greek debt crisis and financial speculation about the sovereign debt of several European states.

In France, stress tests showed that banks could resist a significant downturn in the economy and highlighted the resilience of the banking system to risks of interbank contagion.

Most of the major French banks nevertheless imposed substantial cost-cutting programmes, particularly in their investment banking businesses.

#### SOLID ADVANTAGES

Against this tough background, ALTEN was able to maintain its market share by exploiting a number of competitive advantages:

- positioning in critical client projects;
- a clear and well-controlled offering, plus the transformation of the way services are delivered beginning in 2010;
- heavy commitment to results, as part of a client support process;

## MAJOR PROJECT

### SECURITY SERVICE CENTRE FOR SOCIÉTÉ GÉNÉRALE

*IT divisions at several of the big banking groups changed their subcontracting regimes in 2010, directing procurement toward service providers that could support them in total transformation of their Project organisation.*

*One such was GTS/TFO from the Société Générale group, which is responsible for providing technical support and specifically administration/expertise for firewall and internet services for internal customers such as the investment bank, retail bank and other subsidiaries. At end-2010 it called for tenders to implement a Security Support Service Centre.*

*ALTEN is the only provider to clearly meet the client's demands in this area by offering a service centre*

*based on an industrial delivery model, with targets linked to productivity and operating performance.*

*The ALTEN Service Centre, in place since January 2011, has a team of consultants specialising in Security/Networks, working on technologies such as Juniper, Checkpoint, Bluecoat, Cisco, etc.*

*Two years on, the results have been good.*

*The client has been impressed by ALTEN's capacity to mobilise cutting-edge technical expertise and unlock productivity gains. The Service Centre has, in a few months, become a recognised supplier for Société Générale, opening up excellent market prospects in the BFI (Banking, Finance and Insurance) market.*

- high quality and good project management;

By the end of 2012, the portfolio was mainly composed of projects managed in outsourced service centres.

### A WELL-TARGETED OFFERING

ALTEN has targeted its services at the priority needs of the leading players in the banking, finance and insurance sectors:

- testing designed to improve quality and reduce time-to-market, risks and costs;
- support for critical applications (helpdesks, incident management, problems, change and on-call services);
- an operational, production and support offering for security infrastructures with a view to reducing Opex and improving QOS;
- a software factory to develop web and professional software (Microsoft, PHP, Java JEE);
- cross-functional consultancy and service centres in telecoms, concentrating on issues of telephony, mobility, collaborative communications, contact centres, IP networks and security.

### OPPORTUNITIES FOR 2013

In France, visibility on projects improved for the first time in three years, opening up significant prospects for growth.

Internationally, ALTEN's strategy is best illustrated by the increasing synergies being extracted within the Group to address the whole of global customers' demands. In 2012, the Group consolidated its capacity to run multidisciplinary, multi-site, multi-country IT projects, even when dealing with widely disparate situations in different countries.

In Spain, IT consultancy was in a particularly dire state. Budgets for IT systems were slashed in the private and public sectors alike. In Italy, the quality of the service offering should allow the Group to sustain growth despite a market that is now slowing after a buoyant 2012. In Belgium, business held up well as the offering was switched rapidly toward more globalisation and more segmentation.



# 03

# Operational EXCELLENCE

PAGE 36 TALENT AND ORGANISATION

PAGE 39 R&D AND INNOVATION



INNOVATION



DESIGN



TALENT



PERFORMANCE



# Talent and organisation

The transformation of its service offering means that ALTEN no longer just faces technical and technological challenges but also has to deal with organisational, managerial and human issues.

## A COMPANY OF TOP-CLASS ENGINEERS

Bound to its clients by its increasing levels of commitment to projects, ALTEN has made developing its human capital a priority and a key factor in its success. The Group has invested heavily to identify, capture, develop and promote the best talents in the market.

ALTEN's technical operational teams are still 90% engineers, graduates of the best international training schools. All engineering professions are represented in ALTEN projects, i.e. more than 170 technical specialisms in the fields of electronics, software, mechanical, telecommunications, networks and information systems engineering, as well as cross-functional skills in quality assurance, secure operation, project management, procurement, etc.

ALTEN is increasingly in demand for its ability to commit to results and even share risks. The Group demands of its engineers, aside from high-level technical competence and knowledge of the client's business sector, know-how that allows them to adapt to rapidly evolving environments.

## A PRO-ACTIVE APPROACH TO RECRUITMENT

In 2012, the Group recruited more than 3,200 engineers. To be able to do this, ALTEN has put in place an industrial process to analyse skills and identify and hire the best candidates. Specific recruitment actions are targeted at students and new graduates. In 2012, the Group stepped up its initiatives to build relationships with the top engineering schools (around 50 are now active partners) and offer high-quality internships.

At end-2011, ALTEN developed a strategic partnership with the *Confédération Nationale des Juniors-Entreprises (CNJE)*. Through training programmes for these dynamic "companies-like", the Group builds special relationships with potential future candidates with a strong entrepreneurial bent, who may later make promising recruits as sales staff, in support functions or as project engineers. The CNJE is France's leading student network, with branches in 160 engineering schools, business schools and universities and indirectly reaches 17,000 students.



IN 2012, THE GROUP  
RECRUITED MORE THAN

**3,200**  
ENGINEERS

In what is a tight labour market for engineers, ALTEN seeks to recruit the best by offering an international career. More than 70 nationalities are now represented among the ALTEN teams. The recruitment process prioritises candidates with international experience, something that is now in any case normal among graduates of the leading schools. The Group's internationalisation also means cross-recruitment between countries, wherever there is a shortage of local talent. In 2012, for the second year in succession, ALTEN was awarded the Top Employer label by the independent CRF Institute – along with 43 other leading companies. This certification, which is judged against a set of 400 HR practices, reinforces the Group's image as an employer among young graduates. The award recognises the investments in human capital made over many years, particularly the training and talent-development programmes.

#### **FORMAL CAREER DEVELOPMENT PATHS**

Over recent years ALTEN has sought to build up paths for technical or functional development that allow its consultants to pursue their potential and career aims. >>>

#### **ALTEN ATTAINS CMMI LEVEL 3**

*Since 2009, ALTEN has progressively adopted a structured set of good practices covering processes, tools and methodologies in project management. This structuring of its operating methods is based on the CMMI (Capability Maturity Model & Integration) framework for services, a global set of good practice guidelines drawn up by the Software Engineering Institute and designed to help engineering companies understand, evaluate and improve their business processes. At end-2012, ALTEN was one of the first European actors in the consultancy field to be level-3 rated. The CMMI model has been followed by the Group as it has set up an organisation and processes where projects are run with an eye to continuous improvement. At level 3, an organisation is recognised as having a set of standard processes defined for each project and adapted to each client environment.*



- ▶▶ The first of these focuses on expertise. Consultants can develop in-depth technical or specialist knowledge and, in some cases, move on to the Skill Centres which capitalise on technological knowledge developed during the projects. The second path is for project management. It offers consultants a route into working as project leaders and ultimately project managers.

ALTEN always seeks to use its own employees first to drive its international development and has therefore deployed tools that track their wishes and help organise mobility.

#### **OPTIMISED ORGANISATION**

Dealing as it does with global players who operate on a global scale, ALTEN has put in place an integrated and unified project management structure that can deal with any site and any partner.

This structure is based in part on global centralisation of the processes, methodologies and tools for capitalising on know-how, and in part on local delegation of operational management for projects.

ALTEN has built up a network of experts charged with mapping and capitalising on knowledge developed during each project, as part of a continuous improvement process. These Skill Centres operate cross-functionally and on an international scale, to deliver expertise in response to calls for tender,

supporting the growth of consultants' technical skills and pooling knowledge across the Group's many and varied entities.

Delivery, for its part, reports to the Sector Project Divisions, which are there to address the specificities of each client environment (Automotive, Rail, Aerospace, Energy, Telecoms, IT, etc.).

With 49% of projects now managed directly by the Sector Project Divisions, 2012 was the year when ALTEN's deployment of commitment projects reached maturity.

France provided the base model for an outsourced workpackage offering and capitalising on know-how. This transformation in service delivery is now being exported to other Group countries with the support of the Sector Project Divisions, Skill Centres, and Process, Tools and Methods Divisions.



# R&D and innovation

Besides its involvement in clients' innovative projects, ALTEN has since 2010 been funding its own R&D effort. Research focuses on developing new offers and skills that will be useful for future projects.

## **APPLIED MULTI-TECHNOLOGY PROGRAMMES**

Like the innovation projects that it runs on behalf of its clients, ALTEN's in-house R&D process is essentially applicative. Led by its Research and Development Division, ALTEN runs projects that pursue breakthrough solutions for technological, organisational or methodological issues in partnership with its clients. These projects are bundled together in themed research programmes to maximise the potential for technology transfer.

ALTEN's R&D programmes are premised on sustainable development and seek to reconcile economic, environmental and social considerations in the world of high-tech projects. They are structured around four themes:

- global security and risk management;
- sustainable mobility;
- energy performance;
- quality of life and personal services.

## **A HIGH-STAKES BUSINESS**

R&D activity is run collaboratively. Internally, it uses people working on dedicated platforms (seconded engineers, programme managers, project leaders, technical experts from Skill Centres) and PhD students sponsored by the Group. Externally, it involves a network of partnerships with innovative

SMEs, academic labs – schools or universities – and industrial companies.

## **THE ISSUES AT STAKE IN THESE R&D PROJECTS ARE NUMEROUS**

Focused on the upstream portion of the innovation process and decoupled from the Group's commercial business, they act as a powerful tool for developing skills, a process that is both accelerated and structured by partnerships with industrial and academic organisations.

The R&D division also feeds directly into the development and competitiveness of the service offering. It is incorporated within the Projects structure, draws on the Sector Project Departments to identify the key technological directions for its R&D work and delivers its conclusions to the Skill Centre Divisions for integration into client projects: presentation of demonstrators illustrating emerging know-how, references for new types of consultation, enhanced analysis of specifications.

R&D is good for ALTEN's image. For clients, it shows that the Group can respond proactively to tech-heavy projects. For employees, it helps develop technical skills. For candidates, it shows the Group's ability to stay at the cutting edge of future technology. ▶▶▶

ALTEN HAS CARRIED  
MORE THAN  
**40**  
RESEARCH PROJECTS

#### »» FIRST INVESTMENT IN VISION

In 2011, ALTEN initiated its first research theme on image processing for medical purposes or personal assistance, setting up a partnership with the Institut de la Vision. This research laboratory is part of the *Centre hospitalier national d'ophtalmologie des Quinze-Vingts*, and one of the biggest in Europe for visual diseases. It brings together fundamental, clinical and industrial research on one site, encouraging the sharing of concepts and techniques as well as the interaction of complementary skills and expertise. ALTEN's first contribution was to fund a doctorate investigating and measuring the behaviour of partially-sighted people in urban and public environments and at home.

In parallel, ALTEN has carried out some forty of its own research projects into image processing, co-run scientifically with five specialist labs and including three PhD students as well as its own internal resources. New technological applications were investigated that could help partially-sighted people move around: one to use a network of cameras in the home/building, another to fine-tune augmented reality spectacles that can offset the handicap of patients affected by age-related macular degeneration (AMD) and another to help people with visual problems drive in fog. Other research demonstrators were also developed around innovative command concepts for the partially-sighted to control home appliances and tools for desensitising sufferers to behavioural pathologies (agoraphobia, autism, etc.) by augmented immersive reality.

This first research strand led to the creation of an internal skill centre devoted to image processing,

which capitalises on know-how acquired and contributes to the development of specialist commercial offerings, most obviously in healthcare or medical diagnostics.

#### 2012: MAJOR COLLABORATIONS

In 2012, ALTEN invested in a new upstream research programme looking at risk management. The Group is helping perfect a civilian drone that can find and drop help to victims of natural disasters. The collaboration relates to the development of functionalities that allow an aircraft to fly autonomously as a swarm to the disaster area, identify victims collaboratively, recognise and deliver a rescue kit and check that it was successfully received.

As part of its commitment to sustainable mobility, in 2012 ALTEN also became a partner in the CORAC programme of research into future avionics that will be greener and more modular. This means equipping aircraft with calculation resources that are extended, modular and shared. This should allow them to run under uninterrupted air traffic control, with better security equipment, and allow passengers to access the internet. ALTEN is working to design a test platform that will validate the modular architecture of these onboard calculators, manage the risks and minimise their impact on the aircraft's weight, fuel and energy consumption.

The CORAC collaborative research programme is funded by the French government under its Investment for the Future programme. It brings together the major aerospace players in a research and innovation project to develop seven demonstrators in the field of sustainable air transport.

#### AWARDS FOR ALTEN'S R&D PROCESS

*On 25 October 2012, ALTEN was awarded the 2012 Grand Prix National de l'Ingénierie (national engineering award) in the Industry class, for its R&D in energy production and storage. The prize has been awarded jointly since 2006 by the French Ministry for Ecology and Sustainable Development, the French Ministry for Industrial Renewal and Syntec-Ingénierie. It honours engineering teams selected for the innovative and creative nature of their projects, their contribution to sustainable development and the value added*

*by the "engineering" function. The winning project was an exclusive partnership with a technology SME that came up with an innovative energy-storage solution based on the electrochemical relationships between metal and air. ALTEN developed in this respect an aluminium-air prototype with zero greenhouse gas emissions and up to 10 times better performance than current lithium-ion solutions. It is also running a set of trials to resolve problems with industrialising the battery, which is undergoing tests with a major French*

*car manufacturer. ALTEN also provides overall project management by putting together a comprehensive international industrial ecosystem.*

*Progress suggests a host of possible applications:*

- *as a range-extender for electric vehicles;*
- *as an alternative to back-up generators in hospitals, datacentres and sensitive industrial sites;*
- *to supply military equipment in the field;*
- *to provide energy in isolated regions.*

In personal assistance, ALTEN has become involved, from 2013, in the project to design a robot to help elderly dependent people in the home. This project is run in connection with the Institute for Intelligent Systems and Robotics (ISIR) and seeks to design a domestic robot that can perform simple mechanical services, such as carrying a load from one room to another or fetching everyday essentials (spectacles, pills). The robot is to include a multimedia music/internet/videophone connection with a human-machine interface adapted for the elderly and very elderly and a simple connection to the usual multimedia devices – mainly televisual devices – in the

home. Finally, it must be able to provide remote medical monitoring and remote assistance functions, with possible alerts to relatives and the doctor.

ALTEN's contribution focuses on developing an economically-viable and industrially-feasible demonstrator.

# 04

## A responsible COMPANY

Sustainable development is a core strategic concern for the group, written into its DNA. ALTEN takes real action to support people, innovation and the environment.

- PAGE 44 MAP OF STAKEHOLDERS
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- PAGE 50 DEVELOPING SKILLS
- PAGE 54 REVEALING TALENT
- PAGE 58 INNOVATING WITH ITS PARTNERS
- PAGE 62 PROTECTING THE ENVIRONMENT
- PAGE 66 OUR PERFORMANCE INDICATORS

# COMMITMENT

REGULATION

RESPONSIBILITY

ETHICS

ENVIRONMENT

# Map of stakeholders

As a leading Engineering and Technology Consulting company, the ALTEN Group, which operates in 16 countries, is committed to meeting its stakeholders' expectations and anticipating their requirements whilst ensuring that its activities reconcile performance with sustainable development.



## STUDENTS AND YOUNG GRADUATES: FUTURE EMPLOYEES WITH HIGH ADDED VALUE

- Meetings, training workshops at student fairs, school forums, open days, conferences, competitions.
- Partnerships with schools and student associations.
- Internships and apprenticeships.
- High recruitment of young postgraduates.

## THE PUBLIC AUTHORITIES: GENERATING A SUSTAINABLE APPROACH

- Complying with legal requirements as a Euronext-listed company.
- Committing to implementing responsible practices with SYNTEC.
- Anticipating regulations wherever possible.



## SHAREHOLDERS: SUPPORTING OUR DEVELOPMENT

- Results in line with set targets.
- Generating lasting growth.

## INTERNATIONAL ORGANISATIONS: GUIDING US TO A MORE RESPONSIBLE APPROACH

- Following the principles of the ILO and the Global Compact.
- Publicising ALTEN's sustainable development achievements.
- Using the principles of the GRI.
- Monitoring the emergence of new standards and new initiatives that ALTEN may apply.



Elles bougent

Junior Entreprises  
Révélateurs d'esprit d'entreprise

## ASSOCIATIONS FOR THE PROMOTION OF SCIENTIFIC SUBJECTS: REVEALING THE POTENTIAL OF THE FUTURE

- Supporting initiatives to promote engineering careers, particularly for women through the ALTEN Fund for Engineering.
- Supporting students' entrepreneurial initiatives.
- Supporting and creating events promoting science: competitions, exhibitions, etc.
- Delivering project management training and professional situation simulation workshops.

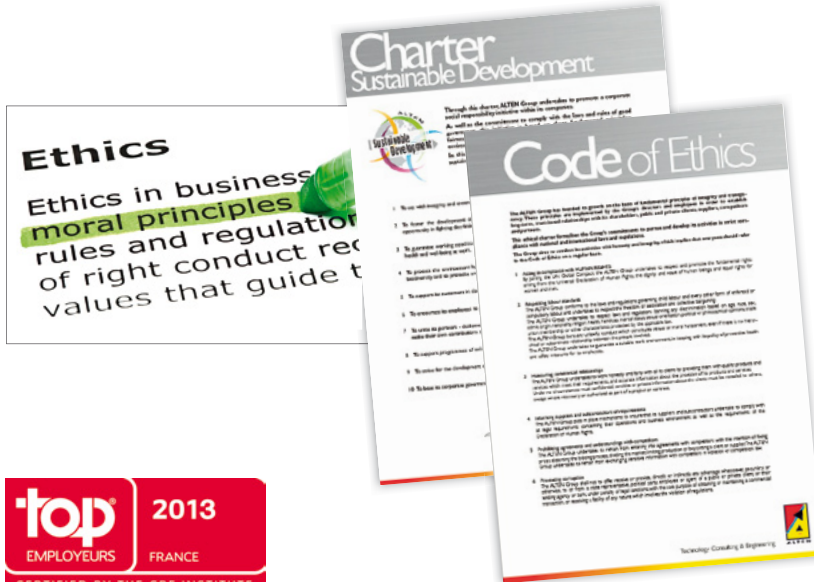
## COMPANIES IN THE SECTOR: COMPETITORS THAT ENCOURAGE US TO SURPASS OURSELVES

- Monitoring competitor companies' projects in terms of sustainable development.
- Stimulating the performance and competitiveness of ALTEN's employees.



## CUSTOMERS: THE VEHICLES OF OUR QUEST FOR INNOVATION

- Developing innovative projects and high-quality services.
- Supporting the development of environmentally-friendly solutions.
- Implementing resources and committing to results in order to achieve excellence.
- Laying down CSR criteria to be followed.
- Listening to customers' expectations.



## EMPLOYEES: ALTEN'S AMBASSADORS

- Training and acquiring skills.
- Managing careers and offering both internal and international mobility.
- Guaranteeing safe, healthy and stimulating working conditions.
- Awareness-raising and training in sustainable development, ethics and stress management.
- Ensuring non-discrimination in recruitment and career management.
- Supporting projects managed by employees in accordance with the Group's values.
- Listening to employees' expectations.

## SUPPLIERS AND SUBCONTRACTORS: PARTNERS IN OUR SUCCESS

- Building sustainable partnerships.
- Raising ethical awareness among ALTEN's buyers and managers.
- Joint signatory of the Responsible Purchasing.

## CIVIL SOCIETY: INSPIRING RESPONSIBLE INITIATIVES

- Helping bring about a lasting cleaner environment with low-energy buildings, waste sorting, etc.
- Participating in local life through employee recruitment and partnerships with suppliers.
- Developing partnerships with companies in the sheltered employment sector.
- Developing innovative solutions to promote care for the environment and social development: sustainable mobility, energy efficiency of buildings, etc.

## SOCIAL PARTNERS: RELAYS OF THE SUSTAINABLE DEVELOPMENT INITIATIVE

- Raising awareness of, taking part in and deploying ALTEN's sustainable development projects and breakthroughs.
- Assuring employees that they will be defended and listened to.



SYNTEC-INGÉNIERIE



## PROFESSIONAL BODIES: DEFENDING THE INDUSTRY'S INTERESTS

- Taking part in the work of the SYNTEC (French federation of professional unions) and GECEIT (European Group for Engineering and Technology Consultancy), particularly on sector breakthroughs.

# Sustainable Development Charter

Through this charter, ALTEN Group undertakes to promote a corporate social responsibility initiative within its companies. As well as the commitment to comply with the laws and rules of good governance, this initiative is based on three fundamental principles: fairness, valuing employees, protecting the environment and developing environmentally-friendly service offerings. In this way, ALTEN Group intends to make an active contribution to sustainable development.



## OUR COMMITMENTS

- 1** To act with integrity and ensure compliance with the applicable laws and regulations.
- 2** To foster the development of skills, the social promotion of its employees, diversity and equality of opportunity in fighting discrimination.
- 3** To guarantee working conditions that respect fundamental rights and provide its employees with security, health and well-being at work.
- 4** To protect the environment by sustainably reducing the impact of its activities on natural resources and biodiversity and to promote environmentally responsible practices on the part of its employees.
- 5** To support its customers in developing environmentally-friendly solutions.
- 6** To encourage its employees to play an active part in responsible innovation.
- 7** To unite its partners – customers, subcontractors and suppliers – around its values and encourage them to make their own contributions to its commitments in terms of sustainable development.
- 8** To support programmes of solidarity in line with Group values.
- 9** To strive for the development of engineering and the promotion of scientific and technical careers.
- 10** To base its corporate governance on rigorous management and responsible communication.



# Responsible Purchasing Charter

ALTEN is committed to promoting the universal principles bearing on human rights, labour laws, the environment and the fight against corruption within its sphere of influence. ALTEN encourages all of its suppliers to sign up to this initiative and comply with the principles of the Global Compact and the International Labour Organization.



## HUMAN RIGHTS

The ALTEN Group's suppliers undertake to respect and promote the international directives in favour of human rights. In particular, they will ensure that they are not complicit in the abuse of human rights.

## LABOUR

The ALTEN Group's suppliers should uphold the freedom of association and the effective recognition of the right to collective bargaining. They should strive for the effective abolition of child labour and should support the elimination of all forms of forced or compulsory labour and discrimination in respect of employment.

## ENVIRONMENT

The ALTEN Group's suppliers undertake to support a precautionary approach to environmental challenges. They will undertake initiatives to promote greater environmental responsibility and favour the development and diffusion of environmentally-friendly technologies.

## FIGHT AGAINST CORRUPTION

The ALTEN Group's suppliers undertake to work against corruption in all its forms, including extortion and bribery.

## SUPPLIERS' OBLIGATIONS

This charter is part of the general conditions of sale and applies to all ALTEN Group suppliers, who must also transmit these provisions to their own suppliers, including those in countries that have not signed International Labour Organization agreements and where they may work.

Suppliers of the ALTEN Group must comply with the national and international regulations in force.

They undertake to take the necessary measures to ensure that the principles set forth in this charter are respected.

ALTEN reserves the right to carry out audits for which suppliers undertake to provide the requested information and present an annual report of compliance and improvement measures during annual steering meetings with ALTEN.

# Code of Ethics

The ALTEN Group has based its growth on fundamental principles of integrity and transparency, implemented by its managers and employees to create lasting and trusting relationships with shareholders, public and private customers, suppliers, competitors and all partners.



**THE CODE OF ETHICS** sets out ethical commitments designed to ensure that the Group pursues and grows its activities in strict compliance with national and international laws and regulations. The Group wishes to conduct its business with honesty and integrity, which requires that all employees refer regularly to the Code of Ethics.

## RESPECT OF HUMAN RIGHTS

By signing the United Nations Global Compact, the ALTEN Group undertook to respect and promote the fundamental rights enshrined in the Universal Declaration of Human Rights, the dignity and worth of the human person and equal rights between men and women.

## COMPLY WITH LABOUR STANDARDS

The ALTEN Group complies with laws and regulations relating to child labour and other forms of forced or compulsory labour, and undertakes to respect the freedom of association and collective bargaining. The ALTEN Group undertakes to respect the laws and regulations prohibiting discrimination based on age, race, gender, ethnic origin, nationality, religion, health, disability, marital status, sexual preference, political or philosophical beliefs, trade union membership or other characteristics protected by applicable law.

The ALTEN Group prohibits all unlawful conduct constituting sexual or moral harassment, even in situations where there is no hierarchical structure or subordination.

The ALTEN Group is committed to ensuring a suitable working environment in accordance with its preventive health and safety policy for its employees.

## HONOUR TRADE RELATIONSHIPS

The ALTEN Group is committed to working honestly and fairly with all its customers by providing quality goods and services that meet their requirements, and accurate information about its goods and services. Confidential, sensitive or personal information about customers must under no circumstances be disclosed to others, except when required or authorised as part of a project or contract.


## ENSURE THAT SUPPLIERS AND SUBCONTRACTORS ADHERE TO OUR STANDARDS

The ALTEN Group has implemented mechanisms to ensure compliance by its suppliers and subcontractors with all legal requirements relating to their operations and business environment, and the provisions of the Universal Declaration of Human Rights.

## PROHIBIT AGREEMENTS AND UNDERSTANDINGS WITH COMPETITORS

The ALTEN Group undertakes not to take part in agreements between competitors that have the intent or effect of fixing prices, distorting the bidding process, sharing a market, limiting production or boycotting a customer or supplier. The ALTEN Group undertakes not to share sensitive information with competitors, in accordance with competition law.



IN FRANCE, ALTEN IS A LEADING STAKEHOLDER  
IN THE LOCAL ECONOMY IN ALL REGIONS  
IN WHICH ITS ENTITIES OPERATE 

### PREVENT CORRUPTION

The ALTEN Group will not offer, provide or receive, directly or indirectly, any benefit, pecuniary or otherwise, to or from a representative of the State or the State itself, of a political party or the said party itself, of an employee or agent of a public or private customer or the customer itself, of a lending agency or bank or the said institution itself, under pain of criminal penalties, for the sole purpose of obtaining or preserving a commercial transaction or receiving any benefit or facility involving a breach of regulations.

### MANAGING EXPORT CONTROL

All entities within the ALTEN Group which export goods and services or which provide services beyond their national borders strictly comply with export laws applicable in the country in which they are based, in particular for civil and military use.

### RESPECT OF PRIVACY POLICIES

The ALTEN Group's intellectual property rights include patents, know-how, trade secrets, registered trademarks, domain names, industrial concepts and copyright. They constitute one of our main assets and, in this sense, are protected by the law, wherever possible.

### OUTLAW INSIDER DEALING

For as long as it is not public knowledge, information which could have an effect on the value of the ALTEN Group's shares, options and other marketable securities is considered as insider knowledge and must remain confidential. Sharing this knowledge goes against the laws and regulations governing marketable securities and is a breach of the Group's regulations.



### SUSTAINABLE DEVELOPMENT: IN THE ALTEN GROUP'S GENES

*Interview with Laurent G.,  
Quality and Performance Director*

*Launched with the signing of the United Nations Global Compact in 2010, to which ALTEN has opted to commit again every year, ALTEN's Sustainable Development policy is structured around three aspects:*

- an environmental aspect, aimed at reducing the environmental footprint of the Group's activities;*
- an employee-relations aspect, which aims to favour the diversity, employability and promotion of the talented individuals within the Group;*
- an aspect focusing on the Group's corporate social commitments, holding up ALTEN as an active promoter of engineering professions, particularly among young women, and a benchmark employer for the building of bridges between student*

*life and professional life. Through its direct impact on the choices made in terms of R&D, general services, information systems and human resources, the Sustainable Development policy is now firmly entrenched in ALTEN's strategy. It obliges the company to take a critical view of itself, to ask itself new questions on an ongoing basis to ensure that its practices are continually improved. In this respect, ALTEN assesses its progress against concrete, measurable criteria and undergoes external appraisals. For example, the EcoVadis assessment, carried out in 2012, ranked ALTEN as the leading company in the technology consulting sector regarding CSR criteria. With a score of 6/10, the Group is in the top 15% of all companies*

*already assessed. In France, ALTEN is also a leading stakeholder in the local economy in all regions in which its entities operate, through the development of employment and partnerships with local suppliers and sub-contractors. The Group strives to maximise its positive impact on the people living near its sites. Finally, ALTEN's activity in the field of sustainable development is a key factor in making its employees feel a sense of pride and belonging. As the bases of this strategy have been laid, one of the Group's goals for the future consists of ensuring that its actions are sustained in the long-term by involving a growing number of employees.*

# Developing

## SKILLS

The men and women who work for the ALTEN Group are the driving force behind its activity. ALTEN has implemented a dynamic Human Resources management policy focusing on diversity and skills development. The Group seeks to foster and develop talent so that each area of expertise may assert itself.

## ALTEN: a responsible employer

TRAINING EXPENDITURE  
ACCOUNTED FOR

**2.60%**

OF THE TOTAL PAYROLL  
FOR ALTEN GROUP  
COMPANIES IN FRANCE  
IN 2012

### DEVELOPING SKILLS, ENHANCING EMPLOYABILITY

Given the internationalisation and diversification of the Group's fields of activity, the high value-added skills of its employees are more than ever the key to its success. ALTEN is developing an ambitious training policy to allow it to prepare for the challenges of the future.

The constant evolution of technology is an internal driver for the development of innovative training programmes for the men and women who take the Group forward. Each Group entity has its own specific training department, allowing it to address its employees more closely. They also draw on the Group's internal University, the ALTEN Training Centre (ATC), which was created on 1 January 2011. This approved training body develops internal training and offers structured, diversified training programmes for all employees, regardless of their

position. Whilst allowing each person to develop their professional role, the ATC is an area for interaction and competitiveness that creates true internal cohesion.

The ATC offers a full range of training courses. Its programmes consist of classroom-based courses and practical workshops, supplemented since 2012 by an e-learning platform. This method makes educational content accessible to all employee categories. One of the many training programmes on offer focuses on performance, or how mastering appropriate communication and organisation tools and techniques ensures daily professional excellence as part of an ongoing drive for improvement. Another training programme focuses on using



knowledge-building to develop technical skills, for human resources roles. Skills and know-how in management (managing a team, mobilising and developing employees, etc.) and the transfer of expertise (training for trainers) can be acquired through two specific modules. A range of training programmes in structured project management, known as the ALTEN Way of Project Management, is aimed at project managers and engineers, whilst the ALTEN Management Program (AMP) has been developed to enhance the performance and foster the development of sales managers. AMP aims to accelerate the manager's empowerment, allowing the manager to build on and make sense of his or her experiences, before going on to shape best practices. The topics dealt with are organised according to the manager's level of responsibility.

The wealth of the training programmes offered by the ALTEN Training Centre is a means of continually enhancing the employability of our staff.

### CAREER MANAGEMENT

As each employee is unique, ALTEN develops processes to identify skills and expectations so as to ensure that its projects closely match its employees' desires, in both a geographical and an operational sense. Internal mobility lies at the heart of ALTEN's HR policy. Encouraged within the Group's subsidiaries for all professional categories, it draws on annual appraisals supplemented by HR committees. These staging points allow ALTEN's employees to develop their career according to opportunities



**MORE THAN**  
**2,500**  
**ENGINEERS, 380 SALES MANAGERS AND 330 SUPPORT FUNCTIONS WERE TRAINED IN ALTEN GROUP COMPANIES IN FRANCE IN 2012.**

arising within the Group. This dynamic, cross-departmental and transnational career management ensures the constant evolution, both horizontally and vertically, of the Group's employees working in the managerial and technical fields, opening up new prospects for their professional development.

### DIVERSITY AT THE HEART OF THE GROUP'S HR POLICY

Within ALTEN, diversity – whether related to culture, gender, age or career – fuels the Group's values and human resources policy. A career management process aimed at older employees has been implemented, comprising a second-stage career interview and priority access to training. At the same time, ALTEN ensures that their expertise is passed on to the Group's young graduates and those on work-study placements. Finally, given the internalisation of its activities, ALTEN encourages cultural diversity: 75 nationalities are represented in the Group's workforce, which is a true melting pot of skills and personalities.



### ALTEN: TOP EMPLOYER IN 2012 AND 2013

*For the second year running, in early 2013 ALTEN was awarded the "Top Employeurs France" label by the CRF Institute, an independent body, rewarding the Group's efforts to become a top-grade employer. ALTEN underwent an audit aimed at analysing and assessing a range of topics relating to its human resources management: corporate culture, remuneration practices, training and professional development plan, communication, well-being policy, career management and commitments and initiatives*

*in terms of sustainable development and corporate social responsibility. Following this in-depth survey, the CRF Institute highlighted the active management of training and development of talent through the ALTEN Training Centre, together with the key role played by ALTEN in integrating young graduates into the workforce.*

*This label rewards the values upheld internally for many years and the Group's commitments to the development of human capital.*

**GRADUAL DEPLOYMENT  
OF THE DISABILITY POLICY**

In the firm belief that diversity creates value, in 2012 ALTEN carried out a “disability diagnostic” in collaboration with a consulting firm in order to promote the integration and continued employment of disabled employees.

After several weeks of studies, analyses and meetings with employees from various fields, and in partnership with staff representative bodies and occupational health, the disability diagnostic highlighted how disability is perceived within ALTEN, along with the positive aspects and the potential areas for improvement.

Based on these observations, work groups have put together pragmatic action plans leading to the implementation of a disability initiative tailored to the specific nature of the group’s occupations and activities.

The results of this diagnostic and the action plans were presented to the AGEFIPH (a French government agency promoting the employment of disabled people) in late February 2013.

This diagnostic thus represents a starting point for the structuring and subsequent deployment of a proactive, successful disability policy within the ALTEN Group.

This policy will enable ALTEN to recruit disabled workers, ensure their continued employment and strengthen its links with the sheltered employment sector (e.g. ESATs [French organisations that help disabled people back into work] and EAs [disability-friendly companies]).

An e-learning course entitled “Disability at work: all in this together”, made available to all employees, represents the first step towards raising awareness and changing behaviour with respect to disabilities.

**WORK-STUDY PLACEMENTS:  
A SPRINGBOARD FOR YOUNG PEOPLE**

Work-study placements act as a bridge between academia and the world of work. Up to the end of 2011, ALTEN supported some thirty students on work-study placements every year. In 2012, the Group stepped up its efforts and committed to taking on more employees through this programme,

**A HANDBOOK TO ENTRENCH THE HEALTH,  
SAFETY AND ENVIRONMENT CULTURE WITHIN THE GROUP**

*In order to set out the means of preventing occupational hazards, instil good practices and encourage behavioural changes, in 2012 the ALTEN Group’s staff representative bodies and Safety team developed a Health, Safety and Environment (HSE) handbook.*

*Distributed gradually to all ALTEN employees, the HSE handbook is intended to function as the reference guide for raising awareness of the Health, Safety and Environment process. The HSE Handbook sets out*

*the duties required by ALTEN and its staff, together with their organisational structure and their responsibilities. It also covers the various applicable regulations. Finally, it introduces the people who work on prevention, together with the risks inherent in the Group’s activities that employees may face on ALTEN’s premises and those of its customers and partners. It also advises on how to respond in the event of an incident or accident affecting people or the environment.*



**81**  
 EMPLOYEES ON  
 WORK-STUDY PLACEMENTS  
 WERE PRESENT  
 IN THE WORKFORCE  
 AT 31/12/2012

with the target of at least 1% of the annual workforce on work-study placements.

All employees on work-study placements, whether they are on an apprenticeship or a professional training contract, are supervised by an ALTEN tutor responsible for the student's integration and ensuring that his or her contract is completed successfully. The tutor passes on his or her knowledge to the student, ensuring that he or she gradually acquires new skills in accordance with the training programme. The tutor also prepares the student for his or her future profession.

Most employees on work-study placements are recruited by the Group's support functions (Finance, Human Resources, Marketing, Communication, Information Systems, Quality, etc.), which are best suited to the terms of this type of contract. At the end of the contract, a successful placement may lead to a permanent contract. For ALTEN, the recruitment of students on work-study placements is a chance to train workers in the Group's occupations and identify potential future employees. For Adeline D., HR apprentice, *"My work-study placement allows me to acquire the knowledge I need to obtain my degree. By working in a fully-fledged role, I gain technical and 'field' skills in the area I am studying. The work-study programme is a real springboard for final-year students"*.

#### **INTERNAL MOBILITY: ENRICHING CAREER EXPERIENCE**

ALTEN encourages internal mobility, in France and abroad, for all types of occupation. This mobility allows all employees to develop their skills, give a boost to their careers by rising to new challenges and expand their horizons by discovering new cultures. Romain S. talks about his career: *"I joined the company in 2008 as a project engineer. Since then, I have been lucky enough to occupy three different roles: To begin with, I worked as an Agency Manager in the south of France, before being placed in charge of running a Business Unit within one of the Group's Parisian entities. I now manage the Anotech Energy branch in Russia. After these past four years, and taking a quick look at what ALTEN offers in terms of career development for its sales managers, I am proud to belong to a group that knows how to*

*trust and invest in its middle management. And on an international scale at that."*

#### **STRENGTHENING OF THE OVERALL EMPLOYEE HEALTH AND SAFETY PROCESS**

ALTEN has implemented a strong risk prevention process, focusing in particular on risks relating to the Health and Safety of its employees. Since its creation in 2011, the Safety team has been tasked with deploying the Group's Health, Safety and Environment (HSE) policy in response to customer and regulatory requirements and high internal standards. This strategy is based on:

- risk prevention, which consists of identifying all risks to which employees may be exposed, raising employees' awareness of those risks and the means of reducing them, and dialogue and communication with the Health and Safety Committee;
- training, with a proactive system for both regulatory training (e.g. workplace first-aid courses) and voluntary training. More than 300 employees took the Introduction to First Aid and Defibrillators training course organised by ALTEN in 2012. At the same time, an e-learning course on occupational hazards has been deployed, to make all employees aware of their responsibilities in terms of safety. This course provides the means with which to identify, assess and prevent occupational hazards;
- sessions to raise employee awareness of specific risks, held regularly onsite;
- the provision of dedicated equipment, such as personal protective equipment. In addition, in 2012, all of ALTEN's sites were equipped with defibrillators;
- monitoring of regulations and standards, allowing ALTEN to respond to safety regulations as early as possible.

The renewal of the Group's MASE (*Manuel d'Amélioration de la Sécurité en Entreprise*) and CEFRI (*Comité français de certification des Entreprises pour la Formation et le suivi du personnel travaillant sous Rayonnements Ionisants*) certifications demonstrates the efforts made and successes achieved through the procedures implemented by ALTEN's Health and Safety management system.

**100%**  
 ARE EQUIPPED WITH  
 DEFIBRILLATORS



# Revealing

## TALENT

ALTEN strives to enhance the standing of engineering professions and scientific careers and encourages student entrepreneurship in order to foster excellence among the engineers of the future.

## Recruitment of young graduates

### HALF OF ALL RECRUITMENT MADE UP OF YOUNG GRADUATES

In a context of firm engagement, where the quality and productivity requirements of ALTEN's customers are ever more demanding, the ability to recruit the best talent is more crucial than ever.

With high-level skills becoming increasingly rare, ALTEN is a key player on the European engineer employment market. In 2012, the Group pursued its active international recruitment policy, welcoming more than 3,000 young engineers and employees with high potential. Some 150 managers, in charge of sales development and managing teams of consultants, were also recruited and trained during the year.

A real career springboard, ALTEN recruits and integrates young professionals. In 2012, around 50% of the candidates recruited by the Group had graduated

less than two years previously. The Group's consultant teams, 90% of which are comprised of engineers, have an average age of 29, with five years' prior experience. Working on the Group's major technology projects in the Aeronautics, Automotive, Nuclear, Telecoms and Services fields, they have access to sector-based and geographical opportunities through the ALTEN Group, with mobility programs in France and abroad.

### A PROACTIVE STUDENT INITIATIVE

ALTEN develops multiple ties with future graduates. Alongside the ALTEN Job Tour, held in several large French towns, the Group participates in 80 recruitment fairs and forums. It also develops close partner relationships with engineering and business schools and with the CNJE (French National Confederation of Junior Enterprises), represented in 160 French



schools and universities. ALTEN also offers a range of doctoral theses, apprenticeships and student placements which, thanks to the opportunities created by its research and development work, are renowned among students as being of particularly high quality and of a high technical level.

The development of close relationships with academia calls more and more frequently upon the relationship networks of ALTEN's employees. An internal referral system encourages and rewards the sponsorship of job applications by employees. As true ambassadors of the Group, an increasing number of ALTEN's consultants and managers visit their old universities to give lessons, tutorials, conferences and skills-transfer sessions.

#### **INCREASING VISIBILITY ON SOCIAL NETWORKS**

70% of ALTEN's young graduates are recruited via the Internet. ALTEN is strengthening its presence on

IN 2012, AROUND  
**50%**  
OF THE CANDIDATES  
RECRUITED BY THE GROUP  
WERE YOUNG GRADUATES.

social networks, the favoured tools of Y generation. Highlighting initiatives, sharing links and relaying information, discussions, consultant pictures and interviews: ALTEN has its own Facebook and Twitter accounts and a dedicated YouTube channel. The Group also runs several information and opinion-sharing hubs on the professional social networks Viadeo and LinkedIn.

## Promoting engineering professions

#### **PROMOTING ENGINEERING PROFESSIONS**

Engineers are the cornerstone of ALTEN's growth. In addition, one of the Group's goals consists of enhancing the standing of engineering professions, particularly among women, who are still in the minority among graduate engineers.

#### **"ELLES BOUGENT": ENCOURAGING CAREER PROGRESSION**

Too few young women choose to train in scientific or engineering subjects and they are still under-represented in engineering professions. With ALTEN's support since 2009, the "*Elles Bougent*" association (roughly translated as "women on the move") sets great store in the value of meetings and testimonies to promote increased female take-up of high-level technical and scientific careers. Several opportunities for meetings and discussions between students

and ALTEN sponsors were thus set up in 2012. On September the 1st 2012 at the Paris Motor Show, an event entitled "*Elles roulent pour le futur(e)*" ("women driving for the future") gave 100 young women a chance to discover the automotive industry and its innovation-related issues by meeting specialist female engineers – both young graduates and more experienced individuals – from partner businesses (including ALTEN). Their creativity and sense of innovation were tested by an online competition entitled "The Car of 2050", with prizes awarded by ALTEN.

On 21 February 2013, the first "female networks and careers" forum was attended by more than 450 students, allowing ALTEN to present opportunities for work placements, jobs and careers offered within the Group and to offer coaching and training sessions.

**“LES ELLES D’ALTEN” : ALTEN’S  
FEMALE EMPLOYEE NETWORK**

Last year saw the creation of ALTEN’s internal network, “Elles”, made up of around 80 of the Group’s female employees and comprising both engineers and business managers. The objective of this network, whose first meeting was held in February 2013, is to foster cross-departmental interaction between female employees, promote gender equality and female leadership within the Group and help increase the recruitment of female engineers.

**ALTEN: PARTNER  
OF THE PASC@LINE ASSOCIATION**

ALTEN supports the initiatives led by the Pasc@line Association to promote ICST (Information and Communication Sciences and Technologies) careers among college students. Through working groups, the Group discusses and cooperates with educational institutions and other professionals with a view to:

- raising awareness among young people of the career issues raised by the digital revolution;
- helping educational institutions communicate more effectively on the opportunities and professions available, to young people of all backgrounds;
- adapting teaching programmes to prepare young people more effectively for the needs of businesses in an international environment;
- striving to understand and anticipate changes in ICST occupations.

**NICOLAS**

Aeronautics engineer at ALTEN and French Junior Rally champion for 2011

**THIJS**

Top handball player at ALTEN in the Netherlands

**LAURENT**

First results from biodiversity research in Chile



*Throughout the year employee projects backed by the Group are reported internally to encourage the enterprise culture.*

**SUPPORTING TALENT**

Among both its own employees and the general population of engineers and engineering students, ALTEN implements an active policy of fostering and promoting talent.

**ALTEN’S WORKFORCE HAS TALENT**

ALTEN has created a programme supporting the personal passions and initiatives of its employees in the sporting, humanitarian, scientific and cultural arenas. Named “*Nos salariés ont du talent*” (“Our employees have talent”), this programme aims to promote the wealth and diversity of the human tapestry formed by the Group’s teams. The projects supported by the Group are reported on via the “ALTEN Touch” blog, which aims to foster links between employees and give ALTEN a more vibrant corporate culture.

**ID’MOBILE: CREATIVITY  
TAKES CENTRE STAGE**

In association with its subsidiary ID.apps, in 2011 ALTEN launched a competition for students from 90 engineering schools and master’s degree courses, focusing on the design and production of new mobile applications. The teams taking part are assessed on their creativity and boldness, as well as on their ability to design potentially-viable solutions and present a prototype version. For the 2012 edition, first prize was awarded to the Interactive MCQ team from Télécom Bretagne, with an application platform for generating and inputting MCQ answers in professional and even educational contexts.

**SPOTLIGHT ON  
THE ENGINEERS OF THE YEAR**

Promoting engineering careers by showcasing profiles of passionate engineers: this is the purpose of the Engineer of the Year Prize, organised jointly since 2004 by the magazines “*Usine Nouvelle*” and “*Industrie et Technologies*”. As a partner of the event, each year ALTEN awards the prize for the “Innovation” category, which in 2012 went to Nicolas Barthel (holder of a doctorate in chemical engineering) for a project named “*Coleopterre*” focusing on the recovery of rare earth elements produced by the recycling of energy-saving bulbs.

In the same vein, ALTEN also takes part in the “*Trophée des femmes de l’Industrie*” (“Women in Industry Trophy”) awarded by “*Usine Nouvelle*”



magazine, which showcases women leading exemplary careers in industry. The winner of the Trophy for the “Projects” category, awarded by ALTEN, was Florence Jacquemart, who managed the rollout of DTT in France for TDF.

### COACHING AND SKILLS TRANSFER

Entrepreneurial spirit, the pursuit of performance and team building are the values that ALTEN strives to promote in academia. Through privileged partnerships, the Group shares its skills and experience and prepares today’s talented young individuals to meet the challenges of tomorrow.

### CNJE PARTNERSHIP: THE SCHOOL FOR ENTREPRENEURSHIP

Signed in late 2011, the partnership linking ALTEN with the CNJE (French National Confederation of Junior-Enterprises) is based on a shared desire to promote and foster entrepreneurship among students. It also meets the need expressed by France’s first student confederation for bridges to the world of business, helping to support young people taking their first steps in active professional life. In addition to financial support, ALTEN helps young entrepreneurs through skills-transfer sessions to develop their group studying activities and build their individual career plans. The 14 regional and national Congresses organised by the CNJE in 2012 provided ALTEN with a chance to hold project-management training sessions and sales-cannvassing simulation workshops.



The hybrid Hypnoza competed in the 2012 SIA Trophy run by the French Automotive Engineers Society.

### WINSTRAT: THE BUSINESS GAME FOR GRANDES ÉCOLES

ALTEN is one of the most committed partners of this management challenge, organised by the Douai Ecole des Mines and Lille’s Ecole Centrale, which pits 95 teams of engineering students from France’s “grandes écoles” (its most prestigious universities) against each other in virtual business projects. The 500 students taking part are judged collectively on their ability to design an effective, profitable and lasting business strategy, in a fiercely competitive environment. They receive advice from partner businesses. As part of this educational challenge, in 2012 ALTEN sponsored the two teams from the Ecole Centrale Paris and the ESSTIN in Nancy, both of which reached the final. For the second year running, the Alès Ecole des Mines won the competition.

### PARTNERSHIP WITH LYON’S EPSA CENTRALE

Designing prototype environmentally-friendly vehicles from scratch, which then have to be manufactured and pitted against each other on the racetrack, is the tricky challenge ALTEN supports through the “Ecurie Piston Sport Auto” racing team at Lyon’s Ecole Centrale. This human, technical and educational adventure sees three to four Group consultants deliver supervised skills-transfer programmes lasting several months and helps to promote automotive engineering professions among student engineers. The fruit of this collaboration, the Hypnoz hybrid vehicle, took part in the 2012 SIA Trophy (French Society of Automotive Engineers).



# Innovating

## WITH ITS PARTNERS

The Group places relationships with partners at the core of its responsible development. Through its purchases, ALTEN carries out balanced trade with its suppliers. ALTEN is dedicated to offering its customers innovative, sustainable solutions that meet their current and future needs, thanks to the expertise of its employees in internal and external R&D projects. ALTEN also takes on students nearing the end of their engineering course and working on research theses.

## Responsible purchasing

### NOVEA

*As a signatory of the UN Global Compact since 2006, Novea places protecting the environment and improving social conditions at the core of its business model. By favouring the use of bicycles and electric vehicles, more than 1.5 tCo<sub>2</sub>Eq were saved in 2012. To reduce the instability generally associated with the job of a courier, Novea offers them a permanent contract, a fixed salary and training in road hazards.*

**Key figures for the Novea-ALTEN partnership between June and December 2012**

- 16% of deliveries made by bicycle or electric vehicle.
- More than 300km travelled by bicycle or electric vehicle, 10% of the total.
- 20 kg tCo<sub>2</sub>Eq saved thanks to deliveries made by bicycle or electric vehicle.

### THE GROUP IS STRENGTHENING THE INTEGRATION OF SUSTAINABLE DEVELOPMENT INTO ITS PURCHASES WITH THE AMBITION OF CREATING LASTING, EQUITABLE RELATIONSHIPS WITH ITS SUPPLIERS

Created in 2011, the Responsible Purchasing Charter invites suppliers to follow the universal principles of the United Nations Global Compact. It has been incorporated into all calls for tender since 2012. The Group's main suppliers have lent their support to ALTEN's sustainable development process by signing this Charter. Besides price, "responsible" purchases take employee-related, environmental and corporate social responsibility criteria into account when selecting products and services and seeking

alternatives. Wherever possible, ALTEN favours suppliers who are committed to their own stakeholders. Each type of ALTEN purchase can be planned from a sustainable development viewpoint. In 2012, ALTEN imposed high environmental performance standards on its site-cleaning service providers (ISO 14001 certification, eco-labelled cleaning products). Moreover, in June 2012, ALTEN tied up a partnership for its sites in the Ile-de-France region with Novea, which uses bicycles and electric cars instead of motorbikes for its courier network, wherever this is permitted by the type of item being delivered. The benefits are multiple: ALTEN reduces its CO<sub>2</sub> emissions, helps cut down road traffic and supports an innovative company. As regards ALTEN's vehicle fleet, models limited to CO<sub>2</sub> emissions of 120 g/km have been introduced into the company car catalogue. This commitment by the Group pre-empts regulatory requirements. Finally, from a corporate social responsibility standpoint, the recommendations produced by the Disability Diagnostic will allow us to increase the purchases we make from companies in the sheltered sector. Internally, the Group's main buyers received training in Sustainable Development and Responsible Purchasing in 2012. The goal is two-fold: give them all the tools they need to identify the leading suppliers in terms of sustainable development, whilst

supporting those who want to improve. Discussions will be based on win-win relationships, which encourage innovation and the reduction of the environmental footprint.

### **ECOVADIS CONFIRMS ALTEN'S PROGRESS IN SUSTAINABLE DEVELOPMENT**

EcoVadis, an independent non-financial rating agency, assesses, on an annual basis, social practices, environmental actions, ethical business practices and the deployment of responsible criteria in corporate purchasing across all business sectors. Following EcoVadis' assessment for 2012, the ALTEN Group's responsible policy was awarded "Confirmed" status. This result rubber-stamps the progress made by the Group's sustainable development process.

ALTEN achieved some of the best results among the 750 companies in its business sector and occupies a leading position among the group of 15,000 companies assessed by EcoVadis in 2012, ranking in the top 15% overall. This score represents recognition for the Group and demonstrates the efforts accomplished and breakthroughs made by ALTEN's teams to ensure ongoing improvement in terms of employee relations, corporate social responsibility and the environment.



# Innovation and sustainable development

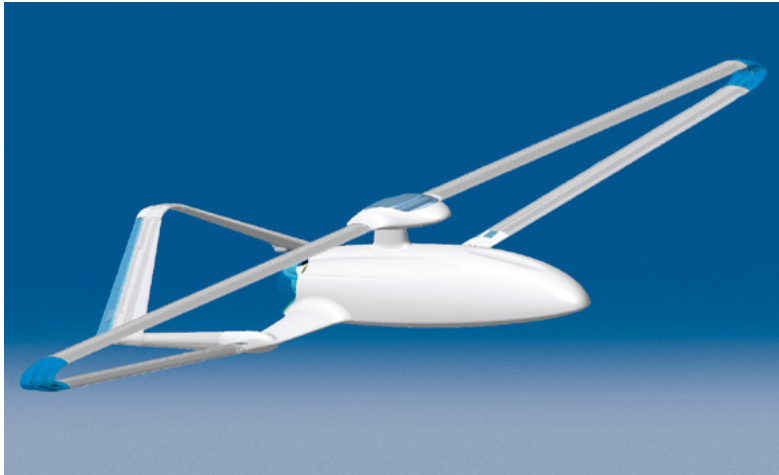
## **SOLUTIONS TO HELP OVERCOME VISUAL IMPAIRMENTS**

ALTEN's Research and Development Division develops innovative image processing solutions for blind and visually-impaired people, in partnership with a number of renowned laboratories specialising in image processing, placing the technology at the service of:

- medical research, through the development of new imaging solutions based on Optical Coherence Tomography and Adaptive Optics, which can be used to observe and understand retinal pathologies more effectively;

- visual assistance in various environments, for movement in the workplace via camera networks, in the metro by analysing signage, in cars to improve visibility in fog and in the home to facilitate the use of multimedia and home appliances and tools via gesture commands;

- the assessment of technical solutions through the behavioural analysis of patients via heterogeneous sensor network data fusion.



Drone developed by the company SwAT, in collaboration with ALTEN.

#### DRONE NETWORK PROVIDING EMERGENCY RELIEF FOR VICTIMS OF NATURAL DISASTERS

ALTEN and SwAT, an innovative French-Swiss start-up, are working together on the development of a solution to allow swarms of drones, with the greatest possible autonomy, to be deployed to disaster areas to identify possible victims and, where needed, deliver emergency kits (medical and communication equipment, etc.) weighing between 10 and 40 kg. The performance of this system will depend on two aspects:

- **the performance of the innovative aircraft** designed by SwAT, which, thanks to a looped wing with a span of 5 or 7 metres, boasts extraordinary aerodynamics giving it excellent flight capability of 5 to 10 hours and allowing it to fly without stalling at very low speeds and at high speeds, with an exceptional payload capacity for a fixed-wing aircraft;
- **the development of services equipped with artificial intelligence**, which will allow drones to make decisions for the success of the mission and, thanks to this autonomy, will allow a system of drones to be used that requires a limited number of operators.

This solution should therefore provide a simple, effective and economical alternative to the use of heavy, costly equipment such as helicopters (which are expensive to buy, use and maintain and require experienced pilots).

As part of this programme, ALTEN is conducting **exploratory developments** on: control systems and artificial intelligence, operating safety, drone cooper-

ation, drone swarm management, image processing, automatic dropping of emergency kits, navigation systems, automatic flight-plan creation, high-speed telecommunications, etc.

#### CREATION OF A BUILDING ENERGY-PERFORMANCE MONITORING AND DECISION-MAKING TOOL

Bouygues Energies & Services Facility Management (FM), part of the Bouygues Construction Group, has entrusted ALTEN with the architectural design, production and maintenance of its HYPERVISION® project. Its goal: to measure, readjust and predict energy and liquid consumption based on real usage conditions. The solution can also be used to monitor comfort and equipment availability. A detailed analysis of the data and the energy signature specific to each building allows action to be taken to reduce the building's energy consumption in an effective and lasting manner.

Two stages of the project have been led by ALTEN. The first consists of the design and production of a communication system between the various building operation software applications, harmonising the different software applications used by the data collection and processing tools. ALTEN's employees working on this project have created a universal connection gateway for this purpose, known as FMBox®. Secondly, they have designed and produced a decision-making system tasked with collecting, aggregating and reporting building energy-consumption data reliably and exhaustively. Via a user-friendly web interface, the person responsible for building management can easily adapt his or her decisions and actions to suit the real situation, either current or anticipated, in order to reduce the building's energy consumption. This solution can be used to monitor the availability of equipment and conduct simulations and consumption forecasts. These two innovative solutions offered by ALTEN have been approved by Bouygues Energies & Services in order to meet its dynamic scenario reproduction and modelling requirements (Qlikview, Kxen, etc.). Applications to register the trademarks and patents for HYPERVISION® and FMBox® have been filed.

#### ALTEN'S ENGINEERS SUPPORTING THEIR CLIENTS' MAJOR PROJECTS

- As part of the "Paquet Vert Autoroutier" agreement signed with the government on 25 January 2010, three motorway construction and management

companies have undertaken to build motorways that are safer, more environmentally-friendly and more pleasant to use, through practical initiatives relating to the protection of water resources, the preservation of biodiversity, the reduction of CO<sub>2</sub> emissions, the eco-renovation of rest areas and noise protection. ALTEN assists one of these companies with running and managing the project, supervising the participants and preventing risks, in a context of integrated computer applications.

■ As part of an aircraft manufacturer's flagship project focusing on reducing the environmental footprint of its non-industrial operational sites, ALTEN helps to compile the project roadmap, consolidating the environmental reporting data of the sites in question since 2006 in order to establish a diagnosis. ALTEN's team also manages the internal coordination of the manufacturer's various stakeholders, with a view to producing best practices and taking into account their needs, together with the creation of a dedicated website. Eventually, this project, which forms part of a corporate initiative for 2020, aims to reduce the sites' water consumption by 50%, their waste production by 50%, their VOC and CO<sub>2</sub> emissions by 50%, their energy consumption by 30% and the quantity of water discharged by industrial sites by 80%.

### **ALTEN WINS THE 2012 FRENCH NATIONAL ENGINEERING PRIZE ("INDUSTRY" CATEGORY)**

On 25 October 2012, ALTEN's innovative work in the field of energy production and storage was rewarded with the French National Engineering Prize (*Grand Prix National de l'Ingénierie*) in the "Industry" category, awarded under the patronage of the French Ministry for Ecology, Sustainable Development and Energy (MEDDE), the Ministry for Industrial Renewal (MRP) and the association of engineering companies Syntec-Ingénierie. This competition showcases innovative, creative projects based on infrastructures, construction, complex systems, products and industrial processes. The inventiveness, technology and innovation employed, the specific contribution made by engineering to the project's added value and the contribution to sustainable development were the decisive factors in ALTEN's success. In an exclusive partnership with ALTEN, an innovative SME has developed a promising energy-storage technology based on the electrochemical coupling of metal and air. This metal-air battery, which remains

stable over time, produces no CO<sub>2</sub> emissions and is much more efficient than current technology. Alongside the development of renewable energy, energy storage is one possible solution to the increasing scarcity of fossil fuels. ALTEN has developed the prototype aluminium-air battery and carried out tests to identify and resolve industrialisation issues. To achieve this, ALTEN took over the overall management of the project, bringing together a full industrial ecosystem in an international environment (France, China, Spain, the US, the Netherlands, etc.) for the various stages of the project. Following a test carried out by a major French car manufacturer, this innovation could be rolled out across various industrial and commercial sectors, such as the automotive industry to maximise the driving range of electric vehicles; defence, for the supply of military equipment during operations; hospitals, data centres and sensitive industrial sites, to replace standard backup systems; and energy, for areas with no access to power.

### **TECHNICAL CONFERENCES: AT THE HEART OF THE "ENGINEER CULTURE"**

*Technical conferences are held for all ALTEN employees several times a year. Expert speakers from industry and scientific research attend to talk about their technological experience and share their professional skills, allowing the Group's consultants to build on their expertise.*

*In June 2012, Alain Lunati, holder of the 2011 Engineer of the Year award in the Sustainable Development category, gave a presentation entitled "Innovating to optimise the performance of combustion engines: the sensor that helps save fuel". He has developed an optical sensor that can be fitted to a car to analyse fuel composition, and thus quality, in just a few seconds. As this has an impact on the performance of the car engine, the fuel analysis obtained by the optical sensor can be used*

*to adapt the operation of the engine to the fuel measured, reducing pollutant emissions by up to 20%, fuel consumption by up to 5% and greenhouse gas emissions. This solution, marketed by SP3H, is a valuable means of responding to the growth of the automotive market in emerging countries such as China and India whilst limiting the associated pollution.*

*In September 2012, a general inspector for nuclear and industrial safety from AREVA examined how social, organisational and human factors are taken into account in the processes that aim to reduce and control human error in the use of these systems, which have become increasingly complex in a context of high stringency in terms of safety and environmental care.*

# Protecting

## THE ENVIRONMENT

ALTEN is committed to reducing the environmental impact of its activities and protecting biodiversity, by implementing projects adapted to its business model. From the management of its waste to setting up activities on new sites, journeys made by its staff and its internal IT solutions, the Group applies concrete actions on a daily basis to ensure greater respect for the environment.

## Preserving natural resources

**1,000**  
MUGS DISTRIBUTED  
TO EMPLOYEES  
THROUGHOUT  
FRANCE

### ALTEN'S EMPLOYEES IN FRANCE: PARTNERS OF THE REFORESTATION OF PERU

Support for reforestation in Peru is one of ALTEN's commitments for the protection of biodiversity. By adopting certain eco-friendly behaviours, ALTEN's employees have helped protect more than 10,000 trees growing naturally in a Peruvian community since 2011.

In cooperation with 5Continents and Reforest'ation in France, and the Peruvian association AIDER onsite, ALTEN funds the protection of trees growing naturally in northern Peru. To ensure that this initiative is reflected in practice and create true awareness of the environmental impact among its staff, the Group has tied the project in with the adoption of internal eco-friendly behaviours, creating a lasting relationship between the José Ignacio Tavera community in Peru and ALTEN's employees in France. In the last quarter of 2012, for each plastic

cup saved by automatic coffee machines equipped with detection sensors, ALTEN financed the protection of trees in this community. To back up the campaign, 1,000 mugs were distributed during the European Week for Waste Reduction (in November 2012). A "tree counter" on the intranet illustrated the efforts made by everyone to make the campaign a success.

In the two years since the partnership began, ALTEN has funded the protection of more than 10,000 trees of three different species in the José Ignacio Tavera community. This project has a positive impact on biodiversity and the local ecosystem, as it helps protect vegetation where it is threatened by desertification. The protected trees store more than 3,000 tonnes of CO<sub>2</sub> over 30 years, whilst producing around 50 tonnes of ground litter. Protecting them encourages the natural enrichment of the soil, the protection of agricultural land and areas used for livestock farming, the use of non-rare wood as an





**10,030**  
TREES PROTECTED  
SINCE 2011

energy source and a return to traditional uses for tree products. The project is managed in such a way as to protect and manage the forests in the long-term, whilst ensuring that the community remains independent. It has generated jobs for around 100 people and an extra income for farming families. Finally, 17 schools have increased awareness of the importance of the dry forest that surrounds them.

**PAPER:  
AN EFFICIENTLY-MANAGED RESOURCE**

ALTEN's activities generate waste of which 80% is comprised of paper. In addition to its support for reforestation, the Group intervenes at various stages of the paper life cycle in order to reduce its environmental impact.

■ **Selective sorting**

ALTEN has deployed a dedicated system of selective sorting: every office and service point (break rooms, photocopier areas, etc.) contains a blue bin intended specifically for paper, along with a black bin for other mixed waste. As of 31 December 2012, most of the sites occupied by ALTEN were equipped with the selective sorting system.

■ **Management of printer paper and communication materials**

Since 2011, ALTEN has used a 100% recycled, FSC certified paper, replacing traditional white paper<sup>1</sup>. The new paper is of the same quality but is less harmful to the environment. To reduce paper consumption, the Group's printers are gradually being configured to print on both sides by default. The use of electronic invoicing has been introduced

for a number of our customers. Finally, most paper communication materials use recycled paper with a high level of environmental certification, whilst printing companies are selected wherever possible based on their willingness to reduce the environmental impact of their activities.

**INDIVIDUAL SOLUTIONS  
TO REDUCE THE ENVIRONMENTAL  
FOOTPRINT OF EMPLOYEE TRAVEL**

Every day, ALTEN's employees travel many miles – most often by car – to reach their place of work or visit client premises. Mobility is a key issue for ALTEN: employee travel accounts for 75% of its greenhouse gas emissions. In order to enhance its employees' safety and reduce the Group's environmental footprint, ALTEN offers its staff innovative solutions including training in eco-driving and a web conference platform.

■ **Developing eco-driving training courses**

48% of emissions from travel are produced by road transport<sup>2</sup>. To ensure that each person adopts a safer, more economical and more environmentally-friendly driving style, since 2011 the ALTEN Training Centre has funded 240 e-learning eco-driving course licences, through an approved service provider. The goal: to learn to drive smoothly and less aggressively, by adapting your speed, improving your anticipation and maintaining your vehicle more regularly. Fuel consumption is cut by around 10%, maintenance costs are optimised and stress and fatigue are reduced. Eco-driving is an effective road-safety measure, cutting the number of accidents by 10 to 15%.

In 2012, 69% of the paper used<sup>1</sup> was of 100% recycled origin and FSC certified

92% of site areas equipped with the selective sorting system

228 employees trained in eco-driving since 2011

1 - Except headed paper.  
2- Data taken from the ALTEN Group France's 2010 carbon-footprint assessment.

**Around 838,000**  
communication minutes  
used in 2012

**1,660 accounts** opened

**6,948 conferences** held

Since its introduction, 228 employees have benefited from this course, delivered by the ALTEN Training Centre. The Group wants to extend the programme in 2013 by integrating into its e-learning platform a module available to all ALTEN staff in France.

#### ■ Rollout of the audio and web-conference system

Since 2011, ALTEN has rolled out the WebEx solution in France, a cloud application hosted by Cisco. WebEx is used to organise audio and web conferences from a computer, interacting with people via webcam whilst sharing documents, screenshots and files securely and interactively. For audio interactions, the international conference-call bridge infrastructure provided by Arkadin guarantees each participant a local number and optimal sound quality. This application avoids employees having to travel to meetings with interlocutors located far away. Thus, in the light of the ALTEN Group's international expansion, it is no longer necessary to travel across France, Europe or the world for meetings that only last a few hours. WebEx has now been deployed for employees in seven countries: France, Belgium, Germany, Italy, Sweden, Spain and India.

#### ECO-EFFICIENT BUILDINGS PROVIDED FOR OUR EMPLOYEES

Against a backdrop of sustained workforce growth, alongside an increasing need to develop the offer

towards services carried out on ALTEN's premises, one of the Group's major challenges lies in adapting its buildings whilst guaranteeing optimum working conditions for its employees.

To meet this challenge, ALTEN favours, wherever possible, eco-designed buildings possessing the highest possible environmental certification, with primary energy consumption (heating, air conditioning, ventilation) of less than 40 kWh/m<sup>2</sup>/year, for optimum economic performance. The move in 2011 to the "EcoLucioles" building at Sophia Antipolis, which is both BBC (Low-Energy Building) and HQE<sup>®</sup> (High Environmental Quality) certified, marked the start of this process. ALTEN has signed a partnership agreement with GA for its regional HQ in Toulouse. In late summer 2011 and spring 2012, the Group moved into two BBC/HQE<sup>®</sup> certified buildings. These buildings are equipped with the GAPEO<sup>®</sup> system (Active Computer-Aided Management of Energy Efficiency) developed by GA, which combines the use of efficient equipment (thermal break bays, individual heat pumps, low-energy light fittings) with centralised technical management. The building's energy consumption is analysed and optimised according to the behaviour of its occupants and external conditions (seasonal conditions, outside temperature, etc.).

In addition, ALTEN is working with GA to use these buildings as pilots for a new tool favouring eco-friendly behaviours in the office: MyGapéo<sup>®</sup>, the single-user version of the GAPEO<sup>®</sup> system. Using an internet-connected workstation or touchscreen tablet, building occupants can consult and modify the settings of the equipment in their own offices, allowing them to optimise the energy consumption of facilities that use lighting, heating, air conditioning and so on. According to GA, "MyGapéo<sup>®</sup> allows each user to adjust his or her own consumption and comfort settings, within pre-set limits. It is a real opportunity for GA to work on a new concept on a full-size scale, especially since ALTEN as a company is particularly responsive to environmental issues. The more we take it forward, the more we believe in the future of this system".



In early-2013, the Group will take over a third BBC-certified building in Toulouse. Almost one third of ALTEN's buildings will meet the highest economical and environmental requirements.

### A "PRIVATE CLOUD" SOLUTION FOR SERVER ROOMS

As part of the modernisation of its information system and in the light of the Group's strong growth both in France and abroad, ALTEN is responding to its partners' safety and performance requirements by developing its server infrastructure into a "Private Cloud Data Centre" solution.

The IT infrastructures at company HQ in Boulogne-Billancourt have been moved to Telecity Group's "Condorcet" TC3 Data Centre, voted "Europe's best data centre" at the 2010 Data Centre Europe Awards. This centre boasts technical excellence in its design through to its operation and has the following certifications: ISO 27001:2005 for Information Security Management Systems; ISO 9001:2008 for Quality Management Systems; ISO

14001:2004 for Environmental Management; and OHSAS 18001:2007 for Occupational Health And Safety. ALTEN can now consume computing power on demand, to suit its needs at any given moment. Resources are pooled and streamlined by this data centre, thus reducing ALTEN's environmental footprint whilst guaranteeing high-security systems that are available 24 hours a day, 7 days a week.

AROUND  
**30%**  
OF THE GROUP'S BUILDINGS  
IN FRANCE WERE BBC  
AND/OR HQE CERTIFIED  
AS OF EARLY-2013

### ADOPTION OF ECO-FRIENDLY BEHAVIOURS BY EMPLOYEES: THE KEY TO REDUCING OUR ENVIRONMENTAL IMPACT

*Throughout the year, ALTEN kept its employees informed of key events relating to sustainable development, with a view to making eco-friendly behaviours the driving force behind reducing the Group's environmental impact.*

- *Creation of a dedicated intranet page: featuring a description of eco-friendly behaviours, this page is kept up-to-date with suggestions for actions sent by employees and challenges that have been organised.*
- *Sustainable Development Week: from 1 to 7 April 2012, ALTEN took part for the first time in France's National Sustainable Development Week, encouraging employees to adopt eco-friendly behaviours that are easy to apply and have a direct impact on the environment.*
- *Mobility Week: from 16 to 22 September 2012, the Group raised employee awareness of behavioural changes in terms of travel, with the aim of reducing CO<sub>2</sub> emissions, pollution and nuisances and providing a solution to the issues of urban mobility, health and quality of life. Eco-driving courses were also held during this event.*

- *European Week for Waste Reduction: in order to understand the issues and positive environmental impacts of waste reduction, initiatives (distribution of mugs, eco-label quizzes, collection of used mobile phones, etc.) were offered to employees on the following themes: producing more efficiently; too much waste; consuming more efficiently; extending the life span of products; and throwing away less. The event was held between 19 and 23 November 2012.*
- *Creation of a Lifestyle Charter: on display in all communal areas and meeting rooms, this charter sets out best practices in terms of respect for others and the environment.*
- *Development of an e-learning course entitled "Eco-friendly behaviours and their environmental impact": beginning in 2013, as part of its ISO 14001 certification process, ALTEN intends to enhance training for all employees in individual and collective environmental performance.*

# Our performance

## INDICATORS

In order to guide its Sustainability approach within the social, environmental, economic and societal scope, ALTEN has set up a performance indicator reporting system which allows it to identify zones for improvement, set targets and regularly measure progress in these areas.

## Reporting methodology

### SCOPE

The period considered for the data from which the various indicators are composed is 1 January 2012 to 31 December 2012, except for data produced by the carbon-footprint assessment (1 January 2010 to 31 December 2010). In the 2012 Sustainable Development Report, "ALTEN", "the Group" and "the ALTEN Group" refer to the legal entities of the ALTEN Group in France, as described hereafter. The performance indicators only relate to the legal entities of the ALTEN Group located in France that generated revenue above zero in 2012 and that have a workforce above zero. They apply to all employees of the ALTEN Group entities in France under consideration and all premises occupied by one or more ALTEN Group entities in France. The performance indicators and 2012 Sustainable Development Report have been compiled in accordance with the requirements of Article 225 of the

"Grenelle 2" law. The Global Reporting Initiative 3.1 guidelines and recommendations have also been taken into account. The reference system used to calculate and compile the performance indicators is available on request by email: [alten.csr@alten.fr](mailto:alten.csr@alten.fr).

### *Exceptions and limitations*

The reporting tools used for legal entities of the ALTEN Group located outside France did not allow comparable data meeting the requirements of the Grenelle 2 law to be established within the allotted time. Moreover, the procedures for collating information on the treatment of waste electrical and electronic equipment in ALTEN Group entities did not allow satisfactory data to be compiled for the publication of this Report. No qualitative or quantitative data concerning WEEE is published. As regards other categories of waste, the data concerning household waste is considered

immaterial in accordance with a study carried out by ADEME (the French Environment and Energy Management Agency), which showed that 80% of waste produced by service companies is comprised of paper, and the results of the ALTEN Group's 2010 carbon-footprint assessment.

Finally, the coverage rate of the environmental indicators varies according to the indicator. They cover between 93 and 100% of the scope (the same as in 2011), except for the "Total water consumption" indicator (coverage rate of around 45%, compared with 66% in 2011) and the "Total energy consumption" indicator (coverage rate of 75%, the same as in 2011).

## **ORIGIN AND CONSOLIDATION OF DATA**

### *Employee-related indicator*

Data relating to employees, nationalities represented within the company, recruitment and departures, work-study contracts, payroll, remuneration, turnover rates and frequency and severity rates of work-related accidents is taken from the workforce reports and payroll software of ALTEN Group companies in France. Data relating to disabled employees, annual appraisals, training and accreditation of prior learning, together with data on internal mobility and sites equipped with defibrillators, is taken from reports issued by the various departments responsible for such matters within the Group's entities. Data relating to collective agreements and discussions with social partners and staff representative bodies was provided by the representatives of each of these entities.

### *Environmental indicators*

Data relating to Group premises is taken from leases. The data is collected and consolidated on an annual basis by building. It is then divided according to the premises occupied by each legal entity of the ALTEN Group in France in said buildings. Data relating to consumables, water and energy is taken from the invoices and statements provided by suppliers and service providers. Indicators for energy and water consumption and consumables were calculated on a pro-rata basis of the occupancy period. The CO<sub>2</sub> emissions produced by the energy consumption of buildings were calculated using the carbon factor published by EDF in May 2012. Data relating to the planting of trees, CO<sub>2</sub> savings made thanks to bicycle deliveries, the journeys in km travelled by employees by plane and train and their equivalent CO<sub>2</sub> emissions, and the EcoVadis score were supplied by the relevant service providers and suppliers.

### *Corporate social responsibility indicators*

Data relating to the projects supported as part of the promotion of engineering activities was sent by the endowment fund and the Communication Department. Data relating to the number of partnerships with reference organisations is taken from the reports issued by the divisions responsible for such matters. Data relating to responsible purchasing was sent by the Purchasing and General Resources Division.

# Our employee-related performance indicators at 31 December 2012

GRI ALTEN	AT 31/12/2012	UNITS	France Group 2011	France Group 2012
<b>HEADCOUNT AND DIVERSITY</b>				
SL.1	Total headcount	units	8,422	9,012
SL.2	Breakdown of employees by gender	% women	21.9%	22.74%
		% men	78.1%	77.26%
SL.3	Breakdown of headcount by age group	% aged less than 25 years	11.1%	10.93%
		% 25-35 years	66.6%	65.07%
		% 35-45 years	17.5%	18.70%
		% 45 years and over	4.7%	5.30%
		% ALTEN SA	57.30%	54.45%
		% ALTEN Sud-Ouest	12.80%	14.15%
SL.4	Breakdown of headcount by Group subsidiary	% Atexis	2.70%	3.18%
		% Aptech	0.30%	1.91%
		% ID. apps	5.80%	0.39%
		% MIGSO	0.90%	6.36%
		% ALTEN SIR	15.20%	13.89%
		% Anotech Energy	2%	1.90%
		% Pegase	0.30%	0.41%
		% Elitys	1.00%	0.84%
		% B2i	1.40%	1.13%
		% Avenir Conseil Formation	1.80%	1.39%
		% Engineers	86.13%	85.59%
SL.5	Breakdown of headcount by profession	% Managers	4.4%	4.42%
		% Support Functions	9.46%	9.99%
		% on apprenticeship and professionalisation contracts	0.33%	0.90%
SL.6	Percentage of disabled employees	%	0.37%	0.38%
SL.7	Number of nationalities represented by employees	units	71	75
<b>HIRES</b>				
SL.8	Number of new hires on permanent contracts	units	3,357	3,182
SL.9	(of which) Number of new hires on permanent contracts aged under 25	units	746	736
SL.10	Number of new hires on fixed-term contracts	units	166	181
SL.11	Number of professional training and apprenticeship contracts	units	22	78
<b>DEPARTURES</b>				
SL.12	Number of departures from permanent contracts	units	2,622	2,645
SL.13	of which resignations	units	1,705	1,569
SL.14	of which redundancies	units	146	204
SL.15	of which other departures	units	771	872
SL.16	Number of departures from fixed-term contracts	units	103	129
SL.17	Number of departures from apprenticeship and professionalisation contracts	units	29	30
<b>NET JOB CREATION</b>				
SL.18	Net job creation	units	1,129	637

GRI ALTEN	AT 31/12/2012	UNITS	France Group 2011	France Group 2012
<b>CHANGE IN REMUNERATION</b>				
SL.19	Annual payroll/Average headcount	<i>in € Managers</i>	38,332.1	38,561.2
		<i>in € Non-managers</i>	24,293.8	24,163.8
<b>MANAGEMENT</b>				
		<i>% of female managerial staff</i>	20.31%	21.40%
		<i>% of male managerial staff</i>	79.69%	78.60%
SL.20	Breakdown of workforce by status and gender	<i>% of female non-managerial staff</i>	36.59%	32.45%
		<i>% of male non-managerial staff</i>	63.4%	67.55%
SL.21	% of employees having had an annual performance appraisal	%	92.70%	93.47%
SL.22	Average rate of absenteeism (for sickness, work- or commute-related accident)	%	1.56%	1.69%
SL.23	Employee turnover rate for permanent contracts	%	42.60%	26.87%
<b>WORKING HOURS</b>				
SL.24	% of employees working full time	%	98.68%	98.55%
SL.25	% of employees working part time	%	1.32%	1.45%
<b>EMPLOYEE RELATIONS</b>				
SL.26	Number of meetings with the CHSCT - CE - DP	<i>units</i>	202	191
SL.27	% of employees covered by a collective agreement	%	100%	100.00%
<b>TRAINING</b>				
SL.28	Training expenditure	€	8,381,425	8,386,547
SL.29	Training expenditure as a % of payroll	<i>in € millions</i>	2.77%	2.60%
SL.30	Training expenditure as a % of revenue	%	1.1%	1.00%
SL.31	Total number of training hours	<i>hours</i>	81,229	110,090
SL.32	Percentage of employees trained during the year	<i>Nbre de coll.</i>	33%	36.5%
		<i>hours per engineer per year</i>	7	11.22
SL.33	Average number of training hours per year, per employee and per profession	<i>hours per manager per year</i>	52	37.37
		<i>hours per support function per year</i>	10	9.64
		<i>% of women having received training</i>	37%	35.04%
SL.34	Percentage of people receiving training during the year, by gender	<i>% of men having received training</i>	31%	34.87%
SL.35	Number of validations of acquired experience per year	<i>units</i>	2	1
<b>WORK AND SAFETY CONDITIONS</b>				
SL.36	Frequency of work-related accidents with time off	<i>ratio</i>	1.61	2.11
SL.37	Severity rate of work-related accidents	<i>ratio</i>	0.01	0.015
SL.38	Number of hours of safety training	<i>units</i>	NC	12,101.10
SL.39	Number of managers trained in stress management	<i>units</i>	193	93
SL.40	Number of sites equipped with defibrillators	<i>units</i>	NC	100%
SL.41	Number of employees suffering from work-related pathological conditions	<i>units</i>	0	0

# Our corporate social responsibility performance indicators

at 31 December 2012

GRI ALTEN	AT 31/12/2012	UNITS	France Group 2011	France Group 2012
<b>SOLIDARITY PARTNERSHIPS</b>				
ST.1	Number partnerships signed as part of the promotion of careers in engineering (Elles Bougent, CNJE, etc.)	units	6	18
<b>RELATIONS WITH STAKEHOLDERS</b>				
ST.2	Number of commitments to NGOs (Global Compact, etc.)	units	2	2
ST.3	Legal and Regulatory Compliance Monitoring Committee	units	3	3
<b>GOVERNANCE</b>				
ST.4	% of women on the Board of Directors	%	40%	40%
<b>SUBCONTRACTING AND SUPPLIERS</b>				
ST.5	Percentage of suppliers having signed the Responsible Purchasing Charter	%	NC	48%



# Our environmental performance indicators

at 31 December 2012

GRI ALTEN	AT 31/12/2012	UNITS	France Group 2011	France Group 2012
<b>CO<sub>2</sub> EMISSIONS</b>				
EN1	CO <sub>2</sub> Emissions per employee	CO <sub>2</sub> teq per employee	5.4	-
EN2	Greenhouse gas emissions (2010 data)	Greenhouse gas emissions (GHG)	191	-
EN3	CO <sub>2</sub> emissions linked to buildings' energy consumption	CO <sub>2</sub> teq	-	110.8
<b>SUSTAINABLE USE OF RESOURCES</b>				
EN4	Total water consumption	m <sup>3</sup> /m <sup>2</sup>	0.37	0.38
EN5	Amount of paper (office + letterhead) used	kg /m <sup>2</sup>	1.19	1.14
EN6	Recycled paper used as a % of total paper use	%	11.64%	68.83%
EN7	Quantity of opaque and translucent beakers used per employee on ALTEN sites over the year	units per employee	667.42	673.20
EN8	Energy consumption	kWh/m <sup>2</sup>	122.16	119.16
EN9	% of m <sup>2</sup> occupied certified (BBC, HQE)	%	9.49%	12.06%
EN10	% of surfaces fitted with motion detectors in walkways	%	45.43%	43.49%
<b>WASTE</b>				
EN11	% of sites covered by waste sorting scheme	%	84.43%	91.51%
<b>MEASURES TO PROTECT BIODIVERSITY, RAISING AWARENESS AMONG EMPLOYEES AND MEASURES WITH STAKEHOLDERS</b>				
EN12	Weight of CO <sub>2</sub> stored over 30 years thanks to reforestation projects (for 5,010 trees)	kg CO <sub>2</sub> equivalent	1,650	3,310
EN13	Number of employees following eco-driving courses	units	118	110
EN14	Number of internal memos on Sustainability	units	9	29
<b>RESPONSIBLE PURCHASING</b>				
EN15	CO <sub>2</sub> emissions prevented by use of bike courier NOVEA	kg CO <sub>2</sub> equivalent	NC	20.2
<b>PERSONAL TRAVEL</b>				
EN16	CO <sub>2</sub> emissions eliminated by use of NOVEA bicycle couriers	km/empl	425	420.89
EN17	Number of kilometres on business trips by train	kg CO <sub>2</sub> equivalent	10.20	10.65
EN18	Number of kilometres on business trips by air	km/empl	4,837	3,135.68
EN19	Number of kg CO <sub>2</sub> equivalent emissions from business trips by air	kg CO <sub>2</sub> equivalent	1,705.60	859.49
EN20	Number of hours of audio/video/web-conferences	h	NC	13,966
<b>EXTERNAL CERTIFICATIONS AND ASSESSMENTS</b>				
EN21	EcoVadis score	note	5	6

# Compliance matrix

## Article 225 of the French Commercial Code

Some information required under Article 225 of the French Commercial Code is non-material, non-applicable and not relevant with respect to ALTEN's activity. Such information is thus excluded from the third-party auditor's auditing scope.

ARTICLE 225 GRENELLE 2	PRINCIPLES OF THE GLOBAL COMPACT	GRI	RESPONSE PROVIDED BY ALTEN
<b>Description</b>			
<b>EMPLOYEE-RELATED INFORMATION</b>			
<b>EMPLOYMENT</b>			<b>Pages 44 to 53</b>
Total workforce and breakdown of employees by gender, age and geographical region		LA1	Indicators: Employee-related: 1 to 5
Recruitments and redundancies		LA2	Indicators: Employee-related: 8 to 17
Remuneration and remuneration increases		EC1, EC5	Indicators: Employee-related: 19 and 20
<b>WORK ORGANISATION</b>			<b>Pages 50 to 53</b>
Organisation of working time		LA	Indicators: Employee-related: 25 to 27
Absenteeism		LA7	Indicators: Employee-related: 21
<b>EMPLOYEE RELATIONS</b>			<b>Pages 50 to 53</b>
Organisation of dialogue with employees, such as procedures for informing, consulting and negotiating with employees	3 Uphold freedom of association and effective recognition of the right to collective bargaining	LA4	Indicators: Employee-related: 23, 28, 30
List of collective agreements		LA5	Indicators: Employee-related: 29
<b>HEALTH AND SAFETY</b>			<b>Pages 50 to 53</b>
Occupational health and safety conditions		LA6, LA8	Indicators: Employee-related: 42 to 44
List of agreements signed with unions and staff representative bodies pertaining to occupational health and safety	4 Eliminate all forms of forced and compulsory labour	LA9	Indicators: Employee-related: 41
Work-related accidents, particularly their frequency and severity, together with occupational illnesses	5 Effectively abolish child labour	LA7	Indicators: Employee-related: 39, 40, 45
<b>TRAINING</b>			<b>Pages 50 to 53</b>
Training policies implemented		LA11	Indicators: Employee-related: 31 to 33, 35, 38
The number of training hours		LA10	Indicators: Employee-related: 34 and 36
<b>EQUAL OPPORTUNITIES</b>			<b>Pages 50 to 57</b>
Measures taken to promote gender equality		LA14	Indicators: Employee-related: 21, 22, 37, Corporate social responsibility: 5
Measures taken to promote the employment and integration of disabled persons		LA13	Indicators: Employee-related: 6
The anti-discrimination policy		LA13	Indicators: Employee-related: 7
<b>PROMOTION OF AND COMPLIANCE WITH THE CORE CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION ON</b>			<b>Pages 44 to 49</b>
Respect for freedom of association and the right to collective bargaining	3 Uphold freedom of association and effective recognition of the right to collective bargaining	HR5, LA13, LA14	Code of Ethics, Sustainable Development Charter
The elimination of discrimination in respect of employment and occupation	6 Eliminate discrimination in respect of employment and occupation	HR4, LA13, LA14	
The elimination of forced and compulsory labour	4 Eliminate all forms of forced and compulsory labour	HR6, HR7	
The effective abolition of child labour	5 Effectively abolish child labour	HR6	
<b>ENVIRONMENTAL INFORMATION</b>			
<b>OVERALL ENVIRONMENTAL POLICY</b>			<b>Pages 44 to 50, 58 to 65</b>
The company's organisational structure for taking into account environmental issues and, where applicable, environmental assessment and certification procedures			Sustainable Development Charter Indicators: Environmental: 20
Training and information for employees on environmental protection matters			Indicators: Environmental: 12 and 13
Resources devoted to preventing environmental hazards and pollution			EN 30 The ALTEN Group provides intellectual services. Therefore, these activities have little environmental impact. Indicators: Environmental: 12
Amount of environmental risk provisions and guarantees except in the case where this information may prejudice the company in a current dispute or lawsuit			EN28, EC2 See the ALTEN Group's 2012 Registration Document, Business activity risk factors: "The ALTEN Group provides intellectual services. Therefore, these activities have little environmental impact."

ARTICLE 225 GRENELLE 2	PRINCIPLES OF THE GLOBAL COMPACT	GRI	RESPONSE PROVIDED BY ALTEN
<b>POLLUTION AND WASTE MANAGEMENT</b>			<b>Pages 62 to 68</b>
Measures to prevent, reduce and compensate for emissions into the atmosphere, soil and water that may severely affect the environment	7 Support a precautionary approach to environmental challenges	EN22 to EN24	The ALTEN Group provides intellectual services. By their nature, these activities have little environmental impact and do not affect it severely; atmospheric emissions are confined to greenhouse gas emissions, 75% of which are produced by employee travel according to the Group's carbon-footprint assessment (source: ALTEN Group 2010 carbon-footprint assessment).
Measures to prevent, recycle and eliminate wastes	8 Undertake initiatives to promote greater environmental responsibility 9 Encourage the development and diffusion of environmentally-friendly technologies	EN 22	Indicators: Environmental: 10
Taking into account noise pollution and all other forms of pollution specific to an activity		EN 25	The ALTEN Group provides intellectual services. By their nature, these activities have little environmental impact and generate low physical pollution and no noise pollution.
<b>SUSTAINABLE USE OF RESOURCES</b>			<b>Pages 62 to 68</b>
Consumption and supply of water in accordance with local constraints		EN8, EN9, EN21	Indicators: Environmental: 3
Consumption of raw materials and measures taken to use them more efficiently	7 Support a precautionary approach to environmental challenges	EN1, EN10	Indicators: Environmental: 4 to 6
Energy consumption, measures taken to improve energy efficiency and use of renewable energy	8 Undertake initiatives to promote greater environmental responsibility 9 Encourage the development and diffusion of environmentally-friendly technologies	EN3 to EN7	Indicators: Environmental: 7 to 9
Land use			Given Alten's service-sector engineering and technology consulting activities, the Group conducts no activities requiring the use of land.
<b>CLIMATE CHANGE</b>			<b>Pages 58 to 68</b>
Greenhouse gas emissions	7 Support a precautionary approach to environmental challenges	EN16, EN17, EN19, EN20	Indicators: Environmental: 1 to 2
Adapting to the consequences of climate change	8 Undertake initiatives to promote greater environmental responsibility 9 Encourage the development and diffusion of environmentally-friendly technologies	EN18, EC2 EN11 to 15, EN20	Indicators: Environmental: 14 to 19
<b>PROTECTION OF BIODIVERSITY: MEASURES TAKEN TO PROTECT AND DEVELOP BIODIVERSITY</b>			<b>Pages 62 to 68</b>
			Indicators: Environmental: 11
<b>INFORMATION ON CORPORATE SOCIAL RESPONSIBILITY COMMITMENTS PROMOTING SUSTAINABLE DEVELOPMENT</b>			
<b>TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITY</b>			<b>Pages 44 to 68</b>
In terms of employment and regional development		EC8, EC9	Indicators: Employee-related: 18
On neighbouring and local populations		EC1, EC6	p44 to 49, 54 to 57
<b>RELATIONS WITH PEOPLE OR ORGANISATIONS AFFECTED BY THE COMPANY'S ACTIVITY, SUCH AS BACK-TO-WORK ORGANISATIONS, EDUCATIONAL INSTITUTIONS, ENVIRONMENTAL PROTECTION ORGANISATIONS, CONSUMERS' ASSOCIATIONS AND LOCAL POPULATIONS</b>			<b>Pages 44 to 68</b>
Conditions conducive to dialogue with such people or organisations			
Partnership and sponsorship initiatives		EC1	Indicators: Corporate social responsibility: 1, 2 and 3
<b>SUB-CONTRACTING AND SUPPLIERS</b>			<b>Pages 44 to 49, 58 to 68</b>
Taking social and environmental issues into account in the purchasing policy	1 Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence	EC6, HR2, HR 5 to 7	Responsible Purchasing Charter
The importance of sub-contracting and taking their social and environmental responsibility into account in relations with suppliers and sub-contractors	2 Businesses should make sure that they are not complicit in human rights abuses		Indicators: Corporate social responsibility: 7
<b>FAIR PRACTICES</b>			<b>Pages 44 to 49</b>
Initiatives undertaken to prevent corruption		SO2 to SO4, SO7, SO8	Code of Ethics
Measures taken to promote the health and safety of consumers	10 Work against corruption in all its forms, including extortion and bribery	PR1, PR2	Given ALTEN's service-sector engineering and technology consulting activities, the Group has implemented no specific consumer health and safety measures.
<b>OTHER INITIATIVES UNDERTAKEN TO PROMOTE HUMAN RIGHTS</b>			
	1 Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence 2 Businesses should make sure that they are not complicit in human rights abuses	HR	Code of Ethics, Responsible Purchasing Charter. The ALTEN Group conducts all of its activities in strict compliance with human rights and strives to encourage all of its partners to do the same in their own activities.

# Statutory Auditors' attestation of inclusion (*"attestation de présence"*) and moderate assurance report on the employee-related, environmental and corporate social responsibility information included in the management report

For the year ended 31 December 2012

For the attention of General Management,

Further to the request made to us in our capacity as Statutory Auditors of ALTEN, we hereby present our report on the consolidated employee-related, environmental and corporate social responsibility information contained in the management report prepared for the financial year ended 31 December 2012, pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

## COMPANY'S RESPONSIBILITY

It is the responsibility of the company's Board of Directors to prepare a management report containing the employee-related, environmental and corporate social responsibility information referred to in Article R. 225-105-1 of the French Commercial Code (hereafter referred to as "the Information"), established in accordance with the reference guide used ("the Reference Guide") by the company and available from the company's registered office.

## INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulatory texts, the professional code of conduct and the provisions of Article L. 822-11 of the French Commercial Code. Moreover, we have implemented a quality control system that comprises the documented policies and procedures that aim to ensure compliance with rules of conduct, professional standards and applicable legal and regulatory texts.

## INDEPENDENT AUDITOR'S RESPONSIBILITY

Based on our work, it is our responsibility to:

- attest that the Information required is included in the management report or, in the event of an omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code and decree no. 2012-557 of 24 April 2012 (attestation of inclusion);
- provide a moderate conclusion of assurance that the Information is presented, in all of its significant aspects, in a true and faithful manner in accordance with the Reference Guide used (moderate assurance report).

To assist us in carrying out our work, we consulted our own experts in corporate social responsibility.

## 1. Attestation of inclusion

We carried out the work in accordance with professional standards applicable in France:

- we compared the Information presented in the management report with the list set out by Article R. 225-105-1 of the French Commercial Code;
- we verified that the Information covered the consolidated scope, i.e. the company and its subsidiaries within the meaning of Article L. 233-1 and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code;
- in the event that any consolidated information was omitted, we verified that explanations were provided in accordance with the provisions of decree no. 2012-557 of 24 April 2012.

Based on this work, we hereby certify that the Information required is included in the management report.

## 2. Moderate assurance report

### TYPE AND SCOPE OF WORK

We carried out our work in accordance with standard ISAE 3000 (International Standard on Assurance Engagements) and professional standards applicable in France. We performed the following procedures to obtain moderate assurance of the fact that the Information contains no significant anomalies liable to call into question its sincerity, in all of its significant aspects, in accordance with the Reference Guide. More in-depth assurance would require more extensive verification.

We carried out the following tasks:

- we assessed the appropriateness of the Reference Guide with respect to its relevance, exhaustiveness, neutrality, clarity and reliability, taking industry best practice into account where applicable;
- we verified the implementation within the Group of a collection, compilation, processing and control process aimed at ensuring the exhaustiveness and consistency of the Information. We examined the internal control and risk management procedures relating to the preparation of the Information. We held interviews with the persons responsible for employee-related and environmental reporting;
- we selected the consolidated information to be tested and determined the type and scope of the tests, taking into account their importance with respect to the employee-related and environmental consequences associated with the Group's activity and characteristics and its corporate social responsibility commitments:
  - as regards the consolidated quantitative information we deemed most important:
    - with respect to the consolidating entity and the entities inspected, we implemented analytical procedures and verified, based on surveys, the calculations and the consolidation of this information;
    - with respect to the sites we selected according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we:
      - held interviews to verify that the procedures were applied correctly,
      - carried out detailed tests on the basis of surveys, consisting of verifying the calculations made and collating information from supporting documents.

The selected sample represents on average 86% of the workforce and between 59% and 100% of the quantitative environmental information tested;
  - as regards the consolidated quantitative information we deemed most important, we held interviews and reviewed the associated documentary sources to corroborate this information and assess its sincerity:
    - for the other published consolidated information, we assessed its sincerity and consistency with respect to our knowledge of the company and, where necessary, through interviews and consultation of documentary sources;
    - finally, we assessed the relevance of explanations relating to the absence of information, where applicable.

### CONCLUSION

On the basis of our work, we found no significant anomalies liable to call into question the fact that the Information is presented, in all of its significant aspects, truthfully and faithfully and in accordance with the Reference Guide.

Without prejudice to the view expressed above, we draw your attention to the fact that the Information does not cover legal entities located outside of France as indicated in the "Scope" paragraph of the Reporting Methodology section.

Paris, 12 April 2013

Grant Thornton  
French member of Grant Thornton International

Laurent Bouby  
Associate

Alban Audrain  
Associate  
CSR manager

# Investor information

## COMPANY FACT SHEET

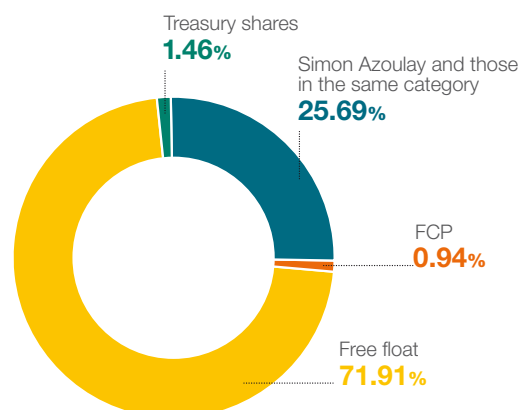
Name	ALTEN
Business	Engineering and Technology Consulting
APE code	6202A
Trade register no.	348 607 417 Nanterre
Registered office	40, avenue André Morizet – 92513 Boulogne-Billancourt
Start date	1988
Nationality	French
Share capital	€33,020,695.65
Shares representing capital	32,487,924
Legal form	French public limited company with Board of Directors
Financial year	1 January to 31 December
Market	ALTEN is listed in Compartment B of Euronext Paris
Stock market indices including ALTEN	SBF 120, SBF 250, IT CAC 50, CACMID 100
ISIN code	FR 0000071946

## FINANCIAL ANALYSTS

Bryan Garnier  
CIC Securities  
Crédit Agricole Cheuvreux  
Exane BNP Paribas  
Gilbert Dupont  
HSBC  
Kepler Equities  
Natixis  
Oddo Securities  
Société Générale

## SHAREHOLDER STRUCTURE

(at 7 March 2013)



## CORPORATE EVENTS CALENDAR

4th quarter 2012 revenue	Monday, 28 January 2013
2012 results	Wednesday, 27 February 2013
1st quarter 2013 revenue	Monday, 29 April 2013
General Meeting of Shareholders	Wednesday, 19 June 2013
1st half 2013 revenue	Thursday, 25 July 2013
1st half 2013 results	Wednesday, 25 September 2013
3rd quarter 2013 revenue	Wednesday, 30 October 2013

## STOCK MARKET PERFORMANCE

DATE	MONTHLY VOLUME	MONTHLY VOLUME IN EUROS	HIGH	LOW	AVERAGE PRICE	AVERAGE DAILY TRADING VOLUME	AVERAGE DAILY TRADING IN EUROS
January 2012	1,156,882	22,587,183	21.46	17.78	19.46	52,585.55	1,026,690.17
February 2012	1,387,557	32,742,974	24.92	21.14	23.56	66,074.14	1,559,189.27
March 2012	1,553,723	38,172,599	25.56	22.75	24.47	70,623.77	1,735,118.14
April 2012	691,262	15,565,476	24.29	20.65	22.25	36,382.21	819,235.61
May 2012	643,874	14,002,201	22.98	20.35	21.61	29,267.00	636,463.72
June 2012	1,904,608	37,828,244	21.95	19.20	20.48	90,695.62	1,801,344.95
July 2012	875,612	19,991,359	23.42	21.60	22.80	39,800.55	908,698.14
August 2012	595,023	13,580,476	24.10	22.05	22.80	25,870.57	590,455.50
September 2012	681,265	17,019,388	25.94	23.45	24.84	34,063.25	850,969.41
October 2012	1,255,943	31,072,584	25.70	24.01	24.65	54,606.22	1,350,981.93
November 2012	573,671	14,293,690	25.70	24.15	24.87	26,075.95	649,713.21
December 2012	471,712	12,409,582	27.56	25.15	26.22	24,826.95	653,135.92
January 2013	1,167,413	32,304,615	29.20	25.90	27.63	53,064.23	1,468,391.63
February 2013	1,513,365	45,995,452	31.68	28.30	30.21	75,668.25	2,299,772.65














# 2012 Registration Document

## Annual financial report



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# PERSONS RESPONSIBLE

## 1.1 PERSON IN CHARGE OF THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

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### STATEMENT BY THE PERSON IN CHARGE OF THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

*"After having taken all reasonable precautions, I declare that the information contained in this Registration Document is, to my knowledge, true and contains no omissions likely to affect its interpretation.*

*I declare, to the best of my knowledge, that the financial statements have been compiled in accordance with the applicable accounting standards and that they provide an accurate picture of the assets, financial situation and results of the Company and its subsidiaries, and that the management report (see cross-reference table on page 245) gives a fair reflection of the business trends, the results and the financial situation of the Company and its subsidiaries and describes the main risks and uncertainties that these companies currently face.*

*I have obtained an end-of-mission statement from the Statutory Auditors indicating that they have verified the information concerning the financial position and the financial statements presented in this Registration Document and have read this entire document. The end-of-mission statement contains no comments."*

*Signed at Boulogne-Billancourt, on 26 April 2013.*

Simon Azoulay – Chairman and Chief Executive Officer

## 1.2 PERSON IN CHARGE OF FINANCIAL INFORMATION

---

**Mr Bruno Benoliel**

Deputy Chief Executive Officer

# 1

## PERSONS RESPONSIBLE

# STATUTORY AUDITORS

# 2

## 2.1 IDENTITY

---

### 2.1.1 STATUTORY AUDITORS

#### **Cabinet Dauge & Associés**

Represented by Mr Christian Laplane – 38, rue Saint-Ferdinand, 75017 Paris.

Initial appointment date: 30 June 1997.

Renewal date: 25 June 2003 and 23 June 2009.

Mandate expires: at the Ordinary General Meeting called to approve the 2014 financial statements.

#### **Grant Thornton**

Represented by Mr Laurent Bouby – 100, rue de Courcelles, 75017 Paris

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

Mandate expires: at the Ordinary General Meeting called to approve the 2014 financial statements.

### 2.1.2 ALTERNATE STATUTORY AUDITORS

#### **Cabinet Kling** – alternate Statutory Auditors for Cabinet Dauge & Associés

Represented by Mr Didier Kling – 28, avenue Hoche, 75008 Paris.

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

Mandate expires: at the Ordinary General Meeting called to approve the 2014 financial statements.

#### **IGEC** – alternate Statutory Auditors for Grant Thornton

Represented by Mr Vincent Papazian - 3, rue Léon-Jost, 75017 Paris.

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

Mandate expires: at the Ordinary General Meeting called to approve the 2014 financial statements.

# 2

## STATUTORY AUDITORS POSSIBLE CHANGE

### 2.2 POSSIBLE CHANGE

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None.

### 2.3 STATUTORY AUDITORS' FEES

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The table relating to Statutory Auditors' fees is shown in Chapter 20.3.1, Note 4.7 of this Registration Document

# SELECTED FINANCIAL INFORMATION

# 3

## 3.1 HISTORICAL FINANCIAL INFORMATION

### KEY FIGURES FOR 2010, 2011 AND 2012

<i>(In millions of euros)</i>	2012	2011	2010
Revenue	1,198.0	1,065.7	916.6
France	63.7%	67.2%	69.1%
International	36.8%	32.8%	30.9%
Operating profit on activity	120.6	108.3	93.4
Operating profit on activity <i>(as % of revenue)</i>	10.1%	10.2%	10.2%
Operating profit	116.4	95.3	92.9
Net income, Group share	78.1	59.6	53.6
Headcount	15,950	14,800	12,600

# 3

## SELECTED FINANCIAL INFORMATION

# RISK FACTORS

# 4

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# 4

## RISK FACTORS

### INTEREST RATE, FOREIGN EXCHANGE AND STOCK MARKET RISKS

The Group has reviewed the risks that could have a significant adverse effect on its business, its financial situation or its results (or its capacity to meet its targets) and considers that there are no significant risks other than those presented below:

## 4.1 INTEREST RATE, FOREIGN EXCHANGE AND STOCK MARKET RISKS

---

ALTEN has short-term unconfirmed bank financing indexed to the Euribor. Medium-term (over three years) financing confirmed by the implementation of a new club deal on 21 December 2012 are indexed to the Euribor.

It therefore incurs an exchange rate risk based on changes in the benchmark index. As at 31 December 2012, with this credit line still unused, the Group is not exposed to interest rate risks.

Due to low debt levels, the Group has not arranged interest rate hedging.

With the exception of subsidiaries in the United Kingdom, Switzerland, Romania, Poland, Sweden, India, the United States, Brazil, Nigeria, Canada, Hong Kong and China, the Group bills for its services in euros.

As most of its operations are conducted within each country, the exchange rate risk stemming from the flow between currency zones is very limited. ALTEN carries out 88% of its activity within the euro zone.

During 2012, exchange rate effects on the Group's net earnings represented €307 thousand. See also Chapter 20.3.1, Note 2.3 "Financial risk factors".

It has little risk in respect of the trading price of its shares. Indeed, in addition to treasury shares held under the liquidity contract, ALTEN holds only 460,022 treasury shares, representing 1.42% of its share capital as of 31 December 2012.

Moreover, securities giving future access to capital issued by ALTEN in 2009 represents as at 31 December 2012 only 1.50% of the share capital. These securities were issued as part of an allocation of equity warrants (BSA) decided by the Board of Directors at its meeting of 7 September 2009, pursuant to the delegation granted by the Combined General Meeting on 23 June 2009.

ALTEN also holds 420,653 ordinary shares in AUSY (listed on the Euronext Paris C Compartment) representing, to ALTEN's knowledge, 9.42% of this company's share capital as at 31 December 2012.

## 4.2 LIQUIDITY RISK

---

A prudent liquidity management plan involves keeping a sufficient level of liquid assets, having financial resources through appropriate credit facilities and being able to settle one's positions on the market.

The Group maintains financial flexibility through €170 million of available but unused credit facilities (at financial year end) of which €150 million was confirmed in December 2012 under the "club deal" for a maximum period of three years, and €21.5 million of short-term unconfirmed lines of credit that are renewable annually.

This "club deal" requires that the following ratios are met half-yearly and annually (and for the first time at 30 June 2013) while the contract is in force and an advance is outstanding:

- "Net financial debt/Operating profit on activity" ratio. This ratio must be less than 2.10;
- "Net financial debt/Equity" ratio. This ratio must be less than 0.70.

Additional information on the "club deal" is set out in Chapter 20.3.1, Note 2.3 "Financial risk factors".

The Company performed a specific review of its liquidity risk and considers that it is in a position to meet its future commitments.



## 4.3 CREDIT/COUNTERPARTY RISK

ALTEN's services are invoiced mainly on a time-spent basis. In reality, there are few risks related to fixed-price contracts (less than 10% of revenue). Internal procedures established by certain major account customers with regard to the issue of purchase orders and payment of invoices affect payment timeframes. In light of these ever-growing difficulties, the Group had to strengthen its procedures to limit the increase in outstanding customer accounts and the risk of non-payment by customers.

The Group's customers are among the largest European accounts. The ALTEN Group derives 39.7% of its sales from approximately ten customers, with its largest customer representing less than 10% of Group sales within various entities in several countries.

ALTEN works mainly with major accounts (nearly 90% of sales). Its credit risk is therefore limited. Customer account collection periods were 100 days (106 days in 2011).

### MAJOR ACCOUNTS' SHARE (as % of revenue)

	2012	2011	2010
Largest	9.7	9.5	9.7
Top 5	27.2	26.6	25.5
Top 10	39.7	39.3	40.2

There is no identified risk of dependency with regard to a specific client. See also Chapter 20.3.1, Note 2.3.

## 4.4 RISKS CONNECTED WITH INTANGIBLE ASSETS

Goodwill represents the difference between the purchase price and the fair value at the date of acquisition of identifiable assets and liabilities and contingent liabilities. Goodwill is not amortised. The Group has a period of 12 months from the date of acquisition to finalise the valuation of these assets and liabilities. Beyond this period, the effects are recognised directly under earnings.

The goodwill is allocated to cash generating units (CGU) or groups of cash generating units that could benefit from the consortium that generated the goodwill. The ALTEN Group performs impairment tests of goodwill as soon as an indication of impairment is identified and at least once a year. Goodwill impairment losses are not reversible (see Chapter 20.3.1, Notes to the financial statements, sections 2.2.5 and 2.2.8).

When the acquisition cost is less than the fair value of the share belonging to the Group in the net assets of the subsidiary acquired, the difference is recorded directly in the income statement over the vesting period, after verification of the process of identifying and evaluating various factors taken into account in its calculation.

See also Chapter 20.3.1 Consolidated financial statements, Note 3.1.

## 4.5 LEGAL RISKS

Most of the services provided by the ALTEN Group are subject to an obligation of means.

However, services that are results-based (fixed-price contracts) may, in case of a delay in execution or incorrect execution, lead to the application of penalties, or result in ALTEN's liability being committed. The Group has developed specific methodological processes for the management of projects of this type. The Structured Projects Division, which deploys the methodologies and drives the delivery of the workpackages, was certified CMMI level 3 in December 2012. All of these processes associated with a rigorous management of its contractual commitments enable ALTEN to control this risk.

In connection with its activities, the Group is involved in certain legal actions, mainly relating to former employees, commercial matters and taxes. A provision is posted when the Group has an obligation to a third party and it is certain or likely that it will lead to an outflow of resources for the benefit of said third party. Provisions are broken down by type, amount and expected maturity in the Notes to the consolidated financial statements (see Chapter 20.3.1, 3 Consolidated accounts Note 3.12).

There is no other governmental, judicial or arbitration procedure, including all procedures known to the Company, that is pending or liable to occur and is likely to result or has resulted in a material impact on the financial situation or the profitability of the Company and/or the Group over the past 12 months.

## 4.6 BUSINESS ACTIVITY RISKS

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### 4.6.1 PROCEDURES AND REFERENCING POLICIES

The major accounts have implemented policies to rationalise their use of engineering and technology consultancy companies, the effect of which is to limit the number of listed partners in the context of a general policy aiming to increase productivity.

At end 2012, ALTEN confirmed all of its references in Aeronautics, Automotive, Energy, and Telecoms, *etc.*

If ALTEN were to lose a referencing with a major account (five customers each representing more than 3% of revenue), its activity ratio and, as a result, its profitability could also be affected.

In connection with the rationalisation of its supplier panels and the trend of demand of its major customers, ALTEN assists its clients by setting out its workpackage offer which enables productivity gains to be made and which may be associated with a nearshore or offshore approach.

For some years now, customers' Purchasing Divisions have expressed interest in performing some of their research and development activities in "low-cost" countries. Accordingly, the ALTEN Group has established structures to meet this demand and thus keep up the customer relationship. In practice, the number of projects carried out in offshore or nearshore mode remains very limited.

ALTEN has organisations in Romania, Poland and India.

The share of revenue generated by the ALTEN Group in offshore mode and nearshore mode is insignificant.

At this time, there are almost no relocation risks. This offshore/nearshore package, if it expands, should enable ALTEN to gain ground in new markets.

### 4.6.2 HUMAN RESOURCES MANAGEMENT

More than 90% of ALTEN's employees are engineers whose profiles are much sought after on a high tension labour market.

The Group's organic growth depends on its ability to recruit highly qualified labour while coping with a high turnover rate (over 20% in 2012).

To this end, ALTEN has established a dynamic human resources policy.

In particular, ALTEN adopts an active policy for the recruitment of young engineers and employees by attending trade fairs and forums (more than 80 in France in 2012), by constructing lasting partnerships with engineering schools, universities and business schools (more than 60 schools).

In 2012, ALTEN recruited more than 3,200 people on permanent contracts.

ALTEN supports the professional development of its employees by adopting HR processes that promote training, mobility and access to information on career opportunities.

All these processes enable ALTEN not only to cope with the high turnover rate but also to continue to record significant organic growth.

Finally, ALTEN could be unable to adapt its resources immediately in the event of a sudden change in the situation of its clients, similar to all of the players in the sector, linked to the adverse economic context.

## 4.7 INDUSTRIAL RISKS RELATED TO THE ENVIRONMENT

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These risks are not material. The ALTEN Group provides intellectual services. Therefore, these activities have little environmental impact.

## 4.8 INSURANCE

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The Group's insurance policy is linked to a strong initiative to prevent and protect against risk. All Group companies are insured through top ranking insurance companies for all major risks that could significantly impact its business, results or assets.

The main insured risks concern:

- non-consequential damage to intangible assets;
- damage to property and operating losses;
- damages incurred by customers and third parties.

# 4 RISK FACTORS

# INFORMATION REGARDING THE ISSUER

# 5

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## 5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

---

### 5.1.1 COMPANY AND COMMERCIAL NAME OF THE ISSUER

Issuer's company name: ALTEN.

Issuer's commercial name: ALTEN.

### 5.1.2 TRADE AND COMPANIES REGISTER

The Company has been registered in the Nanterre Trade and Companies Register under the number 348 607 417 since 16 November 1988.

### 5.1.3 DATE OF INCORPORATION AND TERM

The Company was formed on 28 October 1988.

The duration of the Company is 99 years as from its registration in the Trade and Companies Register, except in the case of premature winding up or extension of such duration.

### 5.1.4 REGISTERED OFFICE, LEGAL FORM, APPLICABLE LEGISLATION

Registered office and headquarters: 40, avenue André Morizet, 92513 Boulogne-Billancourt Cedex. The telephone number of the registered office is +33(0)1 46 08 72 00.

Sales Division: 221 bis boulevard Jean Jaurès, 92514 Boulogne-Billancourt Cedex. The telephone number of the Sales Division is +33(0)1 46 08 70 00.

ALTEN is a French limited company (société anonyme) with a Board of Directors, subject to French law, especially the provisions of Book II of the Commercial Code.

### 5.1.5 HISTORY AND DEVELOPMENT OF THE GROUP STRUCTURE

Since it was formed, ALTEN has focused its growth strategy on two key areas: to maintain a local presence for its customers (both in France and abroad), and to expand its range of services by developing new skills and services. ALTEN has quickly become a European leader in the engineering and technology consultancy sector.

#### 1988

---

ALTEN is founded by three engineers, all graduates of prestigious French universities, who are at the Company's helm.

#### 1989-2000

---

1989: ALTEN creates its first subsidiaries in France: ALTEN Sud-Ouest, ALTEN Industrie (fixed price integration in the rail sector), GIST and abroad: ALTEN Ltd (UK).

ALTEN continues to expand despite the recession. It doubles its workforce and generates a profit in every year from 1991 to 1994.

ALTEN broadens its range of services by setting up subsidiaries that specialise in network architecture, open systems, client-server applications, and object-oriented technologies.

ALTEN opens two offices in western and eastern France (ALTEN Ouest and ALTEN Est) as part of its regional expansion strategy.

1999: ALTEN SA is launched on the Second Marché of the Paris Stock Exchange on 1 February 1999. The Company continues to expand regionally with the opening of ALTEN PACA and ALTEN Nord. It spins off its operations in Belgium with the creation of ALTEN Benelux in late December.

2000: ALTEN continues to set up foreign operations. It creates Altek in Germany, ALTEN Spain, Axen in the Benelux region, and increases its stake in ALTEN Ltd. in the UK to 100%. The Group acquires Abilog, Anotech, Cogitel and the Techniques Avancées Group.

## 2001-2011

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- 2001: ALTEN steps up its policy of growth through acquisition to sustain its rate of expansion in a less favourable economic climate and acquires three new companies, including one overseas: Eben Technologies, SD Partners and ETIC.
- 2002: ALTEN continues its growth and acquires another four companies (SBD Technologies and Siatcom in Spain, Orion in the Netherlands and Groupecyber in France).
- 2003: The Company strengthens its international position, which accounts for 20% of the ALTEN Group's revenue for 2003, thanks to operations launched in Italy (acquisition of DEC Informatica) and in Germany (acquisition of IMP GmbH). Acquisition of a company in France, the GSO Group, which specialises in research and development project management.
- 2004: ALTEN achieves significant organic growth in France and continues its international development. The Group records more than 25% of its revenue outside France. Three new companies are acquired: Cronos in Spain, Syselog in France and Aerotec in Germany, allowing ALTEN to become a European leader in R&D project management.
- 2005: ALTEN exceeds its objective of 6,000 employees a year ahead of schedule (workforce of 6,540 at the end of 2005). The Group records more than 27% of its revenue outside France. ALTEN carries out diverse internal restructuring operations in 2005 and acquires Quaternove in France.
- 2006: ALTEN becomes the European leader in advanced technology consultancy and continues its expansion through organic growth and acquisitions. In response to the growing demand from clients for workpackage <sup>(1)</sup> and offshore/nearshore <sup>(2)</sup> services, ALTEN creates a special division dedicated to "Structured Projects" and acquires a company specialising in R&D engineering and workpackage design.
- The nearshore offer is expanded with an acquisition in Romania and now includes the Czech Republic, Slovakia, Poland, Romania and Vietnam.
- 2008: ALTEN confirms the almost comprehensive nature of its listings and partnerships in Europe, and is included among EADS' listed E2S service providers throughout the world (the five top engineering service providers for the EADS Group). Sustained organic growth (16.2%) is achieved mainly through the Energy, Rail, Aeronautics and Banking sectors. ALTEN thereby strengthens its position as a leader in the ETC market (source: PAC 2009 <sup>(3)</sup>).
- 2009: The decline in economic activity affects most business sectors, mainly the Automotive industry. ALTEN's listings are confirmed and it continues its growth in other sectors such as Aeronautics, Energy and Banking/Finance. The ALTEN Group becomes the French leader in integrated projects.
- 2010: The ALTEN Group continues to redeploy its offer towards structured projects. This strategy leads it to strengthen and restructure its Technical Division and to start the CMMI certification process.
- 2011: ALTEN continues to gain market shares and pursues its strategy of growth through acquisitions, mainly overseas.

## 2012

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ALTEN continues its strategy of organic growth and growth through acquisitions. ALTEN acquires four companies abroad: in Sweden (250 consultants), China (50 consultants), Germany (30 consultants) and Poland (40 consultants). ALTEN was certified CMMI level 3 in December 2012.

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*(1) Subcontracted services where technical means are made available (premises, computers, business software).*

*(2) Services consumed in France and carried out abroad (either in close countries-nearshore or in countries that are far or very far away-offshore).*

*(3) Study carried out by Pierre Audoin Conseil.*

## 5.2 INVESTMENTS

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### 5.2.1 MAIN INVESTMENTS DURING 2012

During 2012, ALTEN made the following main investments:

- acquisition of fixtures and facilities, furniture, IT equipment and infrastructures for a total of €7.4 million and intangible assets for €4.8 million, including licenses and software for a total of €1.9 million;
- net financial assets, equity investments and earn-outs worth €24.7 million.

These investments were self-financed.

### 5.2.2 MAJOR INVESTMENTS MADE OR COMMITTED SINCE THE YEAR END

No financial or equity investments have been made or committed since the year end.

### 5.2.3 MAJOR FUTURE INVESTMENTS

No investment planned in the future has given rise to a firm commitment by the Company's management bodies, with the exception of earn-out clauses relating to acquired subsidiaries, whose amounts were duly posted in the Group's consolidated financial statements. The corresponding debt estimated at €1.1 million is posted in other current and non-current liabilities.



# OVERVIEW OF THE BUSINESS AND STRATEGY

# 6

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## 6.1 MAIN ACTIVITIES

### 6.1.1 OPERATIONS AND MAIN ACTIVITIES

The ALTEN Group's main activities are described in the chapters of the business report entitled "ALTEN, technology partner" and "Business sectors".

The tables below supplement this information.

Breakdown of consolidated revenue by main business sector for the period covered by the historical financial information:

	2012	2011	2010
Aerospace	17.1%	16.5%	16.5%
Defence	4.8%	3.5%	3.5%
Automotive	16.3%	18.0%	15.0%
Rail/Naval	3.9%	2.5%	4.0%
Multimedia	9.1%	9.5%	8.5%
Telecoms	13.4%	12%	13%
Finance/Services	12.9%	16.5%	19.5%
Energy	15.5%	15.0%	14.5%
Other industries	7.1%	5.5%	5.5%

Breakdown of consolidated revenue and engineer workforce <sup>(1)</sup> by main geographical regions for the period covered by the historical financial information:

		2012	2011	2010
<b>France</b>	<b>Revenue</b>	<b>€757.7 M</b>	<b>€715.7 M</b>	<b>€633.1 M</b>
	<i>Proportion of consolidated revenue</i>	63.2%	62%	69.1%
	Engineers	8,150	7,800	7,430
<b>Spain</b>	<b>Revenue</b>	<b>€65.7 M</b>	<b>€70.2 M</b>	<b>€66.3 M</b>
	<i>Proportion of consolidated revenue</i>	5.5%	6.6%	7.2%
	Engineers	1,322	1,370	1,280
<b>Sweden</b>	<b>Revenue</b>	<b>€110.6 M</b>	<b>€70.5 M</b>	<b>€47.7 M</b>
	<i>Proportion of consolidated revenue</i>	9.2%	6.6%	5.2%
	Engineers	957	750	630
<b>Germany</b>	<b>Revenue</b>	<b>€95.6 M</b>	<b>€70 M</b>	<b>€56.9 M</b>
	<i>Proportion of consolidated revenue</i>	8.0%	6.6%	6.2%
	Engineers	1,043	820	600
<b>The Netherlands</b>	<b>Revenue</b>	<b>€34 M</b>	<b>€34.7 M</b>	<b>€27.2 M</b>
	<i>Proportion of consolidated revenue</i>	2.8%	3.3%	3.0%
	Engineers	401	400	370
<b>Belgium</b>	<b>Revenue</b>	<b>€31.7 M</b>	<b>€33 M</b>	<b>€36 M</b>
	<i>Proportion of consolidated revenue</i>	2.6%	3.1%	3.9%
	Engineers	255	300	340
<b>Italy</b>	<b>Revenue</b>	<b>€28.8 M</b>	<b>€26 M</b>	<b>€21.9 M</b>
	<i>Proportion of consolidated revenue</i>	2.4%	2.4%	2.4%
	Engineers	411	370	310
<b>Other countries</b>	<b>Revenue</b>	<b>€73.9 M</b>	<b>€45.6 M</b>	<b>€27.5 M</b>
	<i>Proportion of consolidated revenue</i>	6.3%	9.4%	3%
	Engineers	1,561	1,290	240

(1) Workforce at Year End.

### 6.1.2 NEW PRODUCTS

The ALTEN Group's range of services is described in the chapter of the business report entitled "ALTEN, technology partner".

## 6.2 MAIN MARKETS

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A presentation of the ALTEN Group's main markets is given in the chapter of the business report entitled "ALTEN, technology partner".

## 6.3 EXCEPTIONAL EVENTS

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None.

## 6.4 ALTEN'S DEPENDENCY ON PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL AGREEMENTS OR NEW MANUFACTURING METHODS

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See Chapter 4 "Risk factors".

## 6.5 COMPETITIVE POSITION

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ALTEN has been the number one provider in the engineering and technology consulting market for several years, and is reinforcing its leadership position.

The engineering and technology consulting market is fragmented.

In France, around ten players have revenue in excess of €150 million and jointly represent nearly 40% of activity.

The market, excluding France, remains highly fragmented.

Only four market players in the engineering and technology consulting field have a European presence; they are all French.

*(Source Pierre Audoin Consultants 2012)*

# 6

## OVERVIEW OF THE BUSINESS AND STRATEGY

# ORGANISATION CHART

# 7

## 7.1 BRIEF DESCRIPTION OF THE GROUP

---

ALTEN SA is the parent company of the ALTEN Group. ALTEN SA conducts both operational activities and operational holding activities for the Group. It conducts the following activities as part of its parent-subsidary relationship with the Group's, mainly French, subsidiaries:

- legal (company law, contracts, dispute resolution, labour law, claims, mergers and acquisitions, *etc.*);
- finance (accounting, management oversight, cash management, *etc.*);
- administration and human resource management (career management, payroll, employee relations, *etc.*);
- support services (logistics, repairs and maintenance, *etc.*);
- computing (Information Systems and Networks/Telecoms);
- internal development (recruitment and training of sales managers, *etc.*).

The subsidiaries are billed for these services in line with the transfer pricing policy implemented within the Group.

ALTEN SA has formed a central corporate treasury within the Group through its wholly-owned subsidiary, Alten Cash Management SARL.

ALTEN SA also allows some of its subsidiaries to benefit from major account referrals.

At 31 December 2012, the ALTEN Group was comprised of 57 subsidiaries located primarily in France, Germany, Belgium, Brazil, Canada, China, Spain, the United States, the United Kingdom, India, Italy, Luxembourg, Nigeria, the Netherlands, Poland, Romania, Slovakia, Sweden, Switzerland and the Czech Republic.

## 7.2 LIST OF MAJOR SUBSIDIARIES

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The list of subsidiaries is given in Note 2.4 to the consolidated financial statements, "Scope of consolidation", in paragraph 20.3.1 of this Registration Document.

# 7

## ORGANISATION CHART

# REAL ESTATE, FACTORIES AND EQUIPMENT

# 8

## 8.1 SIGNIFICANT TANGIBLE ASSETS

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None.

## 8.2 ENVIRONMENTAL ISSUES THAT MAY AFFECT THE USE OF TANGIBLE ASSETS

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None.



REAL ESTATE, FACTORIES AND EQUIPMENT



# REVIEW OF THE FINANCIAL POSITION AND RESULT

# 9

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All subsidiaries of ALTEN (hereafter the “Company” or “ALTEN”) are consolidated into the Group financial statements in accordance with the methods described in the notes to the consolidated financial statements.

## 9.1 FINANCIAL POSITION

### 9.1.1 ACTIVITY OF THE GROUP AND ALTEN SA OVER THE LAST FINANCIAL YEAR

#### 9.1.1.1 Activity of the Group

ALTEN, the European leader in Engineering and Technology Consulting (ETC), carries out design and research projects for the technical and information systems divisions of major industrial, telecoms and service-provider customers.

The market encompasses the full range of ETC services, specifically:

- Scientific and Technical Research;
- Network Architecture and Systems.

In 2012, business and results grew significantly.

ALTEN grew faster than the ETC market and continued to develop its positions.

Organic growth remained satisfactory throughout 2012, despite a slight slowdown in the last quarter, mainly in France, and despite one day fewer worked in France than in 2011. It thus grew by 8.7% compared with 2011.

Aeronautics, Rail, Energy, Telecoms (except equipment suppliers) and Automotive (outside France) were the most dynamic business sectors. Despite a turnover which remained high (>20%), ALTEN succeeded in recruiting the resources needed to implement projects and maintained a sustained recruitment rate during 2012. At the end of December, ALTEN had 15,950 employees, of whom 14,100 were consultants.

The breakdown by location and by activity is presented in in Chapter 6 of this Registration Document.

ALTEN made a number of acquisitions during the last financial year:

- acquisition on 16 February 2012 of Enea, one of Sweden’s leading telecoms companies (250 employees, revenue of 260 million SEK in 2011), by Alten Europe, a wholly-owned subsidiary of ALTEN SA;
- acquisition on 24 July 2012 of Sesame Group Limited, a company based in Hong Kong that develops onboard systems for the Telecoms and Automotive industries (50 consultants), by Alten Europe, a wholly-owned subsidiary of ALTEN SA;
- acquisition on 1 October 2012 of the business assets of Actano, an engineering company based in Germany (PLM/PMO - 40 consultants), by MI-GSO, a wholly-owned subsidiary of ALTEN SA;
- acquisition on 20 December 2012 of Itekna, an engineering and technology consulting company based in Poland (40 consultants), by Alten Europe, a wholly-owned subsidiary of ALTEN SA;
- Alten Europe has also taken an additional stake in the capital of Phinergy Ltd, bringing its interest from 15% to 19.49%.

There were no disposals or exits from scope during the last financial year.

In Germany, the spin-off of AEROTEC Engineering GmbH took place on 11 May 2012, with retroactive effect from 1 January 2012. This operation led to the transfer of the assets of the technical documentation business to ATEXIS GmbH.

In addition to this operation, the existing legal entity AEROTEC Engineering GmbH changed its name on 12 June 2012, becoming ALTEN Technology GmbH.

Moreover, on 13 November 2012 the ALTEN Group established Alten Canada Inc., whose share capital is fully owned by ALTEN EUROPE (a wholly-owned subsidiary of ALTEN SA) and whose main activity is engineering and technical consulting.

#### Events after year-end

In Spain, because of the collapse in the number of tenders, particularly in the public sector, Alten Spain introduced a redundancy plan in January 2013 affecting 145 employees. The redundancies were staggered to take effect in January and February 2013.

### 9.1.1.2 Activity of ALTEN SA

ALTEN SA carries out design and research projects for the technical and information systems divisions of major customers in the industrial, telecommunications and service sectors.

ALTEN SA works with its customers through various types of contracts:

- consulting;
- workpackage or “global platforms”. These services are generally provided by committing resources and billed on a time-spent basis;
- fixed-price projects under which ALTEN is bound by an obligation to achieve results at a fixed price. This business represents less than 10% of activity.

#### Key events

ALTEN SA confirmed its credit facilities by implementing a new club deal on 21 December 2012 worth €150 million over three years.

ALTEN SA was subject to a tax audit relating to 2008 and 2009, resulting in an immaterial proposed adjustment for which a provision was made in the financial statements and which is being contested.

#### Events after year-end

On 1 January 2013, ALTEN SA carried out a merger of assets (in accordance with the provisions of Article 1844-5, paragraph 3 of the French Civil Code) of B2I Automotive Engineering, a wholly-owned subsidiary of ALTEN SA. Following this operation, all of the assets of B2I Automotive Engineering were transferred to ALTEN SA and B2I Automotive Engineering was dissolved without liquidation.

An URSSAF audit (Social Security assessment) began in early 2013, relating to 2011 and 2012.

## 9.1.2 REVENUE TRENDS

### 9.1.2.1 With respect to the Group

The ALTEN Group's consolidated financial statements show revenue of €1,198.0 million, up 12.4% (8.7% at constant exchange rates) compared with 2011 (€1,065.7 million). The share of sales made internationally grew steadily and now accounts for 37% of the ALTEN Group's business.

In France, in 2012, growth was 5.9% (6.6% in the first half; 5.1% in the second half). Internationally, activity growth came to 14.4% (13.3% in the first half of the year, 15.3% in the second). Growth thus increased by 25.8% compared with 2011.

Germany, Sweden and Italy experienced sustained growth rates.

### 9.1.2.2 With respect to ALTEN SA

ALTEN SA posted revenue of €452,616,000, up 4.46% on the previous year.

This revenue includes direct invoicing to the customer for services rendered by some Group subsidiaries to customers, for whom ALTEN SA is the only ALTEN company referenced on the shortlist.

Other income, for the most part made up of fees re-billed to subsidiaries, amounts to €10,071,000, compared to €9,955,000 at 31 December 2011, being an increase of €116,000.

Other external purchases and costs amount to €152,069,000, compared to €143,526,000 at 31 December 2011. This represents 33.6% of revenue, compared to 33.1% in 2011.

Employee expenses were €269,224,000, compared to €259,309,000 in 2011.

### 9.1.3 EARNINGS TRENDS

#### 9.1.3.1 With respect to the Group

Despite one less working day in France than in 2011 and the integration of less profitable acquired companies, operating profit on activity came to €120.6 million at 31 December 2012, i.e. 10.1% of revenue, up 11.4% compared with 2011.

Profit from ordinary activities was €120.3 million after taking into account share-based payments amounting to €0.3 million (cost of stock options).

Non-recurring income stood at -€3.9 million and mainly comprised costs relating to the restructuring in Spain and fees incurred through acquisitions.

After taking these elements into account, operating profit came to €116.4 million (9.7% of revenue), up 21.9% on last year (when operating profit came to €95.3 million and represented 8.9% of revenue).

Financial losses were €0.7 million and the income tax expense came to €38.9 million.

Net income, Group share amounted to €78.1 million, or 6.5% of revenue, up 31.2% compared with 2011.

The ALTEN Group's consolidated results are presented in the following table:

	2012		2011		Change
	(In millions of euros)	%	(In millions of euros)	%	%
Revenue	1,198.0		1,065.7		+12.4
Operating profit on activity	120.6	10.1	108.3	10.2	+11.4
Cost of stock options	(0.3)		(0.3)		
Profit from ordinary activities	120.3	10	108	8.9	+11.4
Non-recurring profit	(3.9)		(9.4)		
Impairment of goodwill	0		(3.1)		
Profit/loss from divestment	(0.01)		(0.2)		
Operating profit	116.4	9.7	95.3	8.9	+22.14
Net financial income	(0.7)		(1.5)		
Taxes	(39)		(35)		
Affiliates and minority interests	1.7		0.8		
Net income, Group share	78.1	6.5	59.5	5.6	+31.2

#### 9.1.3.2 With respect to ALTEN SA

ALTEN SA's operating profit came to €28,173,000, compared with €25,173,000 at 31 December 2011, i.e. 6.2% of revenue.

Net financial income amounted to €10,215,000 in 2012 (compared to €25,737,000 in 2011). This is primarily made up of dividends paid by ALTEN SA subsidiaries (€12,010,000).

After accounting for employee profit sharing (€3,263,000) and corporate tax (€7,053,000), net earnings came to €27,725,000, or 6.1% of revenue.

The non-recurring loss was €374,000, compared to €6,045,000 at 31 December 2011.

Non-current financial assets (€165,734,000) mainly comprise investment securities whose principle movements are set out in Chapter 21.1.4 under Note 3.5.3 of this Registration Document.

At 31 December 2012, ALTEN SA's net cash position (including financial current accounts) was +€5,648,000.

## 9.2 OPERATING PROFIT

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### 9.2.1 KEY FACTORS

The factors that affected business and operating profit are set out in Chapter 9.1. An analysis by business sector is also available in the "Business sectors" chapter of the business report.

### 9.2.2 KEY CHANGES

None.

### 9.2.3 IMPACT OF EXTERNAL EVENTS

None.

## 9.3. ALLOCATION OF EARNINGS

---

The General Meeting of Shareholders will be asked to allocate the earnings for the financial year ended 31 December 2012, which amounted to €27,725,025, as follows:

**Source:**

- earnings for the financial year: €27,725,025;
- retained earnings: €100,679,358;
- earnings to be allocated: €128,404,383.

**Allocation:**

- legal reserve: €21,979.56;
- dividend: 32,734,984 shares at €1 €32,734,984;
- retained earnings: €95,647,419.44.

## 9.4 NON-DEDUCTIBLE CHARGES

---

The amount of sumptuary expenses and other non-deductible charges referred to in Article 39-4 of the French General Tax Code came to €31,581.09 for the 2012 financial year.

## 9.5 DUE DATES FOR PAYMENT

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, as of 31 December 2012, the Company's accounts payable totalled €30,569,000.

<i>(in thousands of euros)</i>	Total trade payables		Due payables on closure		Total debt not yet due		Payables including due on unmatured - 30 days		Including due dates between 30 and 60 days due		Including + 60 days	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
<b>Trade payables</b>												
Operating suppliers	4,156	6,974	192	163	3,964	6,811	2,928	5,780	912	1,026	124	5
Group suppliers	17,817	17,484	0	28	17,817	17,456	8,523	8,634	9,294	8,822	0	0
Total Workforce suppliers	21,973	24,458	192	191	21,781	24,267	11,451	14,414	10,206	9,848	124	5
Accounts payable not received	8,596	12,204										
Total payables at 31/12/2012	30,569	36,662										

## 9.6 TABLE OF RESULTS FOR THE PAST FIVE FINANCIAL YEARS

<b>Financial table</b> <i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010	31/12/2009	31/12/2008
<b>Share capital</b>	32,953	32,801	32,491	32,293	32,246
Number of ordinary shares	32,421,753	32,271,677	31,966,790	31,771,921	31,725,735
Maximum number of future shares to be created:					
• by convertible bonds	-	-	-	-	-
• by exercising subscription rights	1,425,534	1,154,700	1,681,053	2,062,307	1,842,773
Revenue (net of tax)	452,616	433,257	375,601	338,958	373,490
EBITDA	43,756	46,340	32,287	52,429	29,903
Income tax	7,053	7,465	8,785	(2,917)	7,120
Employee profit-sharing	3,262	1,889	2,614	0	2,587
Net earnings	27,725	35,511	20,483	46,579	2,546
Distributed earnings	31,823	34,996	28,284	0	0
Earnings per share after tax and before depreciation and provisions	1.03	1.15	0.65	1.56	0.64
Earnings per share after tax, depreciation and provisions	0.86	1.10	0.64	1.47	0.08
Dividend per share	1.00	1.10	0.90	0	0
Average workforce during the financial year	4,895	4,673	4,152	3,854	3,726
Total payroll	180,661	172,672	148,882	134,312	130,532
Total payroll and employee benefits	88,562	86,638	67,287	68,564	64,767

# CASH AND CAPITAL

# 10

<b>10.1 INFORMATION ON CAPITAL</b>	<b>110</b>	<b>10.4 RESTRICTIONS ON USE OF CAPITAL</b>	<b>110</b>
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## 10.1 INFORMATION ON CAPITAL

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Information regarding capital is presented in Note 3.5.10 of Chapter 20.3.2.

## 10.2 CASH FLOW

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The ALTEN Group generated a gross cash flow of €127.0 million, up 15.15% compared with 2011 (€110.3 million). Net cash generated from operating activities amounted to €80.0 million, up 18.1% compared with 2011.

It represented 6.7% of revenue (6.4% in 2011) and reflected the good management of the working capital requirement (DSO down from 106 days in 2011 to 100 days in 2012).

ALTEN was thereby able to finance the whole of its investments and acquisitions (€34 million), dividends paid to shareholders (€31.8 million) and improve its net cash position.

As a consequence, the ALTEN Group had a net cash surplus at end-2012 of €58.4 million.

The cash flow tables are to be found in Chapter 20.3.1 of the consolidated financial statements and in Note 1.4.

## 10.3 LENDING LOAN CONDITIONS AND FINANCING STRUCTURE

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Lending loan conditions and financing structure are presented in Chapter 4.2 of the Registration Document.

### 10.3.1 FINANCING OF RECEIVABLES

ALTEN does not make use of debt securitisation or factor its receivables. The Company finances all of its trade receivables with shareholders' equity or occasionally uses credit lines as part of the "Club Deal" and/or short-term unconfirmed lines of credit (see Chapter 4.2).

### 10.3.2 FINANCING OF INVESTMENTS

See Chapter 5.2.

## 10.4 RESTRICTIONS ON USE OF CAPITAL

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None.

## 10.5 SOURCES OF FINANCING

---

The ALTEN Group has sources of financing needed for the investments referred to in 5.2.3 "Major future investments" of this Registration Document.



# RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

11

ALTEN participates in research and development projects for its clients and also carries out research and development on its own behalf.

As part of its equity-financed R&D programme, ALTEN, which is a shareholder and partner of Phinergy for engineering, has developed the prototype Al-air battery and carried out a round of tests to identify and resolve industrialisation issues.

On 25 October 2012, ALTEN was awarded the 2012 “*Grand Prix National de l’Ingénierie*” (GPNI, the French national engineering prize), in the “Industry” category. The GPNI, organised by the French Ministry for Ecology, Sustainable Development and Energy (MEDDE), the Ministry for Industrial Renewal (MRP) and the association of engineering companies Syntec-Ingénierie, was awarded in recognition of ALTEN’s innovative work in the field of energy production and storage.

ALTEN and some of its subsidiaries have a portfolio of brand names, filed on their own behalf, mainly with the INPI and the OHMI.



# INFORMATION ON TRENDS

# 12

## 12.1 MAIN TRENDS

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ALTEN kept all of its reference listings in France and abroad. The activity rate for January 2013 was comparable to that for January 2012. The Group has a comfortable cash position that allows it to finance its development projects through acquisitions.

## 12.2 ELEMENTS LIABLE TO HAVE A SIGNIFICANT IMPACT ON PROSPECTS

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None.

# 12

INFORMATION ON TRENDS

# EARNINGS FORECASTS AND ESTIMATES

# 13

None.

# 13

## EARNINGS FORECASTS AND ESTIMATES

# ADMINISTRATIVE AND MANAGEMENT BODIES

# 14

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## 14.1 INFORMATION ABOUT MEMBERS

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### 14.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors is presented in paragraph 16.4.1 of this Registration Document, in the report by the Chairman of the Board related to corporate governance, as well as internal audit and risk management procedures implemented by ALTEN.

### 14.1.2 EXPERTISE AND EXPERIENCE OF MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

Mr Simon Azoulay is a graduate of SUPELEC. After having managed the R&D laboratory at Thalès, he founded ALTEN in 1988 with two associates who are also engineers. He is currently Chairman and Chief Executive Officer.

Mr Gérald Attia (a Hartford MBA graduate) became a partner in 1993. He is currently Deputy Chief Executive Officer.

Mr Bruno Benoliel joined the ALTEN Group in 1997. He is currently Deputy Chief Executive Officer.

Mr Pierre Marcel joined the ALTEN Group on 17 April 2000 when ALTEN acquired Anotech, a company founded by Mr Pierre Marcel. He has occupied various Operational Director functions within the Group and is now in charge of the Alten Technologies France Division and some subsidiaries of the Solutions Division. He is currently Deputy Chief Executive Officer.

### 14.1.3 OFFICES AND POSITIONS HELD BY CORPORATE OFFICERS

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#### SIMON AZOULAY

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##### *Chairman and Chief Executive Officer and Board member*

**Date of first appointment:** 19/02/1997 (Board member), 22/09/1998 (Chairman and Chief Executive Officer)

**Date appointment last renewed:** 23/06/2009 (Chairman and Chief Executive Officer and Board member)

**Mandates expire:** General Meeting to be held in 2013 to approve the financial statements for the last financial year (Chairman and Chief Executive Officer and Board member)

Born on 29 May 1956 in Rabat (Morocco), French national.

**Main position held within the Group:** Chairman and Chief Executive Officer

---

##### **Positions held within the Group (excluding ALTEN SA) during the past five financial years**

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###### **Current mandates:**

- Permanent representative of ALTEN, legal entity, Chairman of:
  - ALTEN Sud-Ouest SAS (since 2009)
  - ALTEN SIR SAS (since 2009)
- Permanent representative of ALTEN Europe, legal entity, Secretary of (Great Britain):
  - Anotech Energy Ltd (since 2008)
- Director of (Great Britain):
  - ALTEN Ltd (since 1989)
- Managing Director of:
  - ALTEN Training Center SARL (formerly Abilog) (since 1996)
  - ALTEN Europe SARL (since 2004)
- *Consejero* of (Spain):
  - ALTEN Spain Soluciones, Productos, Auditoria e Ingeniería SAU (2009-2014)



---

**Expired mandates:**

- Permanent representative of ALTEN, legal entity, Chairman of:
  - ALTEN Si SAS (2005-1 January 2006)
  - Develop4@ll SAS (2006-2008)
  - ALTEN Sud-Ouest SAS (2005-2007)
  - Gist SAS (2008-2009)
  - Anotech Energy SAS (2006-2008)
  - HPTI SAS (2007-2007)
- Permanent representative of ALTEN Europe, legal entity, Director of (Spain):
  - ALTEN Ingenieria Slu (2009)
- Director of:
  - Avenir Conseil Formation SA (2010-2011)
  - Quaternove SA (2006-2009)
- Managing Director of:
  - ALTEN Cash Management SARL (2004-2011)
  - ALTEN Services SARL (2004-2008)
  - SGTI SCI (1998-2007)
  - HRLT SARL (2007-2007)
- *Consejero* of (Spain):
  - Burke Newco Slu (2009)
  - Grupo ALTEN Soporte Global Slu (2006-2009)
  - ALTEN T.I.C. Slu (2005-2009)
  - ALTEN Ingenieria Slu (2006-2009)
- Managing Director of (Belgium):
  - ALTEN Benelux Sprl (1999-2010)
  - Axen Sprl (2005-2010)
  - ALTEN Belgium Sprl (2005-2010)

---

**Other positions held in any other company (excluding the ALTEN Group) during the past five financial years**

**Current mandates:**

- Director of:
  - Des Systèmes et des hommes SA
- Managing Director of:
  - Avenir Montmorency SCI
  - Simalep SC
  - Cakciv SC
- Chairman of:
  - SGTI SAS (since 1998)
  - SGTI 2 SAS (since 2012)

---

**GÉRALD ATTIA**

---

*Deputy Chief Executive Officer and Board member*

**Date of first appointment:** 21/12/1998 (Deputy Chief Executive Officer), 23/01/1998 (Board member)

**Date appointment last renewed:** 23/06/2009 (Deputy Chief Executive Officer), 21 June 2010 (Board member)

**Mandates expire:** General Meeting to be held in 2013 to approve the financial statements for the last financial year (Deputy Chief Executive Officer) and General Meeting to be held in 2014 to approve the financial statements for the last financial year (Board member)

Born on 6 April 1962 in Livry-Gargan (France), French national.

**Main position held within the Group:** Deputy Chief Executive Officer

---

**Positions held within the Group (excluding ALTEN SA) during the past five financial years**

---

**Current mandates:**

- Chairman of the Company:
  - Avenir Conseil Formation SAS (since 2010)
  - ID APPS SAS (since 2011)
  - APTECH SAS (since 2011)
- Director of:
  - ALTEN SIR GTS SAS (since 2010)
- Director of (Great Britain):
  - SD Partners Ltd (2001-unspecified)
- Board member of (Great Britain):
  - SD Partners Ltd (since 2001)
- *Consejero* of (Spain):
  - ALTEN Soluciones, Productos, Auditoria e Ingenieria SAU (since 2009)
- Director of (Sweden):
  - XDin AB (Publ) (since 2011)
  - HRH Consulting AB (since 2011)
  - Recoverrest AB (since 2011)
  - X Din Francisco AB (since 2011)
  - X Din Systems AB (since 2011)
  - X Din Stockholm AB (2012-2013)
  - X Din Oresund AB (2012-2013)
  - X Din Linkoping AB (2012-2013)
- Director of (India):
  - ALTEN India Privale Ltd (since 2010)
  - Calsoft Labs Ltd (India) (since 2011)
- Chairman and member of the Management Board of (Poland):
  - Itekna Polska sp.zo.o (since 2012)
- Managing Director of (Romania):
  - Alten SI Techno Romania Srl (since 2012)

---

**Expired mandates:**

- Chairman of the Company:
  - Etic Software SAS
- *Consejero* of (Spain):
  - ALTEN T.I.C. Slu (nc-2009)
- *Apoderado* of (Spain):
  - ALTEN Ingenieria Slu (nc-2009)

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**Other positions held in any other company (excluding the ALTEN Group) during the past five financial years**

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**Current mandates:**

- Permanent representative of ALTEN SA, Director of:
  - Smart Trade Technologies SA
- Permanent representative of ALTEN SA, member of the Supervisory Board of:
  - X Ange Capital SA
  - X Ange Capital 2 SA
- Managing Director of:
  - SCI ASA

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**Expired mandates:**

- Managing Director of:
  - Proxym SARL

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**BRUNO BENOLIEL**

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*Deputy Chief Executive Officer and Board member*

**Date of first appointment:** 22/06/2011 (Board member), 27/09/2011 (Deputy Chief Executive Officer)

**Date appointment last renewed:** N/A

**Mandates expire:** General Meeting to be held in 2013 to approve the financial statements for the last financial year (Deputy Chief Executive Officer) and General Meeting to be held in 2015 to approve the financial statements for the last financial year (Board member)

Born on 13 May 1964 in Paris (17<sup>th</sup> arrondissement) (France), French national.

**Main position held within the Group:** Deputy Chief Executive Officer

---

**Positions held within the Group (excluding ALTEN SA) during the past five financial years**

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**Current mandates:**

- Permanent representative of Groupe Idestyle, legal entity, Chairman of:
  - Idestyle Technologies SAS (since 2009)
- Managing Director of:
  - ALTEN Cash Management SARL (since 2011)
- *Consejero* of (Spain):
  - ALTEN Soluciones, Productos, Auditoria e Ingenieria SAU (2009-2014)
- *Consigliere* of (Italy):
  - ALTEN Italia SPA (since 2008)
- Managing Director of (Netherlands):
  - ORION (since 2005)
  - ALTEN Nederland BV (since 2005)
  - ALTEN DDA BV (since 2006)
- Director of (Sweden):
  - XDIN AB (publ) (since 2011)
  - HRH Consulting AB (since 2011)
  - Recoverrest AB (since 2011)
  - X Din Francisco AB (since 2011)
  - X Din Systems AB (since 2011)
  - X Din Stockholm AB (2012-2013)
  - X Din Oresund AB (2012-2013)

- X Din Linköping AB (2012-2013)
- Sole Director of (Romania):
  - B2I Inginerie et Technologies Srl (since 2012)
- Director of (Great Britain):
  - SD Partners Ltd (since 2001)
- Member of the Management Board of (Poland):
  - Itekna Polska sp.z.o.o (since 2012)

---

**Expired mandates:**

- Chairman of:
  - Cisia Investissements SA (2007-2009)
  - Quaternove SA (2006-2009)
- Permanent representative of Cisia Investments, legal entity, Chairman of:
  - CisiaCetop SAS (2007-2009)
  - Cisia Ingénierie SAS (2007-2009)
  - CisiaExaterm SAS (2007-2010)
  - Groupe Cisia Ingénierie SAS (2007-2009)
- Director of:
  - Avenir Conseil Formation SA (2006-2011)
  - CisiaIngénierie SA (2006-2010)
- Managing Director of:
  - Sageis CSO SARL (2007-2008)
- Member of the Supervisory Board of:
  - Winwise SAS (2008-2008)
- Managing Director of (Poland):
  - IMP Poland sp z.o.o. (2004-2011)
- *Consejero* of (Spain):
  - Grupo Apex SA (2006-2009)
  - Algor SL (2006-2009)
  - ALTEN T.I.C. SL (2005-2009)
  - Burke Newco SL (2008-2009)
  - Grupo ALTEN Soporte Global SL (2006-2009)
  - Grupo Apex SA (2006-2009)
- *Consigliere* of (Italy):
  - Onion SPA (2009-2011)
- Managing Director of (Belgium):
  - Axen Sprl (2008-2010)
- Sole Director of (Romania):
  - ALTEN SI Techno Romania Srl (2009-2012)

---

**Other positions held in any other company (excluding the ALTEN Group) during the past five financial years**
**Current mandates:**

- Managing Director of:
  - Balantine SC
  - Balantino SC
  - Balantina SC

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## CATHERINE BEHAR

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### *Board member*

**Date of first appointment:** 28/06/2002 (Board member)

**Date appointment last renewed:** 27/06/2008

**Mandate expires:** General Meeting to be held in 2014 to approve the financial statements for the last financial year.

Born on 18 November 1958 in Paris (14<sup>th</sup> arrondissement) (France), French national.

**Main position held within the Group:** N/A

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**Positions held within the Group (excluding ALTEN SA) during the past five financial years**

**Current mandates:**

None

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**Other positions held in any other company (excluding the ALTEN Group) during the past five financial years**

**Current mandates:**

- Managing Director of:
  - Cakciv SC

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## EMILY LUNA

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### *Board member*

**Date of first appointment:** 22/06/2011 (Board member)

**Date appointment last renewed:** N/A

**Mandate expires:** General Meeting to be held in 2015 to approve the financial statements for the last financial year.

Born on 20 July 1948 in Rabat (Morocco), French national.

**Main position held within the Group:** N/A

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**Positions held within the Group (excluding ALTEN SA) during the past five financial years**

**Current mandates:**

None

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**Other positions held in any other company (excluding the ALTEN Group) during the past five financial years**

**Current mandates:**

- Managing Director of:
  - SicogexSC

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## PIERRE MARCEL

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### *Deputy Chief Executive Officer*

**Date of first appointment:** 28/01/2013 (Deputy Chief Executive Officer)

**Date appointment last renewed:** N/A

**Mandate expires:** General Meeting to be held in 2013 to approve the financial statements for the last financial year (Deputy Chief Executive Officer).

Born on 5 June 1961 in Carcassonne (France), French national.

**Main position held within the Group:** Deputy Chief Executive Officer

---

**Positions held within the Group (excluding ALTEN SA) during the past five financial years**

**Current mandates:**

- Permanent representative of Alten SA, legal entity, Chairman of:
  - Anotech Energy SAS (2008-2012)
- Chairman of:
  - Elitys Consulting SAS (since 2009)
  - Atexis (since 2011)

- Director of (Great Britain):
  - Anotech Energy Ltd (since 2008)
- Director of (Nigeria):
  - Anotech Energy Nigeria Ltd (since 2011)
- Director of (Switzerland):
  - Elitys SA (since 2011)
- Managing Director of (Switzerland):
  - Alten Consulting SARL (since 2011)
  - Alten Switzerland SARL (since 2011)

**Expired mandates:**

- Director of (Germany):
  - Aerotec Engineering (2011-2012)

**Other positions held in any other company (excluding the ALTEN Group) during the past five financial years**
**Current mandates:**

- Managing Director of:
  - Amarcis SC
  - Lomaris SC

To the best of the Company's knowledge, the corporate officers of ALTEN SA do not hold any mandates in any other listed companies.

#### 14.1.4 DECLARATIONS PERTAINING TO MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

To the knowledge of the Company, on the date of preparation of this document and during the last five (5) years: (i) no conviction for fraud has been pronounced against a member of the Board, or General Management, (ii) no member of the Board or General Management was prevented by a court from acting as a member of an administrative, managerial or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer, (iii) no conviction and/or official public sanction has been imposed on a member of the Board or the General Management by statutory or regulatory authorities, and (iv) no member of the Board of Directors or General Management has been involved in a bankruptcy, receivership or liquidation. In 2009, Mr Bruno Benoliel was appointed permanent representative of the Idestyle Group and Chairman of Idestyle Technologies SAS, both acquired by ALTEN in 2006 and put into receivership by court order, so that he could manage them through the receivership process.

#### 14.1.5 SPECIFIC INFORMATION REGARDING CORPORATE OFFICERS

Other than the fraternal relationship between Mr Simon Azoulay and Ms Emily Luna, there are no other related family members among the Company's corporate officers.

For the purpose of their corporate mandates, the Members of the Board of Directors and General Management are domiciled at the Company's head office.

#### Operations by managers on the Company's securities during the 2012 financial year

Summary statement of transactions referred to under Article L. 621-18-2 of the French Monetary and Financial Code conducted during the past financial year (transactions involving managers' shares):

Name of manager and/or the person cited in Article L. 621-18-2 of MFC	Duties performed at ALTEN	Type of transaction	Total amount of transactions (in euros)
<b>SGTI</b> Legal entity connected with Simon Azoulay (Chairman and Chief Executive Officer)	None	Disposal	76,740,602.29
<b>SGTI 2</b> Legal entity connected with Simon Azoulay (Chairman and Chief Executive Officer)	None	Acquisition *	50,683,825.30
<b>Simon Azoulay</b>	Chairman and Chief Executive Officer	Acquisition	25.30

\* On 15 November 2012, Société Générale pour les Technologies et l'Ingénierie ("SGTI") sold a block of 2,040,000 ALTEN shares to Société Générale pour les Technologies et l'Ingénierie 2 ("SGTI 2"); this sale was carried out as part of an operation aimed at increasing the capital of SGTI.

## 14.2 CONFLICTS OF INTEREST

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To the Company's knowledge and at the date on which this document was prepared, no conflicts of interests have been identified between the duties of each of the Members of the Board of Directors and General Management in relation to their capacity as corporate officers and their private interests or other duties.

To the Company's knowledge and at the date on which this document was prepared, there are no pacts or agreements concluded with the main shareholders, customers or suppliers under which a Member of the Board of Directors or General Management has been designated as such.

To the Company's knowledge and at the date on which this document was prepared, no restriction has been agreed to by the members of the Board of Directors and the other members of management concerning the sale of their interests in the Company's share capital.

# 14 ADMINISTRATIVE AND MANAGEMENT BODIES



# REMUNERATION AND BENEFITS

# 15

**15.1 REMUNERATION PAID AND BENEFITS  
IN KIND** **128**

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**15.2 PROVISIONS FOR PENSIONS  
AND RETIREMENT** **132**

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## 15.1 REMUNERATION PAID AND BENEFITS IN KIND

TABLE 1: REMUNERATION AND SHARE OPTIONS ALLOCATED TO EACH CORPORATE OFFICER

<i>Simon Azoulay Chairman and Chief Executive Officer</i>	2012	2011
Remuneration due for the financial year	€380,000	€359,080
Value of options awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€380,000</b>	<b>€359,080</b>
<i>Gérald Attia Deputy Chief Executive Officer</i>	2012	2011
Remuneration due for the financial year	€266,097	€262,224
Value of options awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€266,097</b>	<b>€262,224</b>
<i>Bruno Benoliel Deputy Chief Executive Officer</i>	2012	2011 (from 22 June 2011 to 31 December 2011)
Remuneration due for the financial year	€219,141	€109,065
Value of options awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€219,141</b>	<b>€109,065</b>

### Pierre Marcel

Mr Pierre Marcel was appointed Deputy Chief Executive Officer of ALTEN SA, at the proposal of the Chairman and Chief Executive Officer, at the Board of Directors meeting held on 28 January 2013. He received no remuneration in his capacity as a corporate officer during the 2012 financial year.

TABLE 2: REMUNERATION PAID TO EACH CORPORATE OFFICER

	2012		2011	
	Amount paid	Amount due	Amount paid	Amount due
<b>Simon Azoulay</b>				
• Fixed remuneration	€109,080	€120,000	€109,080	€109,080
• Variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	€260,000*	€260,000	€250,000**	€250,000
• Benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€369,080</b>	<b>€380,000</b>	<b>€359,080</b>	<b>€359,080</b>

\* €150,000 corresponds to the fees paid to Mr Simon Azoulay in December 2012 for the 2012 financial year by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero. €110,000 was also paid by the UK company ALTEN Ltd, wholly-owned subsidiary of ALTEN Europe, to Mr Simon Azoulay in respect of attendance fees for his position as Director for financial year 2012.

\*\* €150,000 corresponds to the fees paid to Mr Simon Azoulay in October 2011 for the 2011 financial year by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero. €100,000 was also paid by the UK company ALTEN Ltd, wholly-owned subsidiary of ALTEN Europe, to Mr Simon Azoulay in respect of attendance fees for his position as Director for financial year 2011.

	2012		2011	
	Amount paid	Amount due	Amount paid	Amount due
<b>Gérald Attia</b>				
• Fixed remuneration	€178,224	€178,224	€178,224	€178,224
• Variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	€33,329*	84,000	€84,000**	€84,000
• Benefits in kind	€3,873	€3,873	None	None
<b>TOTAL</b>	<b>€215,426</b>	<b>€266,097</b>	<b>€262,224</b>	<b>€262,224</b>

\* This amount corresponds to the fees paid to Mr Gérald Attia in December 2012 for the 2012 financial year by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero. The balance of €50,671 was paid to him in January 2013.

\*\* This amount corresponds to the fees paid to Mr Gérald Attia in December 2011 for the 2011 financial year by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero.

	2012		2011 (from 22 June 2011 to 31 December 2011)	
	Amount paid	Amount due	Amount paid	Amount due
<b>Bruno Benoliel</b>				
• Fixed remuneration	€159,141	€159,141	€67,065**	€67,065
• Variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	€57,355*	€60,000	€42,000***	€42,000
• Benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€216,496</b>	<b>€219,141</b>	<b>€109,065</b>	<b>€109,065</b>

\* This amount corresponds to the fees paid to Mr Bruno Benoliel in December 2012 for the 2012 financial year by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero. The balance of €2,645 was paid to him in January 2013.

\*\* This amount corresponds to the monies received by Mr Bruno Benoliel from 22 June 2011, date on which he was appointed board member of ALTEN SA, under his employment contract (dated from 29 September 1997) which corresponds to exercise by the latter of his tasks as Director in charge of the Finance, Legal and Information Systems Divisions.

\*\*\* This amount corresponds to the monies paid as of 1 July 2011 to Mr Bruno Benoliel in December 2011 for financial year 2011 by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as directors' fees for his role as Consejero.

#### Pierre Marcel

Mr Pierre Marcel was appointed Deputy Chief Executive Officer of ALTEN SA at the Board of Directors meeting held on 28 January 2013. He received no remuneration in his capacity as a corporate officer during the 2012 financial year.

TABLE 3: DIRECTORS' FEES AND OTHER REMUNERATION PAID TO NON-EXECUTIVE CORPORATE OFFICERS

None.

TABLE 4: SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOTTED DURING THE TERM OF EACH EXECUTIVE CORPORATE OFFICER

None.

TABLE 5: SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED OVER THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

None.

TABLE 6: PERFORMANCE-BASED SHARES ALLOCATED TO EACH CORPORATE OFFICER

None.

TABLE 7: PERFORMANCE-BASED SHARES MADE AVAILABLE DURING THE YEAR TO EACH CORPORATE OFFICER

None.

TABLE 10: SUMMARY OF EXECUTIVE CORPORATE OFFICERS' EMPLOYMENT CONTRACTS, REMUNERATION AND/OR BENEFITS OWED OR LIKELY TO BE OWED DUE TO TERMINATION OR CHANGE IN THEIR DUTIES OR OTHERWISE

Executive corporate officers	Employment contract	Supplementary pension plan	Compensation or benefits owed or likely to be owed due to termination or change in duties	Compensation related to a non-competition provision
<b>Simon Azoulay</b> Chairman and Chief Executive Officer Date appointment last renewed: 23/06/2009 Date mandate expires: General Meeting to be held in 2013 to approve the financial statements for the last financial year	None	None	None	None
<b>Gérald Attia</b> Deputy Chief Executive Officer Date appointment last renewed: 23/06/2009 Mandate expires: General Meeting to be held in 2013 to approve the financial statements for the last financial year	None	None	None	None
<b>Bruno Benoliel</b> Deputy Chief Executive Officer Date appointed: 27/09/2011 Mandate expires: General Meeting to be held in 2013 to approve the financial statements for the last financial year	Yes *	None	None	None
<b>Pierre Marcel</b> Deputy Chief Executive Officer Date appointed: 28/01/2013 Mandate expires: General Meeting to be held in 2013 to approve the financial statements for the last financial year	Yes **	None	None	None

\* The employment contract of Mr Bruno Benoliel, prior to the latter's appointment as Board member and Deputy Chief Executive Officer, is for performing the duties of Director in charge of the Finance, Legal and Information Systems Divisions, a position he has occupied within the ALTEN Group since 29 September 1997.

\*\* Mr Pierre Marcel's employment contract with ALTEN Sud-Ouest, a wholly owned subsidiary of ALTEN SA, before his appointment as Deputy Chief Executive Officer, relates to his role as Manager at ALTEN Sud-Ouest since 1 April 1996.

## SHARE OPTIONS

No share options were allocated during the last financial year.

**TABLE 9: OPTIONS TO SUBSCRIBE TO OR PURCHASE SHARES GRANTED TO THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) WITH THE HIGHEST NUMBER OF OPTIONS, AND OPTIONS EXERCISED BY THESE BENEFICIARIES**

Options to subscribe to or purchase shares granted to the ten employees (other than corporate officers) with the highest number of options, and options exercised by these beneficiaries	Total number of options awarded/ shares subscribed to or purchased	Weighted average price (in euros)	Plan date
Options granted during the financial year by ALTEN and any company within its Group granting options, to the ten employees of the issuer and all companies included in the group which grant options, with the highest number of options granted. (Comprehensive Information)	N/A	N/A	N/A
Options for ALTEN and other aforementioned companies previously exercised during the financial year by the ten employees of the issuer and such other companies, with the highest number of options thus purchased or subscribed. (Comprehensive Information)	61,260.00	25.329	24/03/2005
		25.638	23/10/2006
		24.070	18/02/2008

**TABLE 8: RECORD OF PAST STOCK OPTION ALLOTMENTS, AS AT 31 DECEMBER 2012**

Date awarded by the Board	Date of Meeting	Number of beneficiaries	First possible exercise date	Plan maturity date	Number of options awarded	Exercise price (in €)	Number of options waived	Number of options exercised	Number of options voided	Number of options which may be exercised
27/01/1999	07/01/1999	34	27/01/2003	28/01/2007	27,950	6.860	0	18,880	9,070	0
16/12/1999	07/01/1999	190	16/12/2003	17/12/2005	292,900	27.400	0	17,150	275,750	0
27/09/2000	07/01/1999	50	27/09/2004	28/09/2008	174,250	27.200	85,000	1,750	87,500	0
09/01/2001	07/01/1999	180	09/01/2005	10/01/2009	283,000	28.000	64,500	14,670	203,830	0
28/03/2001	07/01/1999	3	28/03/2005	28/03/2009	30,000	26.000	0	0	30,000	0
21/08/2001	07/01/1999	2	21/08/2005	21/08/2009	28,500	16.850	0	28,500	0	0
25/01/2002	07/01/1999	214	25/01/2006	25/01/2010	438,400	15.720	60,000	302,205	76,195	0
05/09/2002	07/01/1999	1	05/09/2006	05/09/2010	10,000	6.000	0	10,000	0	0
13/03/2003	07/01/1999	237	13/03/2007	13/03/2011	359,150	5.900	0	318,750	40,400	0
25/07/2003	07/01/1999	6	25/07/2007	25/07/2011	450,000	7.300	0	449,500	500	0
06/01/2004	07/01/1999	259	06/01/2008	06/01/2012	318,970	10.730	0	222,770	96,200	0
24/03/2005	23/06/2003	356	24/03/2009	24/03/2013	496,500	17.980	0	239,515	223,385	33,600
23/10/2006	27/06/2006	598	23/10/2010	23/10/2014	1,189,780	24.100	30,000	149,660	796,920	213,200
18/02/2008	27/06/2006	794	18/02/2012	18/02/2016	622,790	19.130	30,000	78,371	299,610	214,809
07/09/2009	23/06/2009	689	07/09/2013	07/09/2017	574,330	15.210	0	0	240,205	334,125
19/10/2010	23/06/2009	6	19/10/2014	19/10/2018	120,000	22.365	30,000	0	0	90,000
<b>TOTAL</b>					<b>5,416,520</b>		<b>299,500</b>	<b>1,851,721</b>	<b>2,379,565</b>	<b>885,734</b>

#### HISTORY OF PAST AWARDS OF SHARE WARRANTS

Date of the Shareholders' Meeting	23/06/2009
Date of the Board of Directors meeting	07/09/2009
Total number of shares that can be subscribed to upon exercise of the warrants	487,000
Number of shares that can be subscribed to by:	
<i>Simon Azoulay</i>	150,000
<i>Gérald Attia</i>	75,000
<i>Bruno Benoliel</i>	60,000
<i>Pierre Marcel</i>	75,000
Initial exercise date of the warrants	07/09/2013
Expiry date	07/09/2017
Exercise price of the warrants	€15.85
Exercise procedures (when the plan has several tranches)	NA
Number of shares subscribed as at 01/03/2012 (most recent date)	0
Cumulative number of share warrants cancelled or voided	0
Remaining share warrants at the end of the financial year	0

Share warrants awarded during the financial year to each corporate officer: None.

## 15.2 PROVISIONS FOR PENSIONS AND RETIREMENT

None.

# OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

# 16

<b>16.1 EXPIRY DATE OF TERMS OF OFFICE</b>	<b>134</b>	<b>16.4 COMPLIANCE WITH CORPORATE GOVERNANCE RULES</b>	<b>134</b>
<b>16.2 SERVICE LEVEL AGREEMENTS BINDING MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES</b>	<b>134</b>	16.4.1 Report by the Chairman of the Board related to corporate governance, as well as internal audit and risk management procedures implemented by ALTEN	134
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## 16.1 EXPIRY DATE OF TERMS OF OFFICE

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See Chapter 14, paragraph 14.1.3.

## 16.2 SERVICE LEVEL AGREEMENTS BINDING MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES

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There are no service level agreements binding members of administrative bodies, management or supervisory bodies with ALTEN or any of its subsidiaries or stipulating the granting of advantages under such a contract.

## 16.3 INFORMATION ON COMMITTEES

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Given the structure of the Board of Directors and the absence of at least one independent director, it was not deemed possible to create an independent Audit Committee.

The Company thus complies with the twelfth recommendation of the Middelnext Code on the formation of committees, as the Board of Directors meets in Audit Committee form and applies the recommendations regarding duties and the establishment of specific minutes relating to Board meetings in Committee form.

The Board of Directors also relies on the work of the Executive Committee, the Divisional Administrative Committees and the Divisional Management Committees.

For more details, see paragraph 16.4.1, "Report by the Chairman of the Board related to corporate governance, as well as internal audit and risk management procedures implemented by ALTEN", particularly the section relating to the Audit Committee.

## 16.4 COMPLIANCE WITH CORPORATE GOVERNANCE RULES

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### 16.4.1 REPORT BY THE CHAIRMAN OF THE BOARD RELATED TO CORPORATE GOVERNANCE, AS WELL AS INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES IMPLEMENTED BY ALTEN

To our Shareholders,

This report by the Chairman of the Board, approved by the Board of Directors at its meeting on 3 April 2013, in accordance with the requirements of Article L. 225-37 of the Commercial Code, will discuss the composition of the Board and the application of the principle of equal representation between men and women on the Board <sup>(1)</sup>, the conditions in which the Board's work is prepared and organised, any restrictions on the powers of the CEO, a code of corporate governance, specific procedures relating to shareholder participation at Shareholders' Meetings, and internal control and risk management procedures implemented by the Company.

This report also specifies the principles and rules for determining remuneration and benefits of any kind granted to the Company's corporate officers, and items likely to have an impact in the event of a public offering.

While writing this report, the Chairman held several meetings with the heads of the Financial and Legal Divisions, as well as the information systems manager and the heads of other divisions that are involved with internal audit.

A report by the Statutory Auditors, attached to the general report describing the completion of their mission, presents their comments on this.

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(1) Article L. 225-37 as modified by the law of 27 January 2011 relating to equal representation between men and women on Boards of Directors and to professional equality.



## I Corporate governance

ALTEN (hereinafter referred to as: the Company) operates in accordance with the Middelnext code of corporate governance for small and mid-cap stocks made public on 17 December 2009 (hereinafter, "Reference Code") as part of the implementation of its governance.

The Middelnext code is available on the Middelnext web site at the following address: [www.middelnext.com](http://www.middelnext.com).

The Reference Code also contains areas where vigilance must be exercised as defined in the standards for reasonable governance of French companies, which sets forth questions that the Board of Directors must ask itself in order to ensure effective governance. The Company's Board of Directors took note of these key areas for vigilance during its meeting on 10 May 2010.

The Reference Code contains fifteen (15) recommendations that specifically concern executive corporate officers and the Board of Directors.

Currently, the Company is in compliance with all fifteen (15) of these recommendations of the Middelnext Code of Corporate Governance, with the exception of the eighth Recommendation "Board Composition - Presence of independent members on the board".

The eighth Recommendation of the Reference Code sets forth criteria to be used to establish independence of the members. These five (5) criteria demonstrate the independence of board members, characterised by the absence of a significant financial, contractual or familial relationship which is likely to alter the independence of the director's judgement:

- the Board Member is not an employee, corporate officer of the Company or a company within its group, and has not held such position during the past three years;
- the Board Member is not a significant customer, supplier or banker of the Company or its group, or for which the Company or its group represents a significant part of its business;
- the Board Member is not a leading shareholder of the Company;
- the Board Member does not have a close family relationship with an corporate officer or a leading shareholder;
- the Board Member has not been a Company auditor during the past three years.

The Board of Directors considers the circumstances of each member on a case-by-case basis in view of the criteria set forth above. Subject to supporting its position, the Board can view one of its members as independent even where he does not fulfil all these criteria. Vice versa, it is possible that a member who fulfils all of these criteria may not be considered independent.

The Board believes that, as of this date, none of its members fulfils the aforementioned criteria for independence. In this respect, the Company does not comply with the eighth recommendation of the Middelnext Code, as the Board of Directors has not found the appropriate profile. A search is underway to identify one or more candidates who may join the board as independent directors and provide complementary expertise in certain fields. As part of the Company's commitment to achieving compliance with the provisions of the eighth Recommendation in the Reference Code, the appointment of one (1) independent director is required. Henceforth the Board will be composed of at least five (5) directors.

### 1 Preparing and organising the work of the Board of Directors

On 20 January 2004, in addition to the Company's legal, regulatory and statutory provisions, the Board of Directors adopted a set of Internal Rules whose purpose is to specify the manner in which the Board is organised and operates, along with rules applicable to securities transactions involving corporate officers and their families.

These Internal Rules were amended by the meeting of the Board of Directors on 6 March 2007 in order to comply with the new provisions set forth in the AMF general regulations related to securities transactions by Company management.

In addition, the Internal Rules were enhanced in March 2008 by information specifically referring to corporate governance.

Finally, given the adoption of the new Middelnext Reference Code by the Board of Directors, the Board's Internal Rules were subject to certain changes at the meeting of the Board of Directors held on 1 February 2010.

The Board of Directors' Internal Rules comply with the sixth Recommendation of the Reference Code concerning content and publication of the Internal Rules. The Internal Rules are available on the Company's website (<http://www.alten.fr/finance/informations-reglementees-alten.htm>).

### 1.1 Rules of operation and organisation

#### 1.1.1 Composition of the Board of Directors

Article 16 of the Company's Articles of Association provides that the Board of Directors is composed of no fewer than three (3) and no more than eighteen (18) members.

The appointment of each director is the subject of a separate resolution in accordance with the ninth Recommendation of the Reference Code.

The Board of Directors is composed of:

- Mr Simon Azoulay, who also serves as Chairman and Chief Executive Officer;
- Ms Catherine Behar;
- Mr Gérald Attia, who also serves as Deputy Chief Executive Officer;
- Mr Bruno Benoliel, who also serves as Deputy Chief Executive Officer;
- Ms Emily Luna.

Mr Simon Azoulay, a French national, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. At 31 December 2012, he held 8,784,195 shares in his own name and *via* SGTI and SGTI 2, which he controls 100%, i.e. 27.09% of the Company's capital.

Mr Gérald Attia, a French national, was born on 6 April 1962 in Livry-Gargan (93) and holds an MBA from Hartford. At 31 December 2012, he held in his own name, 138,477 ALTEN shares or 0.43% of the Company's capital.

Ms Catherine Behar, a French national, born 18 November 1958 in Paris (14<sup>th</sup> arrondissement) does not hold any shares in the Company as at 31 December 2012.

Mr Bruno Benoliel, a French national, born 13 May 1964 in Paris (17<sup>th</sup> arrondissement) holds as at 31 December 2012 52,800 ALTEN shares, i.e. 0.16% of the Company's capital.

Ms Emily Luna, a French national, born 20 July 1948 in Rabat (Morocco), holds as at 31 December 2012, 4,330 ALTEN shares, i.e. 0.01% of the Company's capital.

To the Company's knowledge there is currently no conflict of interest between the duties of any member of the Board of Directors with regard to the Company and their private interests.

As regards prevention of conflicts of interest, the Internal Rules of the Board of Directors state that, in a situation generating or which might generate a conflict between the Company interest and the direct or indirect personal interest of a Director or the interest of the shareholder or group of shareholders represented by the Director, said Director will inform the Board and abstain from voting on the corresponding matter.

#### 1.1.2 Representation of men and women on the Board of Directors

The French Warsmann law of 27 January 2011 introduced rules promoting professional equality between men and women, particularly in terms of achieving a gender balance on company Boards. Since the appointment of Ms Luna as a director by the Combined General Meeting of 22 June 2011, the Board of Directors of the Company has two women out of five members in total.

In accordance with the provisions of the law of 27 January 2011, the Board of Directors met on 6 November 2012 to consider new advances regarding professional and pay equality.

The Board will meet again in 2013 to consider new advances regarding professional and pay equality.

#### 1.1.3 Duration and number of terms

The Board of Directors asked the General Meeting of the Shareholders held on 23 June 2009 to approve an amendment to the Internal Rules concerning the terms of the directors, reducing their terms to four (4) years rather than six (6) years. The term of office for members of the Board of Directors is now set in the Internal Rules at four (4) years. This term complies with the suggestions in the tenth Recommendation of the Reference Code.

Note that the directors' terms of office are staggered.

The list of offices held by members of the Board of Directors during the 2012 financial year can be found in Chapter 14.1.3 of this Registration Document (it being specified that members of the ALTEN SA Board of Directors do not hold any mandate in a listed company other than ALTEN SA in accordance with the seventh recommendation of the Reference Code).

#### 1.1.4 Convening meetings of the Board of Directors

In accordance with the law and the Internal Rules, Directors are convened by ordinary letter, fax, e-mail or orally. On average, 2012 Board meetings were convened seven and a half (7.5) days in advance.

Representatives to the Works Council (one management and one non-management representative) were invited to all meetings of the Board of Directors by e-mail and by registered letter with acknowledgement of receipt.

In accordance with the provisions of Article L. 823-17 of the French Commercial Code, the Company's Statutory Auditors are invited to all meetings of the Board of Directors convened to review or approve the interim or annual financial statements, as well as to the annual Ordinary General Meeting.

In an effort to improve transparency and ensure that the Statutory Auditors are in a position where they are best able to fulfil their duties, the auditors were invited to attend all the meetings of the Board of Directors in 2012.

#### 1.1.5 Director information

To enable members of the Board of Directors to effectively prepare for meetings, the Chairman gives the Directors all information within a reasonable and adequate period of time as required to make decisions and, more generally to carry out their duties in an independent manner. Each Director is able to obtain additional information necessary to perform his or her duties.

The Directors deemed that the information provided was clear and precise and gave them an opportunity to constructively discuss issues and help articulate the Company's acquisition and growth strategy.

Directors are regularly informed between meetings of the Board, whenever Company news so warrants, in accordance with the eleventh Recommendation of the Reference Code.

The representatives from the Works Council received the same information within the same timeframe as the members of the Board of Directors. Minutes of Board Meetings are drafted following each meeting and are subject to approval by the Board of Directors at its next meeting.

#### 1.1.6 Representation of Directors

Directors may be represented at meetings of the Board of Directors by another Director. The proxy must be given in writing. No Directors used this right during financial year 2012.

#### 1.1.7 Use of videoconferences and telecommunications

The Company's Articles of Association and the Internal Rules of the Board of Directors allow the Directors to take part in the Board's deliberations *via* videoconference or telecommunication. Directors who take part in Board deliberations using this method are deemed to be present when calculating the quorum and the majority, except when taking decisions where such methods are forbidden by law or regulation (currently financial statements and the management report).

These methods were not used in the course of financial year 2012.

#### 1.1.8 Chairmanship of meetings

Mr Simon Azoulay, the Chairman, presided over eight (8) meetings of the Board of Directors of the nine (9) that were held during 2012.

In accordance with the Articles of Association and the provisions of Article L. 225-50 of the French Commercial Code, at its meeting held on 7 May 2012 the Board of Directors delegated to a Director, on an exceptional basis and for that meeting only, the functions of Chairman of the Board.

#### 1.1.9 Guests invited to Board meetings

During the 2012 financial year, the Group's Chief Legal Officer, Mr Arnaud Flandé, regularly attended Board meetings. He also carried out the role of Board Secretary.

#### 1.1.10 Board meetings taking the form of Audit Committees

Given the structure of the Board of Directors and the absence of at least one independent director, it was not deemed possible to create an independent Audit Committee.

The Company complies with the twelfth recommendation of the Middledex Code on the creation of committees, as the Board of Directors meets in Audit Committee form.

Thus, in accordance with the provisions of Articles L. 823-19 et seq. of the French Commercial Code, the Board of Directors, in the presence of Mr Bruno Benoliel, Deputy Chief Executive Officer responsible for Finance, convened the Board of Directors as an Audit Committee on 3 April and 24 September 2012, in order to monitor:

- the process by which financial information is compiled;
- the efficiency of internal audit and risk management procedures;
- the audit required by law of the separate financial statements and the consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

#### 1.1.11 Evaluation of the Board

In accordance with the provisions of the fifteenth Recommendation of the Reference Code, the Board of Directors regularly discusses subjects such as the composition of the Board of Directors, its work, its delegations of powers and its decisions. These deliberations are transcribed in minutes.

In these deliberations, members of the Board review the organisation of the Board and its mode of operation. They examine in particular documents provided to the directors, to the representatives of the Works Council and the Statutory Auditors. Board members also verify that the most important issues have been sufficiently prepared, in particular using the expertise of the Deputy Chief Executive Officer in charge of Finance, Legal and IT Systems when the agenda contains a question relating to the activity of the Group, the separate or consolidated financial statements or the Company's financial communications.

A procedure aimed at allowing a formal assessment will be implemented once an independent director has been appointed to the Board of Directors.

### 1.2 Frequency of meetings and Directors' average attendance rate

The Board of Directors met nine (9) times during financial year 2012, at the registered office, with an average attendance rate of 60%, thus complying with the thirteenth Recommendation of the Reference Code.

### 1.3 Main missions

The Board of Directors' primary duty is to determine the direction of the Company's business, define its strategy and monitor its implementation. It operates in areas which relate to its own areas of competence such as approval of financial statements (annual and interim financial statements), convocation of General Meetings of shareholders, regulated agreements (within the meaning of Article L. 225-38 of the French Commercial Code) and determining remuneration for corporate officers.

In addition, the following transactions are subject to prior approval by the Board of Directors: (i) acquisitions (ii) cessation of business, (iii) creation of jointly-held companies with third parties, (iv) issue of bonds, guarantees and securities.

In the course of financial year 2012, the Board of Directors approved the signature of a new club deal for a maximum of one hundred and fifty million euros (€150,000,000) and an associated guarantee on behalf of a subsidiary, approved an internal restructuring operation, approved the 2011 annual financial statements and the interim financial statements at 30 June 2012 and the provisional management documents, examined and approved the financial press releases, decided on compensation for corporate officers and delegated authority to the Chairman and Chief Executive Officer to issue guarantees, bonds and sureties subject to certain conditions and limitations.

### 1.4 Limitation of the powers of General Management

On 28 June 2002, the Company's Board of Directors combined the duties of Chairman of the Board of Directors and Chief Executive Officer. Since that time, Mr Simon Azoulay has been responsible for the general management of the Company.

This decision has not been called into question since that date.

The Chief Executive Officer and the Deputy Chief Executive Officers are vested with the broadest possible powers to act on behalf of the Company in all circumstances. They exercise their powers within the limit of the Company object and subject to those which the law expressly allocates to meetings of shareholders and of the Board of Directors. They represent the Company in its relations with third parties and before the courts.

The powers of General Management are limited. The Internal Rules of the Board of Directors state that the following transactions are subject to the prior approval of the Board of Directors: (i) acquisitions (of companies or goodwill), (ii) cessation of business (company shares or goodwill), (iii) formation of jointly-held companies with third parties, (iv) issuance of bonds, guarantees and sureties.

### 1.5 Remuneration policy for corporate officers

#### 1.5.1 Remuneration paid by ALTEN SA

##### *Fixed remuneration*

The Board decides at the beginning of the year on the amount to be allocated to the Chairman and Chief Executive and Deputy Chief Executive Officers for the current financial year for the performance of their corporate offices.

The Chairman and Chief Executive Officer and Deputy Chief Executive Officers receive remuneration consisting generally of a fixed remuneration and, where appropriate, variable remuneration paid by ALTEN SA.

It is recalled that the Board has maintained the employment contract of Mr Bruno Benoliel on his appointment as Deputy Chief Executive Officer, having considered that the employment contract was well before his appointment as a corporate officer and it corresponded to his actual functions of Chief Operating Officer, Head of Finance, Legal and IT Systems which he has held since 1997, observing in this the first recommendation in the Reference Code.

The total gross fixed remunerations that they have received under their mandates as Chairman and Chief Executive Officer and Deputy Chief Executive Officers of ALTEN SA are set out in paragraph 15.1 of this document.

##### *Variable remuneration*

Variable remuneration may also be paid to certain corporate officers, whose payment depends on the achievement of performance criteria linked to the results of ALTEN SA and set previously by the Board.

No variable remuneration was paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers during the 2012 financial year.

##### *Extraordinary remuneration*

No extraordinary remuneration or benefits in kind were paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers during the 2012 financial year.

##### *Benefits in kind*

See paragraph 15.1 of this Registration Document.

##### *Directors' fees*

Company directors have not received directors' fees from ALTEN SA for the 2012 financial year.

##### *Deferred remuneration, severance pay or pension obligations*

To date, the corporate officers of ALTEN SA have not received any deferred remuneration, benefits to departing employees or pension obligations, under the third and fourth Recommendations of the Reference Code.

To the remuneration as defined above may be added the allocation of share options or stock, performance shares or share warrants.

*Share subscription or purchase options*

No share options were allocated during 2012.

*Performance-based shares*

No performance shares were allocated during 2012.

*Share warrants*

No share warrants were awarded during the 2012 financial year.

**1.5.2 Remuneration paid by companies controlled by ALTEN SA (under the terms of Article L. 233-16 of the French Commercial Code)**

Directors' fees may be collected by the executive corporate officers of ALTEN SA as remuneration for the positions they hold in companies controlled by ALTEN SA.

The Chairman and Chief Executive Officer and Deputy Chief Executive Officers thus received during 2012 the amounts as described in paragraph 15.1.

The principles adopted by the Board of Directors to determine the remuneration and benefits of any kind granted to corporate officers and the remuneration paid during the year are detailed in a comprehensive, reasoned, coherent, readable and transparent manner, in line with the second and third recommendations of the Reference Code, in Chapter 15 of the Registration Document in tabular form prepared in accordance with the recommendations of the Autorité des Marchés Financiers.

**1.6 Shares owned and securities transactions**

The Board of Directors' Internal Rules include certain provisions governing Company securities transactions that are carried out by members of the Board of Directors, including:

- members of the Board of Directors will declare to the Autorité des Marchés Financiers (AMF) and the Company (according to procedures set forth by law, the market authority's general regulations and those currently set forth in the AMF instruction dated 3 February 2006) all transactions (transfer, purchase, sale, pledge, etc.) concerning Company shares within the statutory period (currently a maximum of five (5) stock market trading days from the transaction date).

Note that it is recommended that securities held by the members of the Board of Directors must be registered (directly or administered). The Economic Modernisation Act (known as the LME Act) of 4 August 2008 eliminated the requirement that directors hold a Company share. The Articles of Association may elect to set forth a number of shares that each director must hold.

A resolution proposing to amend the Company's Articles of Association was submitted to a shareholders' vote during the Combined General Meeting on 23 June 2009;

- like any shareholder, members of the Board of Directors shall inform the AMF when they cross any legal or regulatory threshold related to capital and/or voting rights, whether upwards or downwards. These declarations must be submitted to the AMF within a maximum period of four (4) stock market trading days. Board members shall also provide the Company's Legal Division with a copy of the declaration submitted to the AMF.

**1.7 The Executive Committee and the Divisional Committees**

Since 1 January 2012, the Board of Directors has been supported in preparing its decisions by the work of the Executive Committee and the Divisional Committees.

**1.7.1 The Executive Committee**

The Executive Committee, which meets at least once a month, comprises the Chairman and Chief Executive Officer, the Deputy Chief Executive Officers, the Chief Operating Officers and the Executive Vice Presidents of the Group's different divisions. It is chaired by the Chairman and Chief Executive Officer.

Depending on the agenda, the Heads of Information Systems, Legal, Human Resources or Operational Directors may be invited to attend.

Committee meetings are split into two parts. The first mainly deals with organisational issues:

- the Group's communication policy;
- employee relations policy, remuneration and incentive policy, particularly with respect to the Group's senior executives;
- proposals submitted to the Board of Directors for implementation of internal administrative procedures for management and control, management guidelines and delegations of powers;
- proposals for the implementation and/or development of information systems in coordination with the operational and administrative management processes defined upstream.

The second part focuses on operational issues:

- analysis of sales and financial performance, target setting, implementation of operational measures;
- setting the Group's sales, organisational and development strategies;
- monitoring of major projects in progress.

**1.7.2 The Divisional Management Committees**

In each Division, Management Committees meet at least once a month under the chairmanship of the Divisional Head.

Their purpose is to implement the strategies defined by the Executive Committee. These committees must also report to General Management on key issues identified by the Operational Directors.

**1.7.3 The Divisional Administrative Committees**

These Committees exist for each Division and meet once (1) a week. They are composed of the CFO, the Operational Director and the heads of the administrative departments. They are chaired by the Division's CFO. Members of the Divisional Management Committee may attend.

**1.8 The Statutory Auditors**

The separate and consolidated financial statements are jointly certified by Grant Thornton, represented by Mr Laurent Bouby, and by Dauge & Associés, represented by Mr Christian Laplane.

In its sixth, seventh, eighth and ninth resolutions, the Combined General Meeting of shareholders on 23 June 2009 renewed all of the mandates of the regular and substitute Statutory Auditors for a term of six (6) financial years, expiring at the end of the General Meeting called in 2015 to approve the financial statements for the financial year ended 31 December 2014.

**2 Terms of participation of shareholders at the General Meeting**

The right to take part in General Meetings is subject to the registration of shares in the books under the shareholder's or the agent's name by no later than midnight, Paris time, on the third banking day preceding the General Meeting, either (i) in individual accounts managed by the Company or (ii) in bearer accounts managed by an authorised agent.

Registration or entry of bearer shares is recorded through a shareholding certificate issued by the authorised agent.

If unable to personally attend the meeting, the shareholder may select one of the following three options: (i) give a proxy to a natural person or legal entity of his choosing in accordance with the conditions of Article L. 225-106 of the French Commercial Code; (ii) send a proxy to the Company without identifying an agent or (iii) vote by mail.

Requests by shareholders to submit draft resolutions or points for the agenda must be sent to the head office by registered letter with acknowledgement of receipt or by electronic telecommunication and be received no later than twenty-five (25) days before the General Meeting. They may not be sent more than twenty (20) days after the publication of the convening notice in the BALO.

**3 Elements liable to influence a public offer**

All information on the elements likely to have an influence in the event of a public offer is described in paragraph 18.2 of the Registration Document.

**II Internal audit and risk management procedures**

The reference framework used to prepare the internal audit and risk management section of this report is the subject of an AMF recommendation dated 22 July 2010.

**1 Definition and objectives of internal audit and risk management – Scope**

Internal audit is defined by the ALTEN Group as a process implemented by management and staff to give reasonable assurance on the accomplishment of the following objectives:

- compliance with laws and regulations;
- implementation of instructions and strategies established by General Management;
- optimisation of operational activities;
- proper application of the Company's internal procedures, especially those related to protection of its assets and internal audit;
- the reliability and the quality of information used within the Company and distributed outside the Company; and
- generally, the control of its activities, efficiency of its operations and effective use of its resources.

Internal audit procedures are applied throughout the ALTEN Group, which is defined as ALTEN SA as well as all companies fully consolidated according to the global integration method.

The Group relies on its past experience and well-established documentary and information systems. Some of these resources are available to all employees, while others are only intended for certain divisions (Finance, Human Resources, Legal) and Operational Directors.

However, this audit system cannot provide an absolute guarantee that objectives will be achieved or that the risks, whose likelihood of occurrence and potential impact it seeks to reduce, will be eliminated.

## 2 References and components of ALTEN's internal audit system

Internal audit within the Group is officially set forth in a series of procedures that ensure both the financial and legal security of the various aspects of the Company's business.

The Financial Division is responsible for internal audit procedures related to the preparation and presentation of financial information. The production and analysis of financial information relies on the Accounting, Consolidation and Management Control Departments as well as on the Financial Divisions of the various Group subsidiaries.

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Items of particular significance for the company are prepared centrally. The Group Finance Division is thus responsible for testing Company assets for impairment and reporting on mergers and acquisitions and investments.

Consolidated financial statements are prepared using software that provides all necessary functions for traceability, accuracy and security of data and processing. Subsidiaries submit separate financial statements for consolidation at Group level, with no intermediate consolidation level.

All Group companies issue monthly reports on their operations and finances, including management and operational guidance indicators, which are approved by the Management Control Department. Each quarterly report is subject to meticulous examination.

In the case of foreign entities, which do not come under central Group services, additional financial audits are performed annually in accordance with procedures established by the Finance Division (for International Management Control) based on risk exposure. International Management control also has a role in implementing and developing finance/management structures at foreign subsidiaries (processes/tools/recruitment) to support their development and ensure the accuracy of financial and operational information.

Monthly and even weekly financial, sales and technical reviews based on quarterly reports are carried out.

Furthermore, the specific rules established by the ALTEN Group's various functional divisions are set forth below:

### Recruitment

The hiring of staff members follows a process that is set out and regularly updated by the Group Human Resources Division (procedures to be followed, standard employment contracts). Once hired, information on new employees is promptly recorded in the Group's IT Systems. The payroll functions for 90% of all employees in France are handled centrally.

### Sales

Any new customer account in France is subject to scoring to ensure that the customer is solvent. All customer accounts are scored and are subject to collection proceedings differentiated according to scoring levels.

For this purpose, ALTEN uses a software application in France and Spain to manage customer accounts and collections. This application operates at various levels beginning with invoicing: identification of late payments, reminders, dispute identification and centralisation, collections, etc.

Strict internal guidelines specify how sales are recognised, depending on the nature of the projects (mainly time/materials, workpackages and fixed price).

These guidelines are disseminated and uniformly applied by all Group subsidiaries, in France and abroad.

Invoices are issued by the administrative departments of the relevant entities.

The Group benefits from strengthened General Conditions of Sale, which are always incorporated in responses to invitations to tender.

ALTEN has established a specific process to manage integrated projects. Upon receipt of an invitation to tender, the Business Manager and the Technical Manager examine the commercial risks and the technical risks before deciding how to follow up the ITT, with the Director of Operations acting as an arbitrator.

The process continues, if applicable, with the design, the development of the financial and technical proposals, then a review of the tender with the participation of the Technical Director, the Department Director, Management Control and the Director of Operations.

The Legal Division is always included in this process.

Because of the nature of its customers, the Group has little exposure to foreign exchange risks and credit risks.

### Purchasing

All purchases are subject to independent verifications:

- the internal originator must issue a statement of requirement;
- purchase of equipment or services by the relevant Group department (General Services, IT, etc.);
- validation of the service and/or delivery by the relevant department;
- validation of the payment slip and invoice by the Accounting Division according to various documents.

Invoice settlement, arranged by the Accounting Division, is validated by an independent third party who ensures that the previous procedures have been followed and who verifies, through sampling, the information which enables validation of the invoices.

The Group has strong General Purchasing Conditions.

#### *Legal*

Legal procedures are in place at Group level to involve the Legal Division in the various levels of pre-existing processes.

Legal audits of Group subsidiaries are carried out on a regular basis, based on a preliminary self-assessment questionnaire.

#### *Acquisitions*

The identification of targets and their preliminary approval are first handled by a special division and then validated by General Management, the Financial Division and the Operational Division of the relevant Division.

Proposed acquisitions are submitted to the Board of Directors for approval following an operational, financial, HR, tax and legal audit designed to ascertain that the entities fit the business model, that they are financially sound and that potential risks have been identified.

Once the project is approved, finalisation of the transaction is managed by the Legal Division, which drafts the supporting documentation.

Acquired entities are immediately incorporated into the Group's operational reporting system and management process. Depending on the entity's size, the Group's information systems may be used to ensure the reliability of the data. They are reassessed on an annual basis.

#### *Real estate*

The statement of requirements when looking for new premises is prepared by the Operational Manager, confirmed by the Director of Operations and sent to Group General Services for processing. Review of the project and approval of selected premises falls within the purview of General Management.

The Legal Division is also involved in the various stages of lease negotiations, overseeing them with the General Services Department. A property committee meets regularly to maintain a constant flow of information between the Legal Division, General Services and Management Control so as to update data on current property and analyse ongoing and future projects.

#### *Financial communications*

The ALTEN Group uses all available resources to provide regular, reliable, clear and transparent information both to its shareholders and to financial analysts.

Information is provided via press releases distributed to the press as well as through the quarterly publication of the Group's sales figures and the biannual and annual publication of its earnings.

The Group organises semi-annual analysts' meetings at the time it publishes its earnings.

#### *Delegations of authority*

The existing system for delegating authority has a threefold purpose:

- raising awareness among Operational Directors about their responsibilities for health and safety;
- establishing the ALTEN Group's power of representation for the benefit of the Operational Directors;
- establishing a precise framework in which the Operational Directors exercise their authority (including the right of further delegation).

Delegations of authority primarily concern matters that are directly related to operations (hiring consultants or sales managers, signing customer contracts, dispute management, etc.).

Bank signing authority is only partially delegated in France and abroad for limited amounts.

#### *Information systems*

The Group has implemented its Information Systems with a threefold objective:

- to achieve productivity gains;
- to secure the flow of financial information; and
- to oversee operations carried out by the various Group companies and have pertinent operational information enabling responsive management of the business.

The main application software currently in use is:

- Customer Relationship Management (CRM);
- Human Resources, employee management;
- payroll;



- sales management and invoicing;
- employee management and time management (in conjunction with employee and project management);
- cost management and oversight (in conjunction with time and project management);
- general and analytic accounting, management control and financial management;
- consolidation;
- cash management.

Interfaces have been established between various software applications in order to provide access to dependable and consistent information at all stages of data processing.

#### **Work completed in 2012 – Projects for 2013**

The ERP project, "Vision" (ERP SAP), continued on schedule in 2012.

Vision is now in use at eight (8) companies, including ALTEN SA, ALTEN SIR and ALTEN Sud-Ouest – starting 1 January 2012 – i.e. all ALTEN companies in France except for the Solutions subsidiaries.

The deployment project for the Oracle CRM solution in SaaS mode was finalised in France in November 2012, concluding the deployment in all of ALTEN's French entities.

The streamlining of virtual IT infrastructures and voice and data communication networks continued in 2012, with a view to ensuring greater operational efficiency and security.

The preparation for the outsourcing of all infrastructures for France was finalised in 2012. The initial operational stages of the project to outsource data centres, before eventually transforming them into a Private Cloud for the ALTEN Group, will begin in the first quarter of 2013.

The strengthening of the safety policy was one of the key achievements of the year, both internally and in relation to customer project requirements.

Finally, the project to define and implement the IS roadmap, with the goal of securing and supporting more effectively the Group's growth in France and abroad, was initiated. It will be applied from early 2013 for the Group's Solutions entities and internationally.

#### **Cash flow**

The Group's central cash management department manages the cash of all French subsidiaries. Since 2009, all cash flows have been protected by the SWIFT NET network and high-performance ERP software.

#### **Work completed in 2012 – Projects for 2013**

Cash-pooling covers the full scope of France. A study is currently underway (legal, tax and technical aspects) with a view to the deployment of the cash-pooling solution outside France to support the Group's strong international growth.

The Treasury Division would thereby have efficient means of cash management for subsidiaries and to support the Group's growth financially.

### **3 Risk management**

Identified risks and the resources used to manage them are described in Chapter 4 of this Registration Document.

### **4 Conclusion - outlook**

The continuous improvement of the ALTEN internal audit procedures initiated by the Group several years ago will continue in 2013.

3 April 2013

Chairman of the Board of Directors

Simon Azoulay

## 16.4.2 STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ALTEN

To the shareholders,

In our capacity as Statutory Auditors of ALTEN, and in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2012.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

### Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report.

These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

### Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Paris, 22 April 2013

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Laurent Bouby  
Associate

Cabinet Dauge et Associés  
Christian Laplane  
Associate

# EMPLOYEES

# 17

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## 17.1 WORKFORCE BREAKDOWN

### ALTEN GROUP WORKFORCE, YEAR END

	31/12/2012	31/12/2011	31/12/2010
Consultants <sup>(1)</sup>	14,100	13,100	11,250
Internal staff <sup>(2)</sup>	1,850	1,700	1,450
<b>TOTAL</b>	<b>15,950</b>	<b>14,800</b>	<b>12,700</b>

(1) Salaried employee performing technical projects on customer premises, services billed to customers.

(2) Internal operating staff; not billed to clients.

See also Chapter 6, paragraph 6.1 of this Registration Document.

## 17.2 PROFIT SHARING AND STOCK OPTIONS

See 15.1.

## 17.3 AGREEMENT ON EMPLOYEE PROFIT SHARING

### 17.3.1 DISCRETIONARY PROFIT SHARING PLAN

ALTEN has not implemented any discretionary employee profit sharing plans.

### 17.3.2 MANDATORY PROFIT SHARING PLAN

With regard to mandatory employee profit-sharing plans, Group companies with more than 50 employees and which record a profit have implemented profit-sharing plans as required by law.

Companies	Date of agreement
ALTEN SA	27/05/1992
ALTEN SIR	12/02/2009
ALTEN Sud-Ouest	15/12/2001
Anotech Energy	06/12/2007
MI-GSO	15/11/2006
Avenir Conseil Formation	20/01/2009
Atexis France	14/12/2009
B2i	22/05/2004

In addition, all companies benefit from the Multipar Sécurité and Multipar Solidaire Dynamique FCPs.

All mandatory employee profit-sharing plans at Group companies stipulate the same terms and conditions and offer the employee a choice of the following funds:

- FCP ALTEN;
- FCP Épargne Entreprise Prudence;
- FCPE Épargne Entreprise Équilibre;
- FCP Multipar Solidaire Dynamique.

All of these funds have been approved by the AMF.

#### AMOUNTS PAID TO EMPLOYEES UNDER EMPLOYEE PROFIT-SHARING PLANS OVER THE PAST THREE YEARS

ALTEN SA	2012	2011	2010
Employee profit-sharing (in thousands of euros)	3,263	1,889	2,614

## 17.4 EMPLOYEE-RELATED AND ENVIRONMENTAL CONSEQUENCES OF ALTEN SA'S ACTIVITY

### 17.4.1 EMPLOYMENT WITHIN ALTEN SA

	Workforce	
Total workforce as of 31 December 2012	4,907	
Employees recruited on permanent contracts	1,572	
Employees recruited on fixed-term contracts	69	
Total departures	1,561	%
Resignations	918	58.80%
Redundancies	124	7.94%
End of trial period	287	18.39%
End of fixed-term employment contract	53	3.40%
Other (including transfers)	179	11.47%

### 17.4.2 EMPLOYMENT AND RECRUITMENT OF FOREIGN EMPLOYEES

As at 31 December 2012, there were 497 employees of foreign nationality, including 344 from outside the European Union, in ALTEN's workforce.

	Workforce
French employees	4,410
Foreign employees	497
EU	153
Non-EU	344

### 17.4.3 EMPLOYMENT AND INSERTION OF DISABLED PERSONNEL

In the firm belief that diversity creates value, in 2012 ALTEN carried out a “disability diagnostic” in collaboration with a consulting firm in order to promote the integration and continued employment of disabled employees.

After several weeks of studies, analyses and meetings with employees from various fields and in partnership with staff representative bodies and occupational health, the disability diagnostic highlighted how disability is perceived within ALTEN, along with the positive aspects and the potential areas for improvement.

Based on these observations, work groups have put together pragmatic action plans leading to the implementation of a disability initiative tailored to the specific nature of the group's occupations and activities.

The results of this diagnostic and the action plans were presented to the AGEFIPH (a French government agency promoting the employment of disabled people) in late February 2013.

This diagnostic thus represents a starting point for the structuring and subsequent deployment of a proactive, successful disability policy within the ALTEN Group.

This policy will enable ALTEN to recruit disabled workers, ensure their continued employment and strengthen its links with the sheltered employment sector (e.g. ESATs (French organisations that help disabled people back into work) and EAs (disability-friendly companies).

An e-learning course entitled “Disability at work: all in this together”, made available to all employees, represents the first step towards raising awareness and changing behaviour with respect to disabilities.

The Company has 14 disabled employees, but this number is below the true figure as some disabled employees do not wish to make themselves known to their employer.

Furthermore, ALTEN subcontracts from certain associations in the sheltered employment sector that advocate for the employment of disabled persons and purchases certain supplies from these organisations.

ALTEN SA paid a contribution of €1,363,916 to the AGEFIPH for 2012.

### 17.4.4 MOBILITY

Given the nature of the Company's business, all consultants can move within ALTEN. As of 31 December 2012, 700 consultants were working overseas on more than 2,000 projects in over 90 countries.

### 17.4.5 WORKING TIME

	Number	
<b>Full-time employees</b>	<b>4,842</b>	
<b>Part-time employees</b>	<b>65</b>	
> 20 hours	60	
< 20 hours	5	
<b>Overtime worked</b>	<b>12,856</b>	<b>%</b>
<b>Absenteeism</b>	<b>47,239</b>	<b>9.68 days per employee</b>
Sabbaticals, paternity leave, family events	6,237	13.20%
Maternity leave	10,966	23.21%
Sick leave	19,801	41.92%
Work accident	540	1.14%
Other causes (unpaid leave)	9,697	20.53%

### 17.4.6 EMPLOYEE RELATIONS

Companies within the Group actively pursue dialogue with their labour relations partners.

ALTEN SA met with the Works Council 13 times and with employee representatives 12 times during 2012.

### 17.4.7 HEALTH AND SAFETY

ALTEN SA's Health and Safety Committee met eight times in 2012. The other Group subsidiaries that met the regulatory threshold also implemented Health and Safety Committees which met periodically as required by law.

The majority of consultants work on customer premises, in laboratories or offices. Other employees working on Company premises provide functional services.

Given ALTEN's business activities, its employees are not subject to difficult working conditions or the performance of repetitive tasks (assembly line work).

### 17.4.8 TRAINING

ALTEN devotes a significant budget to training activities. In 2012, this budget represented 2.49% of its overall payroll. The number of training hours increased by 13% compared with 2011, rising from 50,686.35 to 57,232.70 in 2012.

Training efforts are divided among the following key areas:

- adapting employees to the various divisions' operational needs;
- professional and personal development of employees so they can take full advantage of career opportunities offered by the Company;
- strengthening managerial and project management skills.

### 17.4.9 REMUNERATION, MANDATORY AND DISCRETIONARY PROFIT SHARING AND SAVINGS PLANS:

As at 31 December 2012, social security charges related to total payroll amounted to €88,559,000.

Most of the Group companies (those with more than 50 employees) have implemented mandatory profit sharing plans and company savings plans with the possibility of voluntary payments. Employees may choose to invest in the ALTEN FCPE or in mutual funds with specific profiles (money market - conservative - growth).

Profit-sharing amounted to €3,263,000 for ALTEN SA at 31 December 2012.

### 17.4.10 WELFARE AND CULTURAL BENEFITS:

The budget allocated to welfare benefits represented 0.8% of the total payroll.

### 17.4.11 SUBCONTRACTING AND TEMPORARY STAFF:

ALTEN SA mainly uses subcontractors from within the Group. For 2012, expenses related to subcontracting came to €89,648,000. The ALTEN Group ensures that its subsidiaries comply with the fundamental provisions of national and international labour laws in their relations with subcontractors.

In particular, ALTEN ensures that its subcontractors and affiliates comply with a code of ethics, especially the provisions of the ILO, given that most engineers are from European Union member countries that have adopted the ILO's fundamental principles.

Costs related to recourse to temporary work for the year 2012 were €100,000 for ALTEN SA.

### 17.4.12 RELATIONSHIPS WITH LOCAL AND REGIONAL COMMUNITIES:

In the field of education and training, ALTEN has formed partnerships with numerous engineering and business schools whose programmes relate to the Company's needs.

In addition, the Chairman was part of an employment commission established by GEICET, a professional association aimed at promoting the engineering trade.

In partnership with the n+i network, ALTEN has also implemented training courses for Indian students who come to France to complete their engineering studies at prestigious schools.

# 17 EMPLOYEES



## MAIN SHAREHOLDERS

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## 18.1 SHAREHOLDING STRUCTURE

### 18.1.1 SHAREHOLDING STRUCTURE

#### 18.1.1.1 Position as of 31 March 2013

	Number of shares	% of capital	Number of voting rights	% of voting rights
Simon Azoulay*	7,884,195	24.08%	13,683,704	35.91%
Gérald Attia	138,477	0.42%	150,167	0.39%
Bruno Benoliel	52,800	0.16%	52,800	0.14%
ALTEN FCPE	280,800	0.86%	280,800	0.74%
Fidelity International Ltd	1,941,859	5.93%	1,941,859	5.10%
Harris Associates Ltd	961,966	2.94%	961,966	2.52%
International Value Advisers LLC	1,225,623	3.74%	1,225,623	3.22%
Treasury shares	484,174	1.48%	-	-
Public	19,765,090	60.38%	19,810,683	51.99%
<b>TOTAL</b>	<b>32,734,984</b>	<b>100%</b>	<b>38,107,602</b>	<b>100%</b>

\* Simon Azoulay and those in the same category (SGTI and SGTI 2).

There have been no significant changes since 31 March 2013.

To the Company's knowledge, no other shareholder holds, directly or indirectly, individually or in concert, more than 3% <sup>(1)</sup> of the Company's capital or voting rights.

#### Cash management shares

As of 31 December 2012, none of ALTEN's subsidiaries held ALTEN shares.

#### 18.1.1.2 Position as of 31 December 2012

The identity of individuals holding directly or indirectly more than 3%, 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, or 66.66%, 90% or 95% of the Company's share capital and voting rights at General Meetings as of 31 December 2012 is set forth below:

	Number of shares	% of capital	Number of voting rights	% of voting rights
Simon Azoulay*	8,784,195	27.10%	15,483,704	39.63%
Gérald Attia	138,477	0.43%	150,167	0.38%
Bruno Benoliel	52,800	0.16%	52,800	0.14%
ALTEN FCPE	315,000	0.97%	315,000	0.81%
Fidelity International Ltd	2,134,308	6.58%	2,134,308	5.46%
Harris Associates Ltd	961,966	2.97%	961,966	2.46%
International Value Advisers LLC	1,225,623	3.78%	1,225,623	3.14%
Treasury shares	478,019	1.47%	-	-
Public	18,331,365	56.54%	18,750,696	47.99%
<b>TOTAL</b>	<b>32,421,753</b>	<b>100%</b>	<b>39,074,264</b>	<b>100%</b>

\* Simon Azoulay and those in the same category (SGTI and SGTI 2).

To the Company's knowledge, no other shareholders directly or indirectly, individually or in concert, hold 3% or more of the company's share capital and voting rights.

(1) This is a statutory threshold as defined in Article 9 of the Articles of Association.

## 18.1.2 CHANGES IN SHAREHOLDING STRUCTURE

### 18.1.2.1 Changes to the breakdown of capital over the past three years

	Position as of 31 December 2012			Position as of 31 December 2011			Position as of 31 December 2010		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Simon Azoulay*	8,784,195	27.10%	39.63%	9,884,195	30.63%	46.25%	10,697,511	33.46%	50.36%
Gérald Attia	138,477	0.43%	0.38%	296,874	0.92%	0.71%	296,874	0.93%	0.72%
Bruno Benoliel	52,800	0.16%	0.14%	52,800	0.16%	0.12%			
ALTEN FCPE	315,000	0.97%	0.81%	333,000	1.03%	0.78%	360,000	1.13%	0.85%
Fidelity International Ltd	2,134,308	6.58%	5.46%	1,574,009	4.88%	3.69%	1,574,009	4.92%	3.71%
Harris Associates Ltd	961,966	2.97%	2.46%	1,655,813	5.13%	3.88%			
International Value Advisers LLC	1,225,623	3.78%	3.14%						
Treasury shares	478,019	1.47%	-	476,252	1.48%	-	401,927	1.26%	-
Public	18,331,365	56.54%	47.99%	17,998,734	55.78%	44.57%	18,636,469	58.30%	44.36%
<b>TOTAL</b>	<b>32,421,753</b>	<b>100%</b>	<b>100%</b>	<b>32,271,677</b>	<b>100%</b>	<b>100%</b>	<b>31,966,790</b>	<b>100%</b>	<b>100%</b>

\* Simon Azoulay and those in the same category (SGTI and SGTI 2).

### 18.1.2.2 Public purchase or exchange offer

No public purchase offer, exchange offer or standing market offer was launched by third parties for the Company's shares.

In addition, the Company has launched no public exchange offer on the shares of another company on a regulated market.

### 18.1.2.3 Shareholders' agreements

To the best of the Company's knowledge, there are currently no shareholders' agreements in effect.

## 18.1.3 BREACHING REPORTING THRESHOLDS

To the Company's knowledge, the only reporting thresholds breached during financial year 2012 were the following:

Declarant's name	Transaction date	AMF Reference	Type of threshold breach
FMR LLC.	10/02/2012	212C0256	Exceeding the 5% capital threshold
Harris Associates L.P	15/02/2012	212C0293	Falling below the 5% capital threshold
Simon Azoulay	01/08/2012	212C1025	Falling below <sup>(1)</sup> the 30% capital threshold
FMR LLC	31/08/2012	212C1153	Exceeding the 5% voting rights threshold
SGTI 2	15/11/2012	212C1581	Exceeding the 5% capital and voting rights thresholds
SGTI	15/11/2012	212C1581	Falling below the 25% capital threshold

(1) Falling below the 30% capital threshold, directly and indirectly via SGTI controlled by Mr Simon Azoulay. SGTI also declared that it fell below the same threshold on an individual basis.

## 18.2 ELEMENTS LIABLE TO INFLUENCE A PUBLIC OFFER

---

ALTEN's capital structure and the Company's known direct and indirect equity interests and all other information on this matter, set forth in section 18.1, show that the key shareholders (Mr Simon Azoulay and others in the same category, including SGT1 and SGT1 2) together, at 31 March 2013, hold 35.91% of actual voting rights.

There are no statutory restrictions on transferring the shares.

There are no statutory restrictions on the exercising of voting rights, except for the removal of voting rights from shares which were not the subject of a statutory threshold breach declaration which can be requested by one or more shareholders holding at least 3% of the share capital (Article 9 of the Articles of Association).

There are no shares giving special control rights other than those conferring double voting rights.

Moreover, Article 14 of ALTEN's Articles of Association stipulates that "all fully paid-up shares which have been registered in the same name for a continuous period of at least four years are assigned double voting rights. In the event of an increase in capital by the incorporation of reserves, profits or issue premiums, this double voting right is also conferred from the time of issue to new shares awarded free of charge to a shareholder by virtue of former shares for which the shareholder had already been granted this right".

The rules governing the appointment and dismissal of members of the Board of Directors and rules governing amendment of the Articles of Association are governed by common law.

There are no specific agreements stipulating the payment of compensation should a Board Member cease to be in office or should an employee cease to be in office due to resignation or redundancy without real or serious grounds or due to loss of employment due to a public offering.

Delegations and authorisations granted by the Board of Directors which are currently in effect are described in paragraph 21.1.1 of this Document.

ALTEN is also duly informed of any significant investments (direct or indirect) in its share capital:

- pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code;
- pursuant to Article 9 of the Company's Articles of Association, which provides that "any natural person or legal entity acting individually or in concert that crosses the threshold (upwards or downwards) of 3% of the share capital or voting rights must inform the Company of the total number of shares and voting rights owned by registered letter with acknowledgement of receipt within fifteen days from the date on which such 3% threshold was crossed".

To the Company's knowledge, there are no shareholders' agreements.

The "club deal" concluded by the ALTEN Group contains a change of control clause according to which the lenders may request, under certain conditions, the compulsory repayment of the advances granted and/or refuse to grant further advances.

Voting rights attached to ALTEN shares held by employees through ALTEN FCPE shares are exercised by a representative appointed by the FCPE Supervisory Board to represent it at the General Meeting.

## 18.3 DIRECT OR INDIRECT CONTROL

---

The Company is controlled as described in 18.1 above. However, the Company believes that there is no risk that control will be exercised in an abusive manner.

## 18.4 AGREEMENTS WHICH WHEN IMPLEMENTED COULD CAUSE A CHANGE IN CONTROL

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See Chapter 20.3.1, Note 4.9.

# TRANSACTIONS WITH RELATED PARTIES

# 19

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## 19.1 AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

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### 19.1.1 NEW AGREEMENTS ENTERED INTO DURING THE PAST FINANCIAL YEAR

The General Meeting of shareholders will be asked to approve the following agreements, which are mentioned in the special report of the Statutory Auditors:

#### 19.1.1.1 Tax consolidation

- Signature on 19 June 2012, with retroactive effect from 1 January 2012, of a tax consolidation agreement between ALTEN SA and ID APPS SAS, approved by the Board of Directors at its meeting held on 19 June 2012.
- Signature on 19 June 2012, with retroactive effect from 1 January 2012, of a tax consolidation agreement between ALTEN SA and ELITYS Consulting SAS, approved by the Board of Directors at its meeting held on 19 June 2012.

### 19.1.2 AGREEMENTS ENTERED INTO DURING AN EARLIER FINANCIAL YEAR WHOSE EFFECTS CONTINUED DURING THE PAST FINANCIAL YEAR

#### 19.1.2.1 Cash advance agreement

A cash advance agreement was granted by ALTEN to its leading shareholder, "SGTI", on 1 July 2009 for a maximum amount of €8,000,000. This agreement was authorised in advance by ALTEN SA's Board of Directors at its meeting on 30 June 2009. At its meetings on 14 December 2009, 29 July 2010, 17 December 2010, 22 June 2011 and 16 December 2011, the Board amended the expiry date of this cash advance agreement, initially set at 31 December 2009, to 30 June 2012.

This agreement gives rise to the payment of interest to ALTEN calculated as follows: Euribor three months +2%.

This agreement ended on 30 June 2012, as SGTI had repaid the entire principal and the outstanding interest.

#### 19.1.2.2 Service agreements

SGTI and ALTEN entered into a service provision agreement on 3 July 2009. Under this agreement, ALTEN performs administrative services for SGTI. This agreement was approved at the Combined General Meeting of 19 June 2012 in accordance with Article L. 225-42 of the French Commercial Code (Code de commerce). ALTEN has invoiced a sum of €15,000 in respect of the 2012 financial year.

### 19.1.2.3 Tax consolidation

Companies	Date the Board of Directors authorised the agreement	Signature date of the agreement	Effective date	Common executive corporate officers	Holds more than 10% of voting rights
ALTEN Aerospace	30/12/2005	02/01/2006	01/01/2006	None	Yes
ALTEN Cash Management	03/01/2005	03/01/2005	01/01/2005	Simon Azoulay	Yes
ALTEN Europe	03/01/2005	03/01/2005	01/01/2005	Simon Azoulay	Yes
ALTEN SIR	03/01/2000	05/01/2000	01/01/2000	Simon Azoulay	Yes
ALTEN Sud-Ouest	06/01/2004	05/01/2004	01/01/2004	Simon Azoulay	Yes
Anotech Energy	26/09/2008	29/09/2008	01/01/2008	None	Yes
Avenir Conseil Formation	06/05/2008	07/05/2008	01/01/2008	None	Yes
Atexis France	06/05/2008	07/05/2008	01/01/2008	None	Yes
B2I Automotive Engineering*	29/11/2010	29/11/2010	01/01/2010	None	Yes
HPTI	26/09/2008	29/09/2008	01/01/2008	None	Yes
MI-GSO	06/01/2004	05/01/2004	01/01/2004	None	Yes
ID'APPS	19/06/2012	19/06/2012	01/01/2012	Gérald Attia	Yes
Elitys Consulting	19/06/2012	19/06/2012	01/01/2012	None	Yes

\* Company wound up on January 2013.

The tax saving realised by ALTEN SA during the 2012 financial year which resulted from tax consolidation was €1,165,423.

### 19.1.2.4 Signature of a commercial lease by ALTEN SA and SIMALEP

Signature by ALTEN of a commercial lease with SIMALEP, a company under civil law, with share capital of €1,524.49, whose registered office is at 221 Boulevard Jean Jaurès, 92100 Boulogne-Billancourt, registered with the Trade and Companies' Register of Nanterre under the number 329 341 101, for office space at an annual total rent of €96,000 net of taxes, adjustable every three years depending on the rental value of the leased premises, but without exceeding the quarterly change in the index of construction costs published by INSEE.

SIMALEP is 55% owned by Mr Azoulay, also Manager of SIMALEP. Ms Emily Luna, a director of ALTEN SA, also holds a 25% stake in SIMALEP.

This lease was approved by the ALTEN SA Board of Directors at its meeting on 28 July 2011.

## 19.1.3 AGREEMENTS TERMINATED DURING THE FINANCIAL YEAR

No agreements were terminated during the last financial year.

## 19.2 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS (GENERAL MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012)

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To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements indicated to us or those we may have discovered during the course of our audit, without expressing an opinion on their utility and appropriateness or identifying such other agreements, if any.

It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article L. 225-38 of the French Commercial Code (Code de commerce), relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source document.

### AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

#### Agreements and commitments authorised during the period

In accordance with Article L. 225-38 of the French Commercial Code (Code de commerce), we have been informed of the following agreements and commitments which have obtained prior authorisation from the Board of Directors.

##### **Tax consolidation agreement**

Directors and shareholders involved: Mr Simon Azoulay, Mr Gérald Attia and Mr Bruno Benoliel

The tax consolidation agreement signed between the Company and its subsidiaries has been extended to include ID APPS and Elitys Consulting effective as of 1 January 2012.

This extension to the agreement was approved by the ALTEN Board of Directors at its meeting on 19 June 2012.

### AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

#### Agreements and commitments authorised during previous years and continuing to be in place during the year

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been advised that the following agreements and commitments previously authorised by the Shareholders' Meeting were still in effect during the period.

##### **Cash advance agreement**

Director and shareholders involved: Mr Simon Azoulay and SGTI.



Nature and purpose: pursuant to the agreement signed on 1 July 2009 ALTEN granted a cash advance to SGTI for a maximum amount of €8,000,000. This cash advance bears interest at Euribor three months updated by 2%.

Following the authorisations of the Board of Directors dated 22 June 2011 and 16 December 2011, the financial obligation of reimbursement was postponed from 24 December 2009 to 30 June 2012.

This agreement ended on 30 June 2012, the advance having been repaid in full by SGTI. Total interest recorded in 2012 was €15,826.

### Services provision agreement

Director and shareholders involved: Mr Simon AZOULAY and SGTI.

Nature and purpose: following the agreement signed on 3 July 2009, ALTEN provides SGTI with general and administrative services.

For the year ended 31 December 2012, ALTEN recorded income of €15,000 (excluding taxes) for these services.

### Tax consolidation agreement

Directors and shareholders involved: Mr Simon Azoulay, Mr Gérald Attia and Mr Bruno Benoliel

The tax consolidation agreement signed between your Company and ALTEN SIR, MI-GSO, ALTEN Sud-Ouest, ALTEN Cash Management, ALTEN Europe, ALTEN Aerospace, ALTEN Training Centre, ATEXIS France, Avenir Conseil Formation, ANOTECH Energy France, B2I and HPTI remained in force during 2012.

In consideration of this tax consolidation agreement, ALTEN SA recorded an income of €1,165,423.

### Signature of a commercial lease with simalep

Directors involved: Mr Simon Azoulay, Chairman, and Ms Emily Luna, Director.

A commercial lease was signed on 28 July 2011 with SIMALEP, a company under civil law (*Société Civile*) registered with the Nanterre Trade and Companies register under no. 329 341 101, for premises at 119-121 Grande Rue, Sèvres, France. The premises cover a total of approximately 444 m<sup>2</sup> and nine parking spaces, for an annual rent totalling €96,000 excluding tax, to be revised every three years in line with the rental value of the premises leased but without exceeding the change in the quarterly construction costs index published by INSEE.

The expense incurred in 2012 was €93,962 including fees and taxes.

Paris, 22 April 2013

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Laurent Bouby  
Associate

Cabinet Dauge et Associés  
Christian Laplane  
Associate

# 19

## TRANSACTIONS WITH RELATED PARTIES

# FINANCIAL INFORMATION

# 20

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## 20.1 HISTORICAL FINANCIAL INFORMATION

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Pursuant to Article 28 of European Regulation 809/2004, the following information is incorporated by reference in this Registration Document:

- the separate and consolidated financial statements at 31 December 2011, along with the related reports prepared by the Statutory Auditors and presented on pages 173 to 239 of Registration Document no. D.12-0454 filed with the Autorité des Marchés Financiers on 27 April 2012;
- the separate and consolidated financial statements at 31 December 2010, along with the related reports prepared by the Statutory Auditors and presented on pages 167 to 238 of Registration Document no. D.11-0420 filed with the Autorité des Marchés Financiers on 29 April 2011.

## 20.2 *PRO FORMA* FINANCIAL INFORMATION

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None.

## 20.3 2012 CONSOLIDATED FINANCIAL STATEMENTS

### 20.3.1 2012 CONSOLIDATED FINANCIAL STATEMENTS

#### 1. CONSOLIDATED FINANCIAL STATEMENTS

##### Consolidated financial statements

##### ASSETS

<i>(in thousands of euros)</i>	Notes	31/12/2012	31/12/2011	31/12/2010
Goodwill	3.1	200,572	184,400	179,477
Intangible assets	3.2	10,053	9,857	11,456
Property, plant and equipment	3.2	14,061	12,609	9,350
Equity-accounted stakes	3.3	4,717	3,027	
Non-current financial assets	3.4	26,827	24,976	15,035
Tax credits	3.5	10,192	8,818	7,424
<b>NON-CURRENT ASSETS</b>		<b>266,422</b>	<b>243,686</b>	<b>222,741</b>
Trade receivables	3.6	402,753	385,972	365,018
Other current assets	3.6	40,664	34,940	26,651
Cash and cash equivalents	3.7	66,523	59,614	57,992
<b>CURRENT ASSETS</b>		<b>509,941</b>	<b>480,526</b>	<b>449,661</b>
<b>TOTAL ASSETS</b>		<b>776,363</b>	<b>724,212</b>	<b>672,402</b>

##### LIABILITIES

<i>(in thousands of euros)</i>	Notes	31/12/2012	31/12/2011	31/12/2010
Share capital		32,953	32,801	32,491
Additional paid-in capital		25,443	22,708	17,219
Consolidated reserves		310,091	283,778	264,426
Consolidated earnings		78,168	59,552	53,607
<b>EQUITY (GROUP SHARE)</b>		<b>446,655</b>	<b>398,838</b>	<b>367,743</b>
<b>MINORITY INTERESTS</b>		<b>453</b>	<b>466</b>	<b>326</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>447,107</b>	<b>399,304</b>	<b>368,070</b>
Provisions	3.12	13,424	13,023	11,597
Non-current financial liabilities	3.8	1,517	1,798	2,616
Other non-current liabilities	3.9	5,487	4,000	3,691
<b>NON-CURRENT LIABILITIES</b>		<b>20,428</b>	<b>18,821</b>	<b>17,904</b>
Provisions	3.12	6,496	4,548	2,051
Current financial liabilities	3.10	7,936	15,036	14,994
Trade payables		38,100	34,111	31,858
Other current liabilities	3.11	256,296	252,392	237,526
<b>CURRENT LIABILITIES</b>		<b>308,828</b>	<b>306,087</b>	<b>286,429</b>
<b>TOTAL LIABILITIES</b>		<b>776,363</b>	<b>724,212</b>	<b>672,402</b>

## Consolidated income statement

<i>(in thousands of euros)</i>	Notes	31/12/2012	31/12/2011	31/12/2010
<b>Revenue</b>	3.22	<b>1,198,009</b>	<b>1,065,659</b>	<b>916,566</b>
Purchases consumed	3.13	(93,927)	(80,948)	(76,354)
Payroll expenses	3.14	(850,855)	(752,179)	(635,290)
External charges	3.15	(117,176)	(108,871)	(98,399)
Taxes other than on income	3.16	(7,063)	(6,814)	(5,615)
Depreciation and amortization		(8,355)	(7,947)	(6,075)
Other operating expenses	3.17	(6,884)	(5,811)	(5,378)
Other operating income	3.17	6,836	5,246	3,916
<b>OPERATING PROFIT ON ACTIVITY</b>		<b>120,586</b>	<b>108,335</b>	<b>93,371</b>
Share-based payments	3.18	(279)	(309)	(468)
<b>PROFIT FROM ORDINARY ACTIVITIES</b>		<b>120,307</b>	<b>108,026</b>	<b>92,904</b>
Non-current operating expenses	3.19	(5,848)	(12,274)	(3,946)
Non-current operating income	3.19	1,954	2,853	0
Income from asset disposals	3.19	(33)	(142)	(641)
Impairment of goodwill	3.19		(3,131)	
<b>OPERATING PROFIT</b>		<b>116,380</b>	<b>95,332</b>	<b>88,316</b>
Net costs of financial debt	3.20	(728)	(688)	(1,125)
Other financial expenses	3.20	(3,679)	(3,255)	(2,211)
Other financial income	3.20	3,695	2,427	1,634
Income tax expense	3.21	(38,955)	(35,030)	(32,935)
<b>CONSOLIDATED NET EARNINGS</b>		<b>76,713</b>	<b>58,786</b>	<b>53,679</b>
Earnings of equity-accounted companies	3.3	1,689	804	
<b>NET OVERALL EARNINGS</b>		<b>78,402</b>	<b>59,590</b>	<b>53,679</b>
Of which:				
• Minority interests		234	38	72
• Group share		78,168	59,552	53,607
Earnings per share in euros (Group share)	3.23	2.46	1.87	1.70
Diluted earnings per share in euros (Group share)	3.23	2.43	1.85	1.68

## Statement of comprehensive income

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Net income, Group share	78,168	59,552	53,607
Earnings attributable to minority interests	234	38	72
<b>CONSOLIDATED NET EARNINGS</b>	<b>78,402</b>	<b>59,590</b>	<b>53,679</b>
Change in fair value of sellable financial assets	(775)	1,001	2,715
Translation adjustments	185	139	1,628
<b>INCOME AND EXPENSES BOOKED DIRECTLY UNDER EQUITY</b>	<b>(590)</b>	<b>1,140</b>	<b>4,342</b>
<b>TOTAL INCOME FOR THE PERIOD</b>	<b>77,812</b>	<b>60,730</b>	<b>58,021</b>
Of which:			
• Group share	77,578	60,692	57,949
• Minority interests	234	38	72

## Consolidated cash flow statement

<i>(in thousands of euros)</i>	Notes	31/12/2012	31/12/2011*	31/12/2010*
<b>Consolidated net earnings</b>		<b>78,402</b>	<b>59,590</b>	<b>53,679</b>
Earnings of equity-accounted companies	3.3	(1,689)	(804)	0
Depreciation, amortization and operating provisions	3.25	9,927	14,443	6,941
Share-based payments	3.18	279	309	468
Income tax expense	3.21	38,955	35,030	32,935
Capital gains or losses from disposals		302	333	844
Cost of net financial indebtedness	3.20	728	688	1,125
Financial cost on update and provisions		64	676	223
<b>Gross cash flow before borrowing costs and tax</b>		<b>126,968</b>	<b>110,265</b>	<b>96,215</b>
Taxes paid	3.25	(35,451)	(40,318)	(8,895)
Change in working capital requirements	3.25	(11,511)	(2,165)	(6,233)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>80,006</b>	<b>67,782</b>	<b>81,087</b>
Acquisition of tangible and intangible assets		(9,320)	(8,895)	(4,731)
Acquisition of financial assets		(3,437)	(11,092)	(1,719)
Impact of changes in scope and earn-outs	3.25	(22,518)	(15,533)	(5,820)
Disposals of tangible and intangible assets		81	69	85
Reductions in financial assets		1,227	1,450	646
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(33,967)</b>	<b>(34,001)</b>	<b>(11,539)</b>
Net financial interest paid		(731)	(691)	(1,124)
Dividends paid to shareholders		(31,822)	(34,996)	(28,284)
Capital increase	3.25	2,887	5,900	2,499
Acquisitions and disposals of treasury shares		(172)	(1,541)	212
Repayment of long-term financial debt		(155)	(28)	167
Change in current financial liabilities		(9,299)	(906)	(38,264)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(39,292)</b>	<b>(32,262)</b>	<b>(64,795)</b>
<b>EFFECT OF CHANGES IN EXCHANGE RATES ON CASH</b>		<b>161</b>	<b>104</b>	<b>844</b>
<b>CHANGE IN CASH POSITION</b>		<b>6,908</b>	<b>1,622</b>	<b>5,596</b>
Opening cash	3.7	59,614	57,992	52,395
Cash at end of period	3.7	66,523	59,614	57,992
Change		6,909	1,622	5,597

\* Taxes in the cash flow statement are now defined in the same way as the income tax expense in the income statement. The cash flow statements for 2010 and 2011 have been restated to take account of this change.

Investments through lease-financing operations in 2012 totalled €565,000.

In accordance with IAS 7 identifying bank borrowings and loans with financing activities, the table below shows the change in positive cash flow items (see Note 3.7).

The Group's net cash position breaks down as follows:

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Cash at end of period	66,523	59,614	57,992
Bank overdrafts	(7,086)	(14,064)	(13,453)
Bank loans	(1,071)	(1,472)	(2,839)
Net cash position	58,366	44,079	41,699

## Change in consolidated shareholders' equity

<i>(in thousands of euros)</i>	Number of shares in circulation	Number of shares issued	Capital	Additional paid-in capital	Reserves	Treasury shares	Translation reserve	Earnings (Gp share)	Shareholders' equity
<b>AT 31 DECEMBER 2010</b>	<b>31,564,863</b>	<b>31,966,790</b>	<b>32,491</b>	<b>17,219</b>	<b>270,792</b>	<b>(7,479)</b>	<b>1,112</b>	<b>53,607</b>	<b>367,743</b>
2010 allocation of earnings					53,607			(53,607)	0
Capital increase <sup>(1)</sup>	304,983	304,983	310	5,491					5,801
Dividends paid to shareholders					(34,996)				(34,996)
Other variations <sup>(2)</sup>					1,119		(289)		830
Treasury shares	(74,325)	(96)	0	(2)	2	(1,541)			(1,541)
Share-based payments					309				309
<b>Transactions with shareholders</b>			<b>310</b>	<b>5,489</b>	<b>20,041</b>	<b>(1,541)</b>	<b>(289)</b>	<b>(53,607)</b>	<b>(29,597)</b>
Total income for the period					1,001		139	59,552	60,692
Earnings attributable to minority interests								804	
<b>Profit and income and expenses in shareholders' equity</b>					<b>1,001</b>		<b>139</b>	<b>59,552</b>	<b>60,692</b>
<b>AT 31 DECEMBER 2011</b>	<b>31,795,521</b>	<b>32,271,677</b>	<b>32,801</b>	<b>22,708</b>	<b>291,834</b>	<b>(9,020)</b>	<b>962</b>	<b>59,552</b>	<b>398,838</b>
2011 allocation of earnings					59,552			(59,552)	0
Capital increase <sup>(1)</sup>	150,076	150,076	153	2,734					2,887
Dividends paid to shareholders					(31,823)				(31,823)
Other variations <sup>(3)</sup>					(933)				(933)
Treasury shares	(1,768)					(172)			(172)
Share-based payments					279				279
<b>Transactions with shareholders</b>			<b>153</b>	<b>2,734</b>	<b>27,075</b>	<b>(172)</b>	<b>0</b>	<b>(59,552)</b>	<b>(29,762)</b>
Total income for the period					(775)		185	78,168	77,578
Earnings attributable to minority interests								1,689	
<b>Profit and income and expenses in shareholders' equity</b>					<b>(775)</b>		<b>185</b>	<b>78,168</b>	<b>77,578</b>
<b>AT 31 DECEMBER 2012</b>	<b>31,943,829</b>	<b>32,421,753</b>	<b>32,954</b>	<b>25,443</b>	<b>318,135</b>	<b>(9,192)</b>	<b>1,148</b>	<b>78,168</b>	<b>446,654</b>

(1) Capital increases linked to the exercising of stock-options.

(2) Effect of scope changes (€830,000) and reclassifications.

(3) Effect of scope changes involving Anotech Energy France, Anotech Energy UK and Atexis Spain.

## Change in shareholders' equity, minority interest share

<i>(in thousands of euros)</i>	Reserves	Earnings	Shareholders' equity
<b>AT 31 DECEMBER 2010</b>	<b>254</b>	<b>72</b>	<b>326</b>
2010 allocation of earnings	72	(72)	0
Change in scope <sup>(1)</sup>	101		101
2011 earnings		38	38
<b>AT 31 DECEMBER 2011</b>	<b>427</b>	<b>38</b>	<b>465</b>
2011 allocation of earnings	38	(38)	0
Change in scope <sup>(2)</sup>	(248)		(248)
2012 earnings		234	234
<b>AT 31 DECEMBER 2012</b>	<b>218</b>	<b>234</b>	<b>452</b>

(1) In 2011, the change in scope related to the subscription of minority interests in the capital of Intesima GmbH and Atexis Spain.

(2) In 2012, the change in scope related to the buyout of minority interests in Anotech Energy France, Anotech Energy UK and Atexis Spain.



Detailed contents of the notes to the financial statements

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## 2. NOTES TO THE FINANCIAL STATEMENTS

### 2.1 General information on the Group

The ALTEN Group is the European leader in the Engineering and Technology Consulting (ETC) market. ALTEN is a French public limited company (Société Anonyme) with a Board of Directors subject to French law. It is the parent company and Group head. Its registered offices are at 40, avenue André-Morizet in Boulogne-Billancourt (92513). The company was formed on 28 October 1988 for a duration of 99 years.

ALTEN carries out design and research projects for the Technical and Information Systems divisions of major customers in the industrial, telecommunications and service sectors.

The activity is divided into two business lines: Engineering and Technology Consulting (71% of revenue) and Networks Telecom and Information Systems (29% of revenue).

ALTEN works with its customers through various types of contracts:

- consulting;
- “workpackage” or “global platforms” in which services are generally provided by committing resources and billed on a time-spent basis;
- fixed-price projects under which ALTEN is bound by an obligation to achieve results at a fixed price represent less than 10% of activity.

ALTEN has been ISO certified since 1998 and has continued its Group structuring approach, mainly through implementation of the CMMI certification process, strengthening of the Structured Projects Division by skills sectors and systematic training of managers and consultants experienced in “structured project” management. ALTEN has been certified CMMI level 3 since 2012.

The consolidated financial statements presented in this document were approved by the Board meetings of 26 February and 3 April 2013. They are presented in thousands of euros, unless otherwise indicated.

The consolidated financial statements of the issuer are published on its website dedicated to said purpose: [www.ALTEN.fr/finance/informations-financieres-ALTEN.htm](http://www.ALTEN.fr/finance/informations-financieres-ALTEN.htm).

#### 2.1.1 Business

Activity in 2012 was marked by strong organic growth (8.7%). The market remained dynamic due to “technological breakthrough” projects, the continuing rollout of “workpackage” projects and the increasing use of outsourcing.

Customers continued to rationalise their listings, based on (i) multiple skills and offerings in engineering, (ii) the ability to manage global projects and realise productivity gains, and (iii) operating internationally and access to offshore/nearshore.

Growth was mainly driven by (i) automotive outside of France (16.3% of revenue), (ii) aerospace and defence (21.9% of revenue), (iii) energy and life sciences (22.6% of revenue).

Recruitment remains a major challenge, but ALTEN succeeded in recruiting over 3,200 people during the year to secure its development, thanks to its know-how and the technological content of its projects.

#### 2.1.2 Legal reorganisations

The Group carried out the following legal reorganisations during 2012:

Split of Aerotec Engineering GmbH

AEROTEC Engineering GmbH was demerged and its technical documentation assets transferred to ATEXIS GmbH on 11 May 2012 with retroactive effect from 1 January 2012.

In addition to this operation, the existing legal entity AEROTEC Engineering GmbH changed its name on 12 June 2012, becoming ALTEN Technology GmbH.

#### 2.1.3 Creations

##### *Enea (250 consultants; SEK 260 million revenue in 2011)*

ALTEN increased its presence in Sweden by acquiring, via subsidiary X-DIN, 100% stakes in three subsidiaries of the ENEA Group. These three technology consulting companies are positioned in the telecommunications sector and supplement X-DIN's offering. They are consolidated from 1 January 2012.

##### *Sesame (50 consultants; HKD 13 million revenue in 2012)*

In China, the Group acquired Sesame Group specialising in embedded systems on 24 July 2012 (consolidated from 1 July 2012).

##### *Actano (40 consultants; €3.5 million revenue in 2012)*

MI GSO GmbH acquired the Project Management Consulting division of Actano (Munich – Germany) making it one of the top ten German companies in this sector (consolidated from 1 October 2012).

#### **ALTEN Canada**

ALTEN Canada was set up in November 2012 as a wholly-owned subsidiary of ALTEN Europe, with share capital of CAD 50,000.

#### **Itekna (40 consultants; PLN 3.4 million revenue in 2012)**

ALTEN acquired a 65% stake in Itekna in December 2012. The company will be consolidated from 1 January 2013.

#### **Phinergy Ltd**

ALTEN Europe took an additional stake in Phinergy Ltd, raising its interest from 15% to 19.49% of the capital.

None of the acquisitions during the year affected the Group's balance sheet, revenue or operating profit by more than 10%.

#### **2.1.4 Exits from scope**

The companies INTESIMA (Germany), IMP Czech (Czech Republic), Aerotec AG (Switzerland) and SD Partners (UK), all of which have either been liquidated or are in the course of liquidation, were deconsolidated. These exits had no material effect on the 2012 financial statements.

#### **2.1.5 Dividends**

During the first half of 2012 €31.8 million of dividends were paid to ALTEN SA shareholders in respect of financial year 2011.

#### **2.1.6 Other information**

- ALTEN SA was subject to a tax audit relating to 2008 and 2009, resulting in an immaterial proposed adjustment for which a provision was made in the financial statements and which is being contested.
- In December 2012, the Group confirmed its lines of credit in a club deal that provided €150 million in financing to draw on (see Note 2.3 Financial risk factors).

#### **2.1.7 Post-closing events**

An URSSAF audit (Social Security assessment) of ALTEN SA in respect of 2011 and 2012 began at the start of 2013.

## 2.2 Accounting policies

In accordance with EC Regulation 1606/2002 of 19 July 2002, the Group's consolidated financial statements have been prepared in accordance with IFRS standards (International Financial Reporting Standards) as adopted by the European Union. These standards are available on the European Commission website: [ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting principles used to prepare the consolidated financial statements for the year ended 31 December 2012 are identical to those used for the year ended 31 December 2011, it being understood that the new standards and interpretations obligatory as of 1 January 2012 have been applied by the Group:

Standards, amendments or interpretations	Date of adoption by the European Union	Applicable dates: financial years starting
Amendments to IFRS 7 "Disclosures – Transfers of Financial Assets".	23 November 2011	1 July 2011

This amendment has no material impact on the Group.

The Group did not apply in advance any standards, amendments or interpretations published by the IASB and adopted at European level but whose application was not mandatory at 1 January 2012. The standards are as follows:

Standards, amendments or interpretations	Applicable dates: financial years starting
Amendments to Revised IAS 19 "Employee benefits"	1 January 2013
Amendment to IAS 1 "Presentation of items of other comprehensive income (OCI)"	1 July 2012
Annual improvements (2009-2011)	1 January 2013
IFRS 10 "Consolidated financial statements"	1 January 2014
IFRS 11 "Joint arrangements"	1 January 2014
IFRS 12 "Disclosure of interests in other entities"	1 January 2014
Revised IAS 28 "Investments in associates"	1 January 2014
Amendment to IAS 32 "Offsetting financial assets and financial liabilities"	1 January 2014
Amendments to IFRS 7 "Disclosures - Offsetting financial assets and financial liabilities"	1 January 2013

The only standard whose application will have an impact on the ALTEN Group's consolidated financial statements is Revised IAS 19 "Employee benefits". The immediate and full accounting for actuarial gains and losses will be mandatory from 1 January 2013. At 31 December 2012, after application of the corridor method in each subsidiary, there was an unrecognised actuarial difference of €895,000 versus €485,000 at 31 December 2011.

The new standards and interpretations that cannot be applied early for years starting from 1 January 2012 and only come into force from 1 January 2013 are expected to have no material impact on the ALTEN Group consolidated financial statements.

### 2.2.1 Management's 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 the financial statements. These estimates and assessments are continuously made on the basis of past experience and other factors considered reasonable.

The main estimates made by management when preparing the consolidated financial position concerned measurement of goodwill (Note 3.1), securities held for sale (Note 3.4), earn-outs (Notes 3.9 and 3.11), retirement obligations and provisions (Note 3.12) and research tax credits (Note 2.2.22).

In the current fast-changing economic environment, it is harder to define the Group's business outlook and the random nature of some estimates can be accentuated, especially where profits and cash flow are concerned.

### 2.2.2 Financial indicators

The Group mainly relies on the following financial indicators:

- revenue;
- “operating profit on activity”, i.e. operating profit before accounting for the cost of stock options (which never results in an outflow of resources), gains or losses on the disposal of assets, impairment of goodwill and other non-recurring items not directly related to the Company’s business activity;
- “profit from ordinary activities”, i.e., operating profit on activity after taking into account share-based payments;
- “operating profit”, i.e. profit from ordinary activities after accounting for gains or losses on the disposal of assets, impairment of goodwill and other non-recurring items and those not directly related to the Company’s business activity;
- the operating profit on activity ratio, which is the ratio between operating profit on activity and revenue. This ratio measures the performance of operating activities excluding non-recurring items and those not directly related to the Company’s business activity;
- the financial debt ratio (net financial debt/equity);
- gearing, which is the ratio of net financial debt/consolidated equity.

### 2.2.3 Operating segments

According to IFRS 8 “Operating Segments”, which came into force on 1 January 2009, means that operating segment information reflects the internal information system used by Group management to assist the decision-making process. Group activity is presented by geographic region, distinguishing between France and overseas (see Note 3.22).

### 2.2.4 Translation of foreign currency accounts

The items included in the financial statements of each of the Group’s entities are valued according to the currency of the main economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euros, the parent company’s functional currency.

The financial statements of foreign entities located outside the euro zone are prepared using the entity’s functional currency and translated according to the following principles:

- balance sheet items (with the exception of equity) are translated at closing rates;
- equity is translated at the historical rate;
- the income statement is translated using the average rate for the period;
- translation variances are directly recognised under equity in the “translation reserve”.

These payments are based on the various plans described below:

Country	Currency	2012 financial year		2011 financial year	
		Average price	Price at year-end	Average price	Price at year-end
Switzerland	CHF 1 = EUR	0.829655	0.828363	0.810373	0.822639
Great Britain	GBP 1 = EUR	1.232878	1.225340	1.152339	1.197175
Romania	RON 1 = EUR	0.224313	0.224997	0.235927	0.231305
United States	USD 1 = EUR	0.777847	0.757920	0.718546	0.772857
Poland	PLN 1 = EUR	0.238986	0.245459	0.242795	0.224316
Czech Republic	CZK 1 = EUR	0.039768	0.039760	0.040669	0.038779
Sweden	SEK 1 = EUR	0.114854	0.116523	0.110771	0.112208
India	INR 1 = EUR	0.014571	0.013782	0.015416	0.014553
Brazil	BRL 1 = EUR	0.398451	0.369877	0.429941	0.413924
Nigeria	NGN 1 = EUR	0.004878	0.004855		
China	CNY 1 = EUR	0.124579	0.121644		
Hong Kong	HKD 1 = EUR	0.101207	0.097790		
Canada	CAD 1 = EUR	0.778220	0.761209		

### 2.2.5 Goodwill

Acquired companies' assets, liabilities and contingent liabilities that comply with the definition of identifiable assets or liabilities are recognised at their fair value on the acquisition date.

The acquisition date, from which the Group consolidates the acquired company's accounts, corresponds to the actual takeover date.

On the acquisition date, the Company's contingent liabilities are recognised as liabilities and accounted for at fair value when they can be reliably valued.

Goodwill represents the difference between the purchase price and the fair value at the date of acquisition of identifiable assets and liabilities and contingent liabilities. Goodwill is not amortised. The Group has a period of 12 months from the date of acquisition to finalise the valuation of these assets and liabilities. Beyond this period, the effects are recognised directly under earnings.

The goodwill is allocated to cash generating units (CGU) or groups of cash generating units that could benefit from the consortium that generated the goodwill. The ALTEN Group performs impairment tests of goodwill as soon as an indication of impairment is identified and at least once a year. Goodwill impairment losses are not reversible (see Note 2.2.8).

When the acquisition cost is less than the fair value of the share belonging to the Group in the net assets of the subsidiary acquired, the difference is recorded directly in the income statement over the vesting period, after verification of the process of identifying and evaluating various factors taken into account in its calculation.

### 2.2.6 Intangible assets

According to IAS 38 "Intangible Assets", development costs are considered intangible assets if the company is able to demonstrate:

- the technical feasibility necessary to complete the development project in anticipation of its placement into service or sale;
- its intention and technical and financial ability to complete the development project;
- that the future economic benefits to be derived from these development expenses are likely to go to the Company;
- and that the cost of the asset can be accurately valued.

All expenses directly attributable to the creation, production and preparation of the asset in view of its planned use are fixed.

These expenses are amortised on a straight-line basis according to the applicable asset's probable useful life.

Information systems are amortised over six to ten years. The Vision project, which covers the implementation of an ERP within the ALTEN Group has been amortised over ten years since 1 January 2009.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

### 2.2.7 Property, plant and equipment

#### Gross value

According to IAS 16 "Property, Plant and Equipment", the gross value of property, plant and equipment corresponds to their acquisition cost. They are not subject to any revaluation.

Maintenance and repair costs are recognised as charges once incurred, with the exclusion of costs related to an increase in productivity or the prolongation of the useful life of the asset.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

#### Depreciation

The depreciation period is based on the estimated useful lives of each of the different categories of assets, depreciated on a straight-line basis:

- computer equipment: 2 to 5 years;
- transport equipment 3 to 5 years;
- office equipment 3 to 5 years;
- fixtures and fittings 3 to 10 years;
- buildings 25 years.

### 2.2.8 Impairment of property, plant and equipment

According to IAS 36, "Impairment of assets", the useful value of intangible assets and property, plant and equipment with a fixed lifespan is tested as soon as an indication of loss of value is noted and reviewed at each reporting date. For goodwill, which has an indefinite lifespan, impairment tests are conducted at least annually.

For the purpose of this test, property, plant and equipment are grouped into Cash Generating Units (CGU).

CGUs are homogeneous groups of assets that generate cash inflows through continuous use which are largely independent of the cash inflows from other assets or groups of assets. CGUs mainly correspond to legal entities in France and to groups of legal entities overseas.

The going concern value of these units is the present value of discounted future net cash flows.

When this value is less than the net carrying amount of the CGU, the difference is recorded under operating profit; any impairment is first allocated to goodwill.

Whether such impairment loss is recognised is determined on the basis of the discounted cash flow, for which the Group expects to obtain flows from the cash generating unit. This projection is based on the following assumptions (see Note 3.1):

- a four-year financial budget prepared by entity and validated by the Group's Finance Division, updated when the year-end budget is prepared. Cash flow beyond four years is extrapolated on the basis of a growth rate to infinity;
- growth rate to infinity: this growth rate does not exceed the long-term average growth rate for the business sector;
- weighted average cost of capital, derived from risk-free interest rates, risk premiums, beta and additional premiums if applicable;
- sensitivity table.

Net tax rates are used as the discount rates.

### 2.2.9 Leases

Any agreements for the lease of property, plant and equipment and intangible assets under which the ALTEN Group incurs almost all risks and advantages related to the ownership of the property in question are considered lease-financing agreements and are subject to restatement. A lease agreement is appraised on the basis of criteria stipulated under IAS 17 "Leases".

Assets that are the object of lease-financing agreements are recorded in the balance sheet under property, plant and equipment and intangible assets. Such assets are amortised over the duration of their estimated useful life (on the liabilities side, the restated amount of the agreements is recorded under financial liabilities).

Operating leases are recognised as financial commitments (Note 4.5).

### 2.2.10 Equity-accounted stakes

Application of IAS 28, "Investments in Associates", requires that investments in associates are recognised using the equity method and are presented separately under non-current assets. Profit from these investments attributable to owners of the Company is recognised separately in the income statement.

Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to account for the share attributable to owners of the Company in the results of the company held after the acquisition date.

### 2.2.11 Financial assets

Financial assets include loans and receivables, sometimes not related to investments, financial assets available for sale and financial assets held to maturity (deposits and guarantees, etc.).

ALTEN owns minority interests in certain entities over which it does not exercise notable influence or control. These unconsolidated investment securities are treated as securities held for sale and are thus valued at their fair value at each year-end closure. They are included in non-current assets unless the Group has to sell within twelve months following the closing date. The fair value is determined by reference to the last quoted share price for listed securities. In the absence of an active market, they are kept in the balance sheet at the amount which the Group believes represents their fair value. The value is determined based on financial criteria such as equity share, the net revalued asset and profitability outlook. If there is a sustained decline in their fair value, an impairment loss is recognised. Fair value variations are recorded under equity or profit/loss when impairment is deemed to be irreversible.

### 2.2.12 Deferred taxes

In accordance with IAS 12 "Income Taxes", deferred taxes are recognised whenever there is a temporary difference between the carrying amount of assets and liabilities and their taxation values, and on any recoverable tax losses, according to the variable carry-forward method. Differences are considered temporary when they must be reversed in the relatively near future.

Tax loss carry-forwards are the object of a deferred tax asset in the balance sheet when they are likely to be recovered. Recoverability of these taxes is calculated according to the entity's budgets and the applicable tax regulations in the country. The outlook is established over a 3-year period and assumptions are reviewed at least annually.

Deferred taxes are valued at the known tax rate applicable at the date of issue of the financial statements.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

### 2.2.13 Trade receivables

Trade receivables are valued at nominal value. They are individually valued and, where applicable, depreciated to account for any difficulties in collecting certain amounts.

### 2.2.14 Other current assets

They are valued at nominal value less any impairment arising from recovery difficulties.

### 2.2.15 Cash and cash equivalents

Cash includes bank balances, investments in money market funds and marketable, short-term debt securities (initial maturity of less than three months) and present no material risk in terms of loss of value should interest rates fluctuate. In accordance with IAS 7, bank borrowings are treated like financing items in the cash flow statement.

### 2.2.16 Treasury shares

All treasury shares held by the Group are deducted at acquisition cost from equity.

Any gains on the disposal of treasury shares directly increase equity and therefore, any gains/losses on disposals do not affect year-end earnings.

### 2.2.17 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognised whenever the Group has an obligation towards a third party and it is probable or certain to result in an outflow of resources for the benefit of such a third party, with no anticipated consideration of equal value. The Group's legal department assesses the probability of the risks being realised and estimates the provisions to make.

Non-current provisions mainly include:

- provisions intended to cover any legal disputes involving the Group that are expected to end in more than one year;
- retirement obligations.

Current provisions mainly include provisions intended to cover any legal disputes involving the Group that are expected to end in the short term.

Provisions are discounted when their maturity is estimated to be over one year and when their amount represents a significant factor for the Group.

A restructuring provision is recognised when the Group has approved a formal restructuring plan and has either begun to put it into effect or made it public.

A provision for loss-making contracts is recognised whenever the economic benefits expected to flow from a contract are less than the direct costs of meeting the contracted commitments.

#### *Employee benefits*

The Group offers certain benefits in the form of defined contribution pension plans. With regard to these plans, the Group's only other commitment is the payment of premiums carried as a charge on the income statement for the financial year.

The Group has not established employee benefits as part of defined benefit plans. Its commitment is limited to retirement obligations which, pursuant to IAS 19 "Employee Benefits", are valued by an independent actuary according to the projected unit credit method.

According to this method, each period of service results in an additional right to benefits and each of these units is valued separately in order to determine the final obligation.

This final obligation is then discounted. These calculations incorporate two types of assumption (see Note 4.6):

#### *Financial assumptions*

- A financial discount rate.
- An inflation rate.
- A revaluation rate for employees.
- An employer contribution rate.



### Demographic assumptions

- The assumption of a retirement age of sixty-five years, the age at which a French employee will have reached the number of years of contributions entitling the employee to the full pension amount granted under the national pension plan.
- INSEE mortality tables.
- Average staff turnover rates, by age and employment category.
- Age of first employment.
- Number of retiring employees.

These estimates take place every year. Actuarial gains and losses resulting from a change of assumption or actual variances (variance between the estimate and the actual situation) in relation to the commitments or financial assets of the pension plan are recognised under earnings by spreading them over the expected remaining life of employees (corridor method).

#### 2.2.18 Financial liabilities

Financial liabilities concern borrowings, long-term financial debt and bank overdrafts.

The distribution between current and non-current financial liabilities is based on the short-term and long-term maturity of the items in question.

#### 2.2.19 Other liabilities

Other liabilities include social security, tax, other debt and unearned income and earn-outs.

Non-current liabilities mainly include time savings accounts and debts owed to former shareholders of certain subsidiaries acquired during prior years (earn-out clause). At the date on which the debt is recognised, the fair value corresponds to the value of future outflows discounted at the market rate if such amount is material.

The distribution between other current and non-current liabilities is based on the short-term and long-term maturity of the items in question.

#### 2.2.20 Minority interest obligations

In accordance with IAS 27 "Consolidated financial statements and accounting for investments in subsidiaries" and IAS 32 "Financial Instruments", commitments related to the purchase of firm minority interests are considered a share purchase and recognised under other liabilities in consideration of a reduction in minority interests. The difference between the fair value of the buyback agreement and the contractual price is recorded as financial income.

#### 2.2.21 Revenue Recognition

Group revenue is recognised over the period in which services are rendered and made up of invoiced services (issued or to be issued):

- on a cost basis: income is equal to time spent multiplied by an hourly, daily or monthly rate;
- fixed price: income is recognised according to the percentage of completion method in proportion to expenses incurred. Loss-making contracts give rise to recognition of a contract loss provision corresponding to the total expected loss less any losses already recorded in advance. Services for which a fixed price is charged account for less than 10% of revenue;
- "workpackage" method: recognition of revenue varies according to the nature of the resource commitment. When the workpackage is part of a global cost-based scheme, income is equal to time spent multiplied by an hourly, daily or monthly sales rate; when it is part of an outsourced platform for which billing is on a monthly or quarterly fixed-price basis, income is recognised on a monthly basis according to the amount of the agreement, independent of the real time spent by consultants; lastly, when it is part of a service commitment package, revenue is recognised as and when deliverables and/or performance indicators (work units) are received/validated by the customer and for which the price has been fixed in the workpackage contract.

#### 2.2.22 Subsidies and tax credits

Operating subsidies and tax credits are recorded as deductions under the expenses they are intended to offset (mainly employee costs for research tax credits).

#### 2.2.23 Stock option plans

Stock options are granted to certain Group employees. In accordance with IFRS 2 "Share-based payments", options are valued by an independent expert as of their award date. To value stock options, the Group uses the Black and Scholes model.

Changes in value after the date on which they are awarded have no impact on this initial valuation.

The value of options is based on their anticipated lifespan which the Group deems to correspond to at least the holding period. This value is recognised under employee benefits expenses on a straight-line basis between the dates on which they are awarded and their maturity date - the period required to acquire the relevant rights - in consideration of equity.

#### 2.2.24 Other non-current operating income and expenses

Significant non-recurring transactions that may distort comparisons of recurring operating performance are classified as “other non-current operating income and expenses” in accordance with the CNC recommendation of 2 July 2009. They include:

- capital gains or losses on sales or significant and unusual impairment of property, plant and equipment or intangible assets;
- restructuring costs resulting from plans of an unusual nature and size that might distort comparisons of profit on ordinary activities from year to year;
- very large provisions and other costs, notably expenses related to security acquisitions;
- non-recurring transactions.

#### 2.2.25 Net financial income

Net financial income comprises net borrowing costs and other financial income and expenses.

##### *Cost of net financial indebtedness*

This includes:

- income from cash and cash equivalents (interest income, income from the disposal of cash equivalents);
- the gross cost of financial debt (interest charges on financing transactions).

##### *Other financial income and expenses*

Other financial income and expenses includes financial income and expenses not included in net borrowing costs:

- financial income (dividends, profit on the disposal of unconsolidated shares, income from interest and income from the disposal of other financial assets (excluding cash and cash equivalents), exchange rate gains, discounted financial income, increase in the fair value of financial assets and liabilities processed at fair value by income, other financial income);
- financial expenses (impairment of unconsolidated securities, losses on disposals of unconsolidated securities, impairment and losses on the disposal of other financial assets (not including cash and cash equivalents), translation losses, discounted financial expenses, decrease in the fair value of financial assets and liabilities recognised at fair value by income, other financial expenses).

#### 2.2.26 Information on net earnings per share and diluted earnings per share

Earnings per share are the ratio of net earnings as compared to the weighted average number of ordinary shares in circulation during the financial year, excluding treasury shares.

Diluted earnings per share are the ratio of net earnings as compared to the potential weighted average number of shares adjusted to take into account the effects of any potentially diluting events (share warrants, options, free shares). The dilution effect is obtained by the number of potential shares which would result from the diluted instruments, less the number of shares which could be bought back at market rates using the funds gained from exercising the instruments concerned. The market price retained is that of the average share price during the financial year. The dilutive effect of the equity instrument is taken into account when the exercise price is less than the average price of the ordinary share market.

## 2.3 Financial risk factors

### Liquidity risk

A prudent liquidity management plan involves keeping a sufficient level of liquid assets, having financial resources through appropriate credit facilities and being able to settle one's positions on the market.

The Group maintains financial flexibility through €170 million of available, confirmed but unused credit facilities (at financial year end) of which €150 million was confirmed in December 2012 under the "club deal" for a maximum period of three years, and €21.5 million of short-term unconfirmed lines of credit that are renewable annually.

This "club deal" requires that the following ratios are met half-yearly and annually (and for the first time at 30 June 2013) while the contract is in force and an advance is outstanding:

- ratio 1: "Consolidated net financial debt/Consolidated operating profit on activity". This ratio must be less than 2.1;
- ratio 2: "Consolidated net financial debt/increased equity". This ratio must be less than 0.7.

At 31 December 2012, these banking ratios were adhered to.

### Credit risk

Credit risk represents the risk of financial loss in the event that a client does not fulfil its contractual obligations.

The Group does not have a significant concentration of credit risk.

See Note 3.6 Current assets - breakdown of the portfolio of trade receivables by age of the account.

### Interest rate risk

The Group's interest rate risk relates to the club deal agreed in December 2012 and indexed to the Euribor for the corresponding period.

It therefore incurs an exchange rate risk based on changes in the reference index. Due to the structure of its financing, the Group has not implemented interest rate hedging. At 31 December 2012 this line was unused and therefore the Group was not exposed to interest rate risk.

### Foreign exchange risk

As most of its services are provided within each country, the foreign exchange risk stemming from the flow between currency zones is very limited. The Group has therefore not hedged this risk. The Group's main exposure to foreign exchange risk is to the Swedish Krona (SEK).

	2012	2011
(millions)	SEK	SEK
Trade receivables	255	156
Trade payables	41	18
<b>GROSS BALANCE SHEET EXPOSURE</b>	<b>214</b>	<b>138</b>

The breakdown of revenue by non-euro zone country is shown below:

Consolidated revenue	2012		2011	
	(in € millions)	(as% of revenue)	(in € millions)	(as% of revenue)
Sweden	110.5	9.2%	70.5	6.6%
United Kingdom	29.2	2.4%	43.4	4.1%
USA	14.4	1.2%	21.3	2.0%
Other	9.7	0.8%	2.0	0.2%
<b>FOREIGN CURRENCY REVENUE EXPOSURE</b>	<b>163.8</b>	<b>13.7%</b>	<b>137.2</b>	<b>12.9%</b>
<b>TOTAL CONSOLIDATED REVENUE</b>	<b>1,198.0</b>	<b>100%</b>	<b>1,065.7</b>	<b>100%</b>

## 2.4 Scope of consolidation

The percentage of interest and control set forth below include firm or conditional commitments to dispose of minority interests, even if the disposals are not yet completed, in accordance with IFRS 3 and IAS 27 as revised.

### FRANCE

Company name	Siret no.	Basis of consolidation*	% interest	% control
ALTEN SA <sup>(1)</sup>	34860741700055	FC	-	-
ALTEN SIR	40035788500021	FC	100.00	100.00
ALTEN TRAINING CENTER	35390354500062	FC	99.70	99.70
ALTEN SUD-OUEST	40419144700048	FC	100.00	100.00
MI-GSO	38054561600050	FC	100.00	100.00
ALTEN CASH MANAGEMENT	48011617700019	FC	100.00	100.00
ALTEN EUROPE	48016830100012	FC	100.00	100.00
ELITYS CONSULTING	48420799800010	FC	100.00	100.00
PEGASE SI	48484024400012	FC	100.00	100.00
ATEXIS FRANCE	43904555000019	FC	100.00	100.00
ALTEN AEROSPACE	48761023100019	FC	100.00	100.00
AVENIR CONSEIL FORMATION	40246017400038	FC	100.00	100.00
ANOTECH ENERGY France	49304667600018	FC	99.00	100.00
HPTI	49967035400012	FC	100.00	100.00
B2I AUTOMOTIVE	45341899800028	FC	100.00	100.00
ALTEN SIR GTS	52190314600012	FC	51.00	51.00
ID.APPS	52910153700015	FC	100.00	100.00
APTECH SAS	53296422800011	FC	100.00	100.00

\* FC = Full consolidation

(1) Consolidating entity

**ABROAD**

Company name	Basis of consolidation*	% interest	% control	Country of operation
ANOTECH ENERGY UK	FC	98.96	100.00	Great Britain
ALTEN LTD	FC	100.00	100.00	Great Britain
MI-GSO LTD	FC	100.00	100.00	Great Britain
ALTEN BELGIUM	FC	100.00	100.00	Belgium
ALTEN SPAIN	FC	100.00	100.00	Spain
ATEXIS SPAIN	FC	100.00	100.00	Spain
ALTEN NEDERLAND <sup>(4)</sup>	FC	100.00	100.00	The Netherlands
ALTEN DDA <sup>(2)</sup>	FC	100.00	100.00	The Netherlands
ORION	FC	100.00	100.00	The Netherlands
ELITYS SWITZERLAND SA	FC	100.00	100.00	Switzerland
ALTEN SWITZERLAND SARL	FC	100.00	100.00	Switzerland
ALTEN CONSULTING SARL	FC	100.00	100.00	Switzerland
ALTEN ITALIA	FC	100.00	100.00	Italy
MI-GSO GMBH	FC	100.00	100.00	Germany
ALTEN TECHNOLOGY GMBH <sup>(1)</sup>	FC	100.00	100.00	Germany
ATEXIS GMBH	FC	100.00	100.00	Germany
ALTEN GMBH	FC	100.00	100.00	Germany
BARDENHEUER	FC	100.00	100.00	Germany
IMP POLAND	FC	100.00	100.00	Poland
ALTEN SI TECHNO ROMANIA	FC	100.00	100.00	Romania
ATEXIS SRL	FC	100.00	100.00	Romania
X-DIN AB	FC	100.00	100.00	Sweden
X DIN ÖRESUND <sup>(3)</sup>	FC	100.00	100.00	Sweden
X DIN STOCKHOM <sup>(3)</sup>	FC	100.00	100.00	Sweden
X DIN LINKÖPING <sup>(3)</sup>	FC	100.00	100.00	Sweden
X-DIN INC	FC	100.00	100.00	United States
ALTEN INDIA	FC	100.00	100.00	India
CALSOFT LABS INDIA	FC	100.00	100.00	India
CALSOFT LABS INC. (USA)	FC	100.00	100.00	United States
ANOTECH DO BRASIL	FC	100.00	100.00	Brazil
ANOTECH NIGERIA	FC	100.00	100.00	Nigeria
ALTEN CANADA	FC	100.00	100.00	Canada
SESAME GROUP BEIJING	FC	100.00	100.00	China
SESAME GROUP LIMITED	FC	100.00	100.00	Hong Kong

\* FC = Full consolidation

(1) New name for AEROTEC ENGINEERING GMBH.

(2) New name for DDA GROEP BV.

(3) New name for ENEA companies acquired in January 2012.

(4) New name for ALTEN PTS.

### 3. DETAIL OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### 3.1 Goodwill

Goodwill, allocated by country, breaks down as follows:

##### GROSS VALUE

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	United States	China	Total
<b>31/12/2010</b>	<b>104,111</b>	<b>5,087</b>	<b>3,104</b>	<b>12,824</b>	<b>27,514</b>	<b>17,218</b>	<b>7,783</b>	<b>1,100</b>	<b>1,389</b>	<b>15,983</b>			<b>196,112</b>
Earn-out adjustments	199									599			798
Acquisitions <sup>(1)</sup>						910					6,347		7,256
Reclassifications	1,100							(1,100)					
<b>31/12/2011</b>	<b>105,410</b>	<b>5,087</b>	<b>3,104</b>	<b>12,824</b>	<b>27,514</b>	<b>18,127</b>	<b>7,783</b>		<b>1,389</b>	<b>16,582</b>	<b>6,347</b>		<b>204,166</b>
Earn-out adjustments	(33)												(33)
Acquisitions <sup>(2)</sup>						2,230				10,693		3,282	16,205
Reclassifications													
<b>31/12/2012</b>	<b>105,377</b>	<b>5,087</b>	<b>3,104</b>	<b>12,824</b>	<b>27,514</b>	<b>20,357</b>	<b>7,783</b>		<b>1,389</b>	<b>27,275</b>	<b>6,347</b>	<b>3,282</b>	<b>220,339</b>

(1) 2011: the €7,256,000 goodwill increase was due to the acquisition of Calsoft Labs in the United States and India, as well as Bardenheuer in Germany

(2) 2012:

- a. Acquisition of three Swedish companies, X DIN Oresund, X DIN Services Stockholm and X DIN Services Linkoping, for around €15 million without earn-outs.  
b. Acquisition of an engineering business in Germany and two companies in China.

##### IMPAIRMENTS

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	United States	China	Total
<b>31/12/2010</b>	<b>7,337</b>	<b>3,852</b>			<b>2,573</b>	<b>1,929</b>	<b>600</b>		<b>344</b>				<b>16,635</b>
Provisions <sup>(1)</sup>	3,131												3,131
<b>31/12/2011</b>	<b>10,468</b>	<b>3,852</b>			<b>2,573</b>	<b>1,929</b>	<b>600</b>		<b>344</b>				<b>19,766</b>
Provisions													
<b>31/12/2012</b>	<b>10,468</b>	<b>3,852</b>			<b>2,573</b>	<b>1,929</b>	<b>600</b>		<b>344</b>				<b>19,766</b>

(1) 2011: the exceptional impairment of €3,131,000 applied to Winwise in France

##### NET VALUES

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	United States	China	Total
<b>31/12/2010</b>	<b>96,774</b>	<b>1,235</b>	<b>3,104</b>	<b>12,824</b>	<b>24,941</b>	<b>15,289</b>	<b>7,183</b>	<b>1,100</b>	<b>1,044</b>	<b>15,983</b>			<b>179,477</b>
<b>31/12/2011</b>	<b>94,942</b>	<b>1,235</b>	<b>3,104</b>	<b>12,824</b>	<b>24,941</b>	<b>16,198</b>	<b>7,183</b>		<b>1,044</b>	<b>16,582</b>	<b>6,347</b>		<b>184,400</b>
<b>31/12/2012</b>	<b>94,909</b>	<b>1,235</b>	<b>3,104</b>	<b>12,824</b>	<b>24,941</b>	<b>18,428</b>	<b>7,183</b>		<b>1,044</b>	<b>27,275</b>	<b>6,347</b>	<b>3,282</b>	<b>200,572</b>

The table below details the main modelling factors in the assumptions used to calculate annual impairment tests for each group of CGUs:

Country	2012				2011			
	Goodwill	Average annual revenue growth rate 2013-2016	Perpetual growth rate	Weighted average cost of capital (WACC)	Goodwill	Average annual revenue growth rate 2012-2015	Perpetual growth rate	Weighted average cost of capital (WACC)
France	94,909	4%	2%	9.50%	94,942	3%	2%	10.23%
Germany	18,428	10%	2%	9.50%	16,198	2%	2%	10.23%
Spain	24,941	1%	2%	10.16%	24,941	2%	2%	10.88%
The Netherlands	12,824	4%	2%	9.50%	12,824	3%	2%	10.23%
Belgium	3,104	5%	2%	9.50%	3,104	3%	2%	10.23%
Italy	7,183	5%	2%	10.04%	7,183	1%	2%	10.88%
Sweden	27,275	7%	2%	9.50%	16,582	2%	2%	10.23%
United States	6,347	10%	2%	9.50%	6,347	3%	2%	10.23%
Great Britain	1,235	16%	2%	9.50%	1,235	3%	2%	10.23%
Romania	1,044	7%	2%	9.50%	1,044	2%	2%	10.23%
China	3,282	6%	2%	9.50%				

Assumptions of average growth and the weighted average cost of capital used to value the cash-generating units were revised in light of general market data.

Changes in the discount rate basically reflect adjustments to the beta coefficient.

A "country" risk is applied to Spain and Italy.

The main operating assumptions made in drawing up the budget are in line with observed historical data for each CGU.

The Group presents sensitivity analyses to the key assumptions used in the WACC, the perpetual growth rate, normative revenue and normative operating profit on activity. The results of these analyses as regards impairment of goodwill are summarised in the table below. For the purposes of the test, only companies in which goodwill is allocated are shown below. Note that a country may group together several entities without this representing the totality of the values of utilities in that country.

Country	2012					
	Goodwill	Test margin****	WACC + 1 point*	Zero growth rate**	Normative revenue growth rate - 2 points***	Normative operating profit on activity - 1 point***
France	94,909	344,731	-	-	-	-
Germany	18,428	93,514	-	-	-	-
Spain	24,941	3,936	-	-	-	-
The Netherlands	12,824	27,932	-	-	-	-
Belgium	3,104	22,308	-	-	-	-
Italy	7,183	9,113	-	-	-	-
Sweden	27,275	93,882	-	-	-	-
United States	6,347	1,480	(253)	(507)	-	(544)
Great Britain	1,235	70,680	-	-	-	-
Romania	1,044	2,798	-	-	-	-
China	3,282	721	-	-	-	-
<b>TOTAL</b>	<b>200,572</b>	<b>671,095</b>	<b>(253)</b>	<b>(507)</b>	<b>0</b>	<b>(544)</b>

\* At constant growth rate.

\*\* At constant discount rate.

\*\*\* At constant growth rate and discount rate.

\*\*\*\* Test margin = Value in use - goodwill value.

Country	2011					Normative revenue growth rate - 2 points***	Normative operating profit on activity - 1 point***
	Goodwill	Test margin****	WACC + 1 point*	Zero growth rate**			
France	94,942	382,776	-	-	-	-	-
Germany	16,198	57,375	-	-	-	-	-
Spain	24,941	16,323	-	-	-	-	-
The Netherlands	12,824	49,156	-	-	-	-	-
Belgium	3,104	44,666	-	-	-	-	-
Italy	7,183	2,871	-	-	-	-	-
Sweden	16,582	68,500	-	-	-	-	-
United States	6,347	6,871	-	-	-	-	-
Great Britain	1,235	34,585	-	-	-	-	-
Romania	1,044	1,818	-	-	-	-	-
<b>TOTAL</b>	<b>184,400</b>	<b>664,941</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* At constant growth rate.

\*\* At constant discount rate.

\*\*\* At constant growth rate and discount rate.

\*\*\*\* Test margin = Value in use - goodwill value.

### 3.2 Non-current assets, depreciation and amortisation

#### GROSS VALUE

(in thousands of euros)	Intangible assets	Property, plant and equipment	Total
<b>31/12/2010</b>	<b>25,696</b>	<b>32,945</b>	<b>58,641</b>
Change in scope	219	1,022	1,242
Exchange rate variations	(26)	(53)	(79)
Acquisitions and transfers	1,884	7,522	9,405
Divestments and disposals <sup>(1)</sup>	(141)	(3,591)	(3,732)
<b>31/12/2011</b>	<b>27,632</b>	<b>37,845</b>	<b>65,477</b>
Change in scope	(2,486)	1,018	(1,468)
Exchange rate variations	(10)	41	31
Acquisitions and transfers	4,834	7,405	12,238
Divestments and disposals <sup>(1)</sup>	(275)	(4,359)	(4,634)
<b>31/12/2012</b>	<b>29,694</b>	<b>41,950</b>	<b>71,644</b>

(1) Concerns mainly the scrapping of fittings as a result of a business transfer.



## DEPRECIATION AND AMORTISATION

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2010</b>	<b>14,240</b>	<b>23,595</b>	<b>37,835</b>
Change in scope	107	322	429
Exchange rate variations	(16)	5	(11)
Provisions and transfers <sup>(1)</sup>	3,580	4,367	7,947
Decreases	(137)	(3,052)	(3,189)
<b>31/12/2011</b>	<b>17,774</b>	<b>25,236</b>	<b>43,011</b>
Change in scope	(159)	655	497
Exchange rate variations	(3)	55	53
Provisions and transfers <sup>(2)</sup>	2,303	6,053	8,355
Decreases	(275)	(4,111)	(4,386)
<b>31/12/2012</b>	<b>19,641</b>	<b>27,889</b>	<b>47,530</b>

(1) The useful life for some software was reduced over the financial year. Therefore, an exceptional amortisation charge of €1 million was made.

(2) The increase in depreciation charges was mainly due to the purchase of fixtures and fittings with a shorter useful life than in previous years.

## NET VALUES <sup>(1)</sup>

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2010</b>	<b>11,456</b>	<b>9,350</b>	<b>20,806</b>
<b>31/12/2011</b>	<b>9,857</b>	<b>12,609</b>	<b>22,466</b>
<b>31/12/2012</b>	<b>10,053</b>	<b>14,061</b>	<b>24,114</b>

<i>(1) Including financial leases:</i>	Intangible assets	Property, plant and equipment	Total
<b>AT 31/12/2010</b>	<b>1,641</b>	<b>445</b>	<b>2,086</b>
<b>AT 31/12/2011</b>	<b>1,426</b>	<b>606</b>	<b>2,032</b>
<b>AT 31/12/2012</b>	<b>1,223</b>	<b>796</b>	<b>2,018</b>

## 3.3 Equity-accounted stakes

<i>(in thousands of euros)</i>	Amount
<b>At 31 December 2010</b>	<b>-</b>
Change in scope <sup>(1)</sup>	1,681
Goodwill	543
Profit for the year	804
<b>At 31 December 2011</b>	<b>3,027</b>
Profit for the year	1,689
<b>At 31 December 2012</b>	<b>4,717</b>

(1) Share of capital acquired including €830,000 relating to the transfer to equity of the change in revaluation of securities previously held, using the cost method (in accordance with IAS 28.11).

Relevant balance sheet items from equity-accounted investments:

Assets	31/12/12 (in €k)	Liabilities	31/12/12 (in €k)
Capitalised assets	628		
Trade and other receivables	11,347	Trade and other payables	7,449

### 3.4 Financial assets

<i>(in thousands of euros)</i>	Financial assets at fair value Note through equity <sup>(1)</sup>	Loans and receivables at amortised cost	Financial assets at fair value through income statement	Total
<b>TOTAL FINANCIAL ASSETS AT 31/12/2010</b>	<b>11,303</b>	<b>374,496</b>	<b>57,992</b>	<b>443,791</b>
Financial assets available for sale	18,681			18,681
Deposits and guarantees		3,966		3,966
Other long-term assets		2,329		2,329
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>18,681</b>	<b>6,295</b>		<b>24,976</b>
Trade receivables	3.6	385,972		385,972
Other current assets*	3.6	5,984		5,984
Cash and cash equivalents	3.7		59,614	59,614
<b>TOTAL CURRENT FINANCIAL ASSETS</b>		<b>391,956</b>	<b>59,614</b>	<b>451,570</b>
<b>TOTAL FINANCIAL ASSETS AT 31/12/2011</b>	<b>18,681</b>	<b>398,251</b>	<b>59,614</b>	<b>476,545</b>
Financial assets available for sale	20,239			20,239
Deposits and guarantees		4,105		4,105
Other long-term assets		2,483		2,483
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>20,239</b>	<b>6,588</b>		<b>26,827</b>
Trade receivables	3.6	402,753		402,753
Other current assets*	3.6	5,398		5,398
Cash and cash equivalents	3.7		66,523	66,523
<b>TOTAL CURRENT FINANCIAL ASSETS</b>		<b>408,151</b>	<b>66,523</b>	<b>474,674</b>
<b>TOTAL FINANCIAL ASSETS AT 31/12/2012</b>	<b>20,239</b>	<b>414,739</b>	<b>66,523</b>	<b>501,501</b>

\* Excluding tax and social security receivables and prepaid expenses.

Securities held for sale include the following:

Company	%	Fair value at opening	Acquisition (disposal)	Impairment	Change in fair value	Fair value at closing	Revenue	Shareholders' equity	Net Earnings	Comments
AUSY	9.42%	8,667			(1,010)	7,656	293,815	71,920	13,428	31/12/2011
X-ANGE	5.96%	3,422	(56)			3,365	n.a.	39,760	(3,171)	31/12/2011
SMART TRADE	4.19%	398			235	634		13,944	1,413	31/03/2012
PHOEBE INGENICA	19.00%	0				0				In the process of liquidation
GROUPE IDESTYLE	100.00%	0				0				In the process of liquidation
PHINERGY LTD <sup>(1)</sup>	19.49%	6,000	2,391			8,391	0	1,742	(3,615)	31/12/2012
MISCELLANEOUS		194	(1)			193				
<b>TOTAL</b>		<b>18,681</b>	<b>2,333</b>	<b>0</b>	<b>(775)</b>	<b>20,239</b>				

(1) PHINERGY Ltd is a start-up which has filed several patents for electrical batteries. In January 2012, ALTEN Europe added to its original stake in the company taken in 2011. At 31 December 2012, the budget was respected and PHINERGY met new potential investors. PHINERGY's cash position at end-2012 should allow its research work to continue until the end of 2013 while it awaits a new investor. The outcome of negotiations with new financial partners could materially affect its future fair value.

The Group recognises irreversible depreciation when it observes a very significant and long-lasting deterioration in the entity's results.

### Valuation levels at 31 December 2012

#### Level 1 – Fair value determined using the share price on an active market

This level is used for the Ausy securities, valued using their market price at 31 December 2012 at €7,656,000 and cash equivalents (see Note 3.7).

#### Level 2 – Fair value determined using observable market data

None

#### Level 3 – Fair value determined in the absence of market data

The other available-for-sale assets valued using this method represent a total of €12,583,000 at 31 December 2012. The criteria applied are presented in Note 2.3.11.

Other items (loans, deposits and guarantees, other non-current assets), totalling €6,588,000 at 31 December 2012, were kept at their historic cost adjusted by depreciation to their recoverable value, where this was estimated to be lower.

### 3.5 Tax credits

Deferred tax is broken down as follows:

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Employee profit-sharing	3,115	2,229	1,949
Retirement benefits	3,126	2,466	1,959
Other timing differences	896	1,500	795
Tax-loss carry-forwards	2,141	2,292	2,397
<b>TOTAL DEFERRED TAXES</b>	<b>9,279</b>	<b>8,487</b>	<b>7,100</b>
Including:			
<b>DEFERRED TAX ASSETS</b>	<b>10,192</b>	<b>8,818</b>	<b>7,424</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>(914)</b>	<b>(331)</b>	<b>(324)</b>

The variation in deferred taxes is broken down as follows:

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
<b>Deferred taxes at start of year</b>	<b>8,487</b>	<b>7,100</b>	<b>6,687</b>
Change in scope	223	422	(36)
Exchange rate variations	(25)	(3)	4
Expenses (or income) for the period (Note 3.21)	594	969	445
<b>DEFERRED TAXES AT END OF YEAR</b>	<b>9,279</b>	<b>8,487</b>	<b>7,100</b>

Unrecognised deferred taxes for tax loss carryforwards amounted to €707,000 (€2,675,000 basis) at 31/12/2012.

### 3.6 Current assets

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
<b>TRADE RECEIVABLES</b>			
Gross value	409,396	394,246	374,690
Impairments	(6,643)	(8,274)	(9,672)
<b>TOTAL</b>	<b>402,753</b>	<b>385,972</b>	<b>365,018</b>
<b>OTHER CURRENT ASSETS</b>			
Inventory	77	57	61
Social security receivables	1,845	943	1,302
Tax receivables <sup>(1)</sup>	27,254	23,357	15,115
Other receivables	11,693	12,156	8,895
Impairment of other receivables	(6,373)	(6,229)	(3,210)
Prepaid expenses	6,167	4,656	4,488
<b>TOTAL</b>	<b>40,664</b>	<b>34,940</b>	<b>26,651</b>

(1) In 2011 the increase is mainly related to research tax credits.

The following table presents the breakdown of the portfolio of trade receivables by age of the account:

<i>(in thousands of euros)</i>	31/12/2012					31/12/2011					31/12/2010				
	Unma- tured	Less than 6 months	Six months to one year	More than one year	Balance	Unma- tured	Less than 6 months	Six months to one year	More than one year	Balance	Unma- tured	Less than 6 months	Six months to one year	More than one year	Balance
<b>TRADE RECEIVABLES</b>															
Gross value	343,934	56,135	4,358	4,969	409,396	312,698	68,169	4,450	8,929	394,246	304,880	49,550	7,270	12,990	374,690
Provisions		(617)	(1,115)	(4,911)	(6,643)		(601)	(191)	(7,482)	(8,274)		(97)	(165)	(9,410)	(9,672)
<b>NET VALUES</b>	<b>343,934</b>	<b>55,518</b>	<b>3,243</b>	<b>58</b>	<b>402,753</b>	<b>312,698</b>	<b>67,568</b>	<b>4,259</b>	<b>1,447</b>	<b>385,972</b>	<b>304,880</b>	<b>49,453</b>	<b>7,105</b>	<b>3,580</b>	<b>365,018</b>

Based on its experience and given its trade debt collection policies, the Group estimates that the level of impairment for the financial year is in accordance with the risks incurred.

### 3.7 Cash and cash equivalents

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Marketable securities	13,034	2,139	19,025
Cash and equivalents	53,489	57,475	38,967
<b>TOTAL</b>	<b>66,523</b>	<b>59,614</b>	<b>57,992</b>

Marketable securities are valued at fair value. They are made up of money market funds and term deposits with a maturity of less than three months. Income from money market funds is not significant.

### 3.8 Non-current financial liabilities

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Bank loans		150	250
Other loans and related debt	450	555	1,235
Employee profit-sharing			38
Deposits and guarantees received	1,066	1,093	1,093
<b>TOTAL</b>	<b>1,517</b>	<b>1,798</b>	<b>2,616</b>

### 3.9 Other non-current liabilities

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Earn-outs <sup>(1)</sup>	421		
Social security debt <sup>(2)</sup>	4,153	3,635	3,367
Deferred tax liabilities	914	331	324
Other debt		34	
<b>TOTAL</b>	<b>5,487</b>	<b>4,000</b>	<b>3,691</b>

(1) The counterparty for earn-outs on companies acquired in 2012 is in goodwill.

(2) Debt relating to time savings accounts.

### 3.10 Current financial liabilities

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Bank loans		103	1,050
Other loans and related debt	621	633	272
Overdrafts <sup>(1)</sup>	7,086	14,064	13,453
Employee profit-sharing	229	237	219
<b>TOTAL</b>	<b>7,936</b>	<b>15,036</b>	<b>14,994</b>

(1) In 2012, cash flows generated by activity enabled the repayment of €7 million of bank overdrafts.

## 3.11 Other current liabilities

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Social security debt <sup>(1)</sup>	130,920	124,159	104,035
Tax liabilities	87,867	83,110	87,512
Earn-outs	676	1,325	6,159
Other liabilities <sup>(1)</sup>	22,694	26,456	20,072
Deferred income	14,139	17,342	19,749
<b>TOTAL</b>	<b>256,296</b>	<b>252,392</b>	<b>237,526</b>

(1) Change is mainly related to growth in headcount.

## 3.12 Provisions

<i>(in thousands of euros)</i>	Corporate disputes <sup>(3)</sup>	Commercial disputes	Miscellaneous risks	Retirement benefits	Total
<b>AT 31/12/2010</b>	<b>4,282</b>	<b>587</b>	<b>2,903</b>	<b>5,876</b>	<b>13,648</b>
Change in scope		36			36
Exchange rate variations					
Reclassifications	108		(108)		
Provisions for the financial year <sup>(1)</sup>	2,061	1,291	3,239	1,524	8,114
Reversals (provisions used)	(1,980)	(373)	(235)		(2,588)
Reversals (surplus provisions)	(826)	(96)	(716)	(1)	(1,639)
<b>AT 31/12/2011</b>	<b>3,644</b>	<b>1,444</b>	<b>5,083</b>	<b>7,399</b>	<b>17,571</b>
Change in scope					
Exchange rate variations					
Provisions for the financial year <sup>(2)</sup>	4,125	353	1,932	1,980	8,390
Reversals (provisions used)	(1,149)	(919)	(141)		(2,209)
Reversals (surplus provisions)	(533)	(822)	(2,478)		(3,832)
<b>AT 31/12/2012</b>	<b>6,088</b>	<b>57</b>	<b>4,397</b>	<b>9,378</b>	<b>19,920</b>

(1) In 2011, a provision was made for the risk of legal disputes in the amount of €1,965,000, under "Miscellaneous risks". Other provisions relate to amounts which are individually less significant.

(2) In 2012, the increase in miscellaneous risks mainly reflects a provision to restore premises whose lease was cancelled at the end of the year and the restructuring provision (see Note 3.19).

(3) Corporate disputes are individually insignificant.

## NON-CURRENT PROVISIONS

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Corporate disputes	1,260	1,211	3,128
Commercial disputes	12	10	73
Miscellaneous risks	2,774	4,403	2,520
Retirement benefits	9,378	7,399	5,876
<b>TOTAL</b>	<b>13,424</b>	<b>13,023</b>	<b>11,597</b>

### CURRENT PROVISIONS

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Corporate disputes	4,829	2,433	1,155
Commercial disputes	45	1,434	512
Miscellaneous risks	1,622	681	383
<b>TOTAL</b>	<b>6,496</b>	<b>4,548</b>	<b>2,050</b>

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Total non-current provisions	13,424	13,023	11,597
Total current provisions	6,496	4,548	2,050
<b>TOTAL PROVISIONS FOR RISKS AND EXPENSES</b>	<b>19,920</b>	<b>17,571</b>	<b>13,646</b>

Non-current provisions were not discounted.

### 3.13 Purchases consumed

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Purchasing and subcontracting business	(84,772)	(74,931)	(71,832)
Non-stock purchases	(9,155)	(6,016)	(4,522)
<b>TOTAL</b>	<b>(93,927)</b>	<b>(80,948)</b>	<b>(76,354)</b>

### 3.14 Payroll expenses

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Salaries and benefits	(829,621)	(734,871)	(620,539)
Corporate disputes (Note 3.12)	(344)	745	(501)
Retirement benefits (Note 3.12)	(1,980)	(1,524)	(1,046)
Taxes levied on wages	(10,405)	(11,110)	(7,681)
Employee profit sharing	(8,505)	(5,419)	(5,523)
<b>TOTAL</b>	<b>(850,855)</b>	<b>(752,179)</b>	<b>(635,290)</b>

At 31 December 2012, social security charges paid under defined contribution pension plans equalled €205,835,000 compared with €184,680,000 at 31 December 2011 and €161,452,000 at 31 December 2010 (company contribution).

### 3.15 External charges

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Rentals, maintenance	(29,582)	(23,821)	(23,178)
External personnel, fees	(17,682)	(15,248)	(12,545)
Transportation and travel	(51,057)	(52,218)	(46,417)
Other external charges	(18,854)	(17,584)	(16,259)
<b>TOTAL</b>	<b>(117,176)</b>	<b>(108,871)</b>	<b>(98,399)</b>

### 3.16 Taxes and levies

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Business tax	(495)	(569)	(453)
Property tax	(1,340)	(971)	(760)
Other taxes and levies	(5,227)	(5,273)	(4,402)
<b>TOTAL</b>	<b>(7,063)</b>	<b>(6,814)</b>	<b>(5,615)</b>

### 3.17 Other operating income and expenses

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
<b>Expenses</b>			
Provisions for impairment	(1,819)	(2,109)	(2,628)
Losses on unrecoverable receivables	(2,766)	(894)	(992)
Provisions for long-term contingencies	(1,971)	(2,564)	(1,449)
Book value of fixed assets sold	(172)	(302)	(310)
Other expenses	(157)	57	1
<b>TOTAL EXPENSES</b>	<b>(6,884)</b>	<b>(5,811)</b>	<b>(5,378)</b>
<b>Income</b>			
Reversal of provisions for receivables	4,606	3,458	2,322
Reversals of provisions for long-term contingencies	2,143	1,419	1,487
Proceeds from sale of fixed assets	82	88	107
Other income	6	280	
<b>TOTAL INCOME</b>	<b>6,836</b>	<b>5,246</b>	<b>3,916</b>

### 3.18 Share-based payments

These payments are based on the various plans described below:

#### Share warrants

The Board meeting of 7 September 2009 allocated 487,000 stock warrants in accordance with the authorisation granted by the Combined General Meeting of 23 June 2009.

These stock warrants, which are not admitted to a regulated market, give their holders the right to subscribe for ordinary shares at the rate of one (1) new ALTEN share for one (1) stock warrant (maximum number of shares to be issued: 487,000 shares). These new shares shall be comparable to existing shares upon their admission to listing on the Euronext Paris - Compartment B market.

The subscription price was set at one euro nineteen euro cents (€1.19) based on a report issued by an independent expert. The maximum purchase price is fixed at fifteen euros and eighty-five euro cents (€15.85) per share.

The exercise period is established from 7 September 2013 to 7 September 2017. The maximum term of the stock warrants is eight (8) years, beyond which date the warrants shall expire. These share warrants are not transferable.



History of past awards of share warrants:

**2009 Plan**

Date of the General Meeting	23/06/2009
Date of grant by the Board	07/09/2009
Number of beneficiaries	7
<b>Number allocated</b>	<b>487,000</b>
including number of shares granted to corporate officers	285,000
Exercise price for the warrants (in €)	15.85
First possible exercise date	07/09/2013
Last possible exercise date	07/09/2017

**Stock option plans**

The stock option plans are valued according to the Black & Scholes model. The following plans are in effect:

Plan	1	2	3	4
Date of grant by the Board	25/01/2002	13/03/2003	25/07/2003	06/01/2004
Number of beneficiaries	214	237	6	259
<b>Number of options awarded</b>	<b>438,400</b>	<b>359,150</b>	<b>450,000</b>	<b>318,970</b>
including number of options granted to employees	438,400	359,150	450,000	318,970
including number of options awarded to corporate officers				
Exercise price	15.7	5.9	7.3	10.7
Average weighted exercise price in 2011		5.9		10.7
Fair value of the option in euros		3.59	4.32	7.13
First possible exercise date	25/01/2006	13/03/2007	25/07/2007	06/01/2008
Last possible exercise date	25/01/2010	13/03/2011	25/07/2011	06/01/2012
Date of first possible disposal	25/01/2006	13/03/2007	25/07/2007	06/01/2008
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010</b>	<b>12,720</b>	<b>17,335</b>	<b>70,000</b>	<b>99,563</b>
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2010	10,000	8,200	70,000	33,853
Number of options expired as at 31 December 2010	2,720	2,000		(4,600)
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2010</b>		<b>7,135</b>		<b>70,310</b>
<i>2010 annual charge</i>				
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011</b>		<b>7,135</b>		<b>70,310</b>
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2011		6,635		54,110
Number of options expired as at 31 December 2011		500		8,700
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011</b>				<b>7,500</b>
<i>2011 annual charge</i>				
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,500</b>
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2012				2,200
Number of options expired as at 31 December 2012				5,300
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>2012 annual charge</i>				

## Stock option plans (cont.)

Plan (cont.)	5	6	7	8	9	Total
Date of grant by the Board	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	356	598	794	689	6	
<b>Number of options awarded</b>	<b>496,500</b>	<b>1,189,780</b>	<b>622,790</b>	<b>574,330</b>	<b>120,000</b>	<b>4,569,920</b>
including number of options granted to employees	496,500	1,173,780	622,790	574,330	120,000	4,553,920
including number of options awarded to corporate officers		16,000				16,000
Exercise price	17.9	24.1	19.1	15.2	22.4	
Average weighted exercise price in 2011	17.9	24.1				
Fair value of the option in euros	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010</b>	<b>296,309</b>	<b>547,040</b>	<b>457,715</b>	<b>561,625</b>		<b>1,765,998</b>
Number of options awarded					120,000	120,000
Number of options waived						0
Number of options exercised as at 31 December 2010	71,196	1,920				195,169
Number of options expired as at 31 December 2010	20,910	136,940	66,610	81,505		306,085
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2010</b>	<b>204,203</b>	<b>408,180</b>	<b>391,105</b>	<b>480,120</b>	<b>120,000</b>	<b>1,681,053</b>
<i>2010 annual charge</i>		<i>243</i>	<i>(387)</i>	<i>(303)</i>	<i>(21)</i>	<i>(468)</i>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011</b>	<b>204,203</b>	<b>408,180</b>	<b>391,105</b>	<b>480,120</b>	<b>120,000</b>	<b>1,681,053</b>
Number of options awarded						
Number of options waived						
Number of options exercised as at 31 December 2011	115,178	129,060				304,983
Number of options expired as at 31 December 2011	6,400	43,920	71,325	90,525		221,370
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
<i>2011 annual charge</i>			<i>(176)</i>	<i>(64)</i>	<i>(69)</i>	<i>(309)</i>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2012</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
Number of options awarded						0
Number of options waived					30,000	30,000
Number of options exercised as at 31 December 2012	50,825	18,680	78,371			150,076
Number of options expired as at 31 December 2012	(1,800)	3,320	26,600	55,470		88,890
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2012</b>	<b>33,600</b>	<b>213,200</b>	<b>214,809</b>	<b>334,125</b>	<b>90,000</b>	<b>885,734</b>
<i>2012 annual charge</i>				<i>(223)</i>	<i>(56)</i>	<i>(279)</i>

Free share allocation plan

<i>Plan</i>	<b>Total</b>
Date of grant by the Board	11/04/2008
Number of beneficiaries	2
<b>Number of options awarded</b>	<b>105,600</b>
including number of shares granted to employees	52,800
including number of shares granted to corporate officers	52,800
Fair value of the option in euros	20.08
<b>Date of final award</b>	<b>11/04/2010</b>
First possible exercise date	11/04/2012
Last possible exercise date	11/04/2017
Date of first possible disposal	11/04/2012
<b>NUMBER OF SHARES AWARDED AS AT 1 JANUARY 2010</b>	<b>37,400</b>
Number of shares vested as at 1 January 2010	61,600
Number of shares abandoned as at 31 December 2010	(24,200)
Number of shares vested as at 31 December 2010	15,400
<b>NUMBER OF SHARES AWARDED AS AT 31 DECEMBER 2010</b>	<b>52,800</b>
<i>2010 annual charge</i>	<b>309</b>
<b>NUMBER OF SHARES AWARDED AS AT 1 JANUARY 2011</b>	<b>52,800</b>
Number of shares vested as at 1 January 2011	
Number of shares abandoned as at 31 December 2011	
Number of shares vested as at 31 December 2011	
<b>NUMBER OF SHARES AWARDED AS AT 31 DECEMBER 2011</b>	<b>52,800</b>
<i>2011 annual charge</i>	<b>0</b>
<b>NUMBER OF SHARES AWARDED AS AT 1 JANUARY 2012</b>	<b>52,800</b>
Number of shares vested as at 1 January 2012	
Number of shares abandoned as at 31 December 2012	
Number of shares vested as at 31 December 2012	
<b>NUMBER OF SHARES AWARDED AS AT 31 DECEMBER 2012</b>	<b>52,800</b>
<i>2012 annual charge</i>	<b>0</b>

Charges for vested free shares are recorded under employee benefits expenses.

## 3.19 Other non-current operating income and expenses

## NON-RECURRING PROFIT

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
<b>Expenses</b>			
Restructuring costs <sup>(1)</sup>	(3,067)	(337)	(1,935)
Costs linked to the acquisition of Calsoft Labs <sup>(2)</sup>	(189)	(4,101)	
Tax (URSSAF) adjustment		(7,034)	(2,011)
Acquisition costs	(1,300)		
Other	(1,292)	(803)	
<b>TOTAL EXPENSES</b>	<b>(5,848)</b>	<b>(12,274)</b>	<b>(3,946)</b>
<b>Income</b>			
Net research tax credits over previous financial years <sup>(3)</sup>		893	
Closure of Idestyle Technologies		575	
Tax (URSSAF) adjustment	425		
Provision that has ceased to be relevant	1,529	998	
Other		388	
<b>TOTAL INCOME</b>	<b>1,954</b>	<b>2,853</b>	

(1) Related to specific measures taken to offset the deterioration of the economic environment (partial unemployment, reduction in headcount, site mergers, etc.). In 2012, this item related to costs paid or provisioned in Spain.

(2) Acquisition costs relating to Calsoft not falling within the definition of the cost of business combinations as defined by IFRS 3 revised, are recognised in non-recurring expenses.

(3) Net research tax credits for previous years which distort comparisons of current operating performance are reclassified as "Other non-current income".

## INCOME FROM ASSET DISPOSALS

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Selling price	247	102	900
Book value of disposals	(280)	(244)	(1,541)
<b>PROFIT/LOSS FROM DIVESTMENT</b>	<b>(33)</b>	<b>(142)</b>	<b>(641)</b>

At 31 December 2010, gains (losses) on disposal mainly related to the disposal of Aston securities. In 2011, this result includes the disposal of non-consolidated securities (+€100,000) and the scrapping of assets following the closure of a branch in Germany (-€241,000).

## IMPAIRMENT OF GOODWILL

	31/12/2012	31/12/2011	31/12/2010
France		(3,131)	
Abroad			
<b>TOTAL</b>		<b>(3,131)</b>	

In 2011, goodwill from Winwise was irreversibly impaired in the interim financial statements for €3,131,000.

### 3.20 Net financial income

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Bank interest charges	(1,190)	(1,142)	(1,185)
Interest on lease-financing agreements	(36)	(25)	(40)
<b>COST OF GROSS FINANCIAL INDEBTEDNESS</b>	<b>(1,227)</b>	<b>(1,167)</b>	<b>(1,225)</b>
Income from loans and receivables	498	400	101
Proceeds from the disposal of marketable securities	1	79	
<b>COST OF NET FINANCIAL INDEBTEDNESS</b>	<b>(728)</b>	<b>(688)</b>	<b>(1,125)</b>
Abandonment of financial receivables	0	(101)	0
Foreign exchange losses	(3,220)	(1,777)	(1,287)
Other financial expenses	(459)	(548)	(607)
Financial update expenses	0	(55)	(145)
Financial provisions	0	(774)	(172)
<b>Other financial expenses</b>	<b>(3,679)</b>	<b>(3,255)</b>	<b>(2,211)</b>
Foreign exchange gains	2,913	1,833	873
Other financial income	781	340	667
Reversal of financial provisions	1	254	94
<b>Other financial income</b>	<b>3,695</b>	<b>2,427</b>	<b>1,634</b>
<b>OTHER NET FINANCIAL INCOME AND EXPENSES</b>	<b>16</b>	<b>(828)</b>	<b>(577)</b>
<b>NET FINANCIAL INCOME (EXPENSES)</b>	<b>(712)</b>	<b>(1,516)</b>	<b>(1,702)</b>

In 2011, financial provisions related to Phoebe Ingenica investment securities.

### 3.21 Breakdown of income tax expense

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Net Earnings: Group and minority interests	78,402	59,590	53,679
Earnings of equity-accounted companies	(1,689)	(804)	0
Impairment of goodwill	0	3,131	0
Stock options	279	309	468
Income tax expense	38,955	35,030	32,935
<b>PRE-TAX EARNINGS</b>	<b>115,947</b>	<b>97,256</b>	<b>87,082</b>
Tax rate of the consolidating company	34.43%	34.43%	34.43%
Theoretical income tax charge	39,924	33,489	29,985
Additional contribution 5%	755	571	0
Difference in tax rate versus foreign companies	(3,235)	(2,730)	(1,592)
Tax credits (apprenticeships, family, grants, etc.)*	(733)	(571)	(955)
Research tax credits*	(5,058)	(4,860)	(909)
Unactivated deferred tax assets	(88)	711	(261)
CVAE (value added tax) reclass.	6,490	6,095	4,930
Other permanent differences <sup>(1)</sup>	901	2,325	1,736
<b>TAX EXPENSE RECOGNISED</b>	<b>38,955</b>	<b>35,030</b>	<b>32,935</b>
<b>EFFECTIVE INCOME TAX RATE</b>	<b>33.60%</b>	<b>36.02%</b>	<b>37.82%</b>
Income tax distribution:			
Deferred taxes	(594)	(969)	(445)
Income tax payable	39,549	35,999	33,380
<b>TOTAL</b>	<b>38,955</b>	<b>35,030</b>	<b>32,935</b>

\* Tax free income.

(1) "Other permanent differences" include mainly:

	2012	2011	2010
Earn-outs	0	936	0
Other differences	901	1,390	1,736
<b>TOTAL</b>	<b>901</b>	<b>2,325</b>	<b>1,736</b>

The French Finance Act sets a current income tax rate for the Group's French companies of 36.10% for 2011 and 2012. At 31 December 2012, the deferred tax rate in France was 34.43% for all temporary differences. An amendment to this tax rate would have no material impact on the consolidated financial statements.

### 3.22 Operating segments

In accordance with IFRS 8 "Operating segments", the financial information published below was used by the main operational decision-maker (the Chairman) to internally assess the performance of the segments.

(in thousands of euros)	31/12/2012			31/12/2011			31/12/2010		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Revenue	871,044	419,170	1,290,214	796,547	333,443	1,129,990	694,507	272,574	967,081
Inter-segment and intra-group neutralisation	(75,374)	(16,831)	(92,205)	(55,061)	(9,270)	(64,331)	(42,935)	(7,580)	(50,515)
Sector reclassification	(37,988)	37,988	0	(25,783)	25,783	0	(18,508)	18,508	0
Net revenue	757,681	440,327	1,198,009	715,703	349,957	1,065,659	633,064	283,502	916,566
Operating profit on activity	67,129	53,457	120,586	64,133	44,203	108,335	62,763	30,608	93,371
Rate of Operating profit on activity/revenue for the segment	8.8%	12.1%	10.1%	8.9%	12.6%	10.2%	9.9%	10.8%	10.2%
Profit from ordinary activities	66,850	53,457	120,307	63,824	44,203	108,026	62,296	30,608	92,904
Operating profit	68,427	47,953	116,380	53,444	41,888	95,332	59,201	29,116	88,316
Earnings of Consolidated Entities	43,244	33,469	76,713	30,323	28,463	58,786	35,087	18,592	53,679
<b>PROFIT</b>	<b>44,933</b>	<b>33,469</b>	<b>78,402</b>	<b>31,127</b>	<b>28,463</b>	<b>59,590</b>	<b>35,087</b>	<b>18,592</b>	<b>53,679</b>

(in thousands of euros)	31/12/2012			31/12/2011			31/12/2010		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Goodwill	94,909	105,663	200,572	94,942	89,458	184,400	96,774	82,703	179,477
Impairment over the financial year				(3,131)		(3,131)			
Equity-accounted stakes <sup>(1)</sup>	4,717		4,717	3,027		3,027			
Workforce at Year End	9,300	6,650	15,950	8,940	5,860	14,800	8,247	4,431	12,678
Cash at end of period	38,332	28,191	66,523	29,986	29,628	59,614	34,608	23,384	57,992
Financial liabilities	8,402	1,051	9,453	15,599	1,235	16,835	10,722	6,888	17,610
<b>NET INVESTMENTS FOR THE PERIOD</b>	<b>9,008</b>	<b>24,958</b>	<b>33,966</b>	<b>18,968</b>	<b>15,033</b>	<b>34,001</b>	<b>11,257</b>	<b>282</b>	<b>11,539</b>

(1) See Note 3.3.

In 2012, the contribution of newly acquired companies to consolidated earnings was €1,718,000 (only outside France).

Given the Group's diverse customer portfolio, no customer represents more than 10% of consolidated revenue as of 31 December 2012.

### 3.23 Earnings per share

(in euros)	31/12/2012	31/12/2011	31/12/2010
<b>Earnings</b>	<b>78,167,566</b>	<b>59,551,667</b>	<b>53,607,050</b>
Weighted average number of shares	31,839,040	31,794,116	31,465,519
<b>Earnings per share</b>	<b>2.46</b>	<b>1.87</b>	<b>1.70</b>

(in euros)	31/12/2012	31/12/2011	31/12/2010
Earnings	78,167,566	59,551,667	53,607,050
Dilutive effect of stock warrants	(134,978)	(198,732)	(45,038)
<b>Diluted earnings</b>	<b>78,032,588</b>	<b>59,352,935</b>	<b>53,562,013</b>
Weighted average number of shares	31,839,040	31,794,116	31,465,519
Effect of dilutions	276,919	367,007	328,300
Weighted average number of shares after potential dilution	32,115,959	32,161,123	31,793,819
<b>Diluted earnings per share</b>	<b>2.43</b>	<b>1.85</b>	<b>1.68</b>

There are no undiluted instruments.

### 3.24 Dividends per share

	2013*	2012	2011
Date dividends paid on the profit from the previous financial year	25 June 2013	25 June 2012	29 June 2011
Date of the General Meeting deciding on the dividend distribution proposal	19 June 2013	19 June 2012	22 June 2011
Total distribution amount (in thousands of euros) on the profit from the previous financial year	32,642	31,822	34,996
Dividend per share on the profit from the previous financial year (in euros and per share)	1.00	1.00	1.10

\* Subject to approval by the General Meeting.

### 3.25 Cash flow statement

#### CHANGES IN DEPRECIATION, AMORTISATION AND PROVISIONS NET OF REVERSALS

	31/12/2012	31/12/2011	31/12/2010
Amortisation of intangible assets	2,059	3,369	1,919
Depreciation of property, plant and equipment	5,717	4,055	3,513
Impairment of goodwill	0	3,131	
Provisions for risks and expenses	2,151	3,887	1,510
<b>TOTAL</b>	<b>9,927</b>	<b>14,443</b>	<b>6,941</b>

#### BREAKDOWN OF TAXES PAID

	31/12/2012	31/12/2011	31/12/2010
Repayments received	6,343	1,102	18,802
Payments made	(41,794)	(41,420)	(27,696)
<b>TOTAL</b>	<b>(35,451)</b>	<b>(40,318)</b>	<b>(8,894)</b>

## BREAKDOWN OF CASH FLOWS ON WORKING CAPITAL REQUIREMENT

	31/12/2012	31/12/2011	31/12/2010
Changes in net WCR - customers	(5,181)	(379)	(20,356)
Changes in net WCR - suppliers	21	931	(5,520)
Changes in net WCR - other receivables and operating payables	(6,351)	(2,717)	19,643
<b>TOTAL</b>	<b>(11,511)</b>	<b>(2,165)</b>	<b>(6,233)</b>

## IMPACT OF CHANGES IN SCOPE AND EARN-OUTS

	31/12/2012	31/12/2011	31/12/2010
Acquisitions of consolidated subsidiaries	(24,941)	(15,810)	(5,448)
Cash from new consolidated subsidiaries	2,699	277	
Cash from deconsolidated subsidiaries	(277)		(372)
<b>TOTAL</b>	<b>(22,518)</b>	<b>(15,533)</b>	<b>(5,820)</b>

## CAPITAL INCREASE

	31/12/2012	31/12/2011	31/12/2010
Share options exercised	2,887	5,801	2,401
Cancellation of treasury shares		(2)	
Issue of stock warrants			
Subscription to the capital of new companies		101	98
<b>TOTAL</b>	<b>2,887</b>	<b>5,900</b>	<b>2,499</b>



## 4. OTHER INFORMATION

### 4.1 Related party transactions

#### Compensation granted to corporate officers

In the Company, in controlled companies and in the controlling company <sup>(1)</sup>:

	2012		2011	
	Amount paid	Amount due	Amount paid	Amount due
<b>Simon AZOULAY</b>				
• fixed remuneration	€109,080	€120,000	€109,080	€109,080
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• attendance fees <sup>(2)</sup>	€260,000	€260,000	€250,000	€250,000
• benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€369,080</b>	<b>€380,000</b>	<b>€359,080</b>	<b>€359,080</b>
<b>Gérald ATTIA</b>				
• fixed remuneration	€178,224	€178,224	€178,224	€178,224
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• attendance fees <sup>(3)</sup>	€33,329	€84,000	€84,000	€84,000
• benefits in kind	€3,873	€3,873	None	None
<b>TOTAL</b>	<b>€215,426</b>	<b>€266,097</b>	<b>€262,224</b>	<b>€262,224</b>
<b>Bruno BENOLIEL</b>				
• fixed remuneration	€159,141	€159,141	€67,064*	€67,064*
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• attendance fees <sup>(4)</sup>	€57,355	€60,000	€42,000	€42,000
• benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€216,496</b>	<b>€219,141</b>	<b>€109,064</b>	<b>€109,064</b>

\* Bruno Benoliel received compensation in respect of his employment contract (29 September 1997) prior to his appointment as Director on 22 June 2011, and corresponding to his duties as Director responsible for the Finance, Legal and Information Systems Divisions. His compensation is given from the date on which Mr Benoliel was appointed Director.

(1) Amounts are expressed in gross values.

(2) €150,000 corresponds to the amounts paid to Mr Simon Azoulay in December 2012 for financial year 2012 by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero. €110,000 was also paid by the UK company ALTEN Ltd, wholly-owned subsidiary of ALTEN Europe, to Mr Simon Azoulay in respect of attendance fees for his position as Director for financial year 2012.

(3) This correspond to the amounts paid to Mr Gérald Attia in December 2012 for financial year 2012, by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as remuneration for his role as Consejero. The balance of €50,671 was paid to him in January 2013.

(4) This correspond to the money paid to Mr Bruno Benoliel in December 2012 for financial year 2012, by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as remuneration for his role as Consejero. The balance of €2,645 was paid to him in January 2013.

#### Benefits granted to corporate officers

Beneficiaries	SO plan of 23/10/2006	Free share plan of 11/04/2008	Share warrant plan of 07/09/2009	Total
Simon Azoulay			150,000	150,000
Gérald Attia	16,000		75,000	91,000
Bruno Bénoliel		52,800	60,000	112,800
<b>TOTAL</b>	<b>16,000</b>	<b>52,800</b>	<b>285,000</b>	<b>353,800</b>

### Information concerning defined-contribution schemes for corporate officers

In 2012, social contributions for managers amounted to €200,000.

### Related party transactions

Unconsolidated subsidiaries, companies affiliated to the Group or companies controlled directly by directors of the Group.

#### In the income statement:

	31/12/2012	31/12/2011	31/12/2010
Revenue	137	1,392	20
Other operating income (expenses) <sup>(1)</sup>	(4,000)	(4,305)	(2,076)
Financial income (expenses)	575	182	96
<b>TOTAL</b>	<b>(3,289)</b>	<b>(2,731)</b>	<b>(1,960)</b>

#### In the balance sheet:

	31/12/2012	31/12/2011	31/12/2010
Long-term financial assets <sup>(3)</sup>	1,800	1,800	
Trade receivables	134	1,233	461
Current account <sup>(2)</sup>	960	1,850	2,407
Other receivables	17	18	900
<b>ASSETS</b>	<b>2,911</b>	<b>4,901</b>	<b>3,768</b>
Trade payables	1,036	713	1,235
<b>LIABILITIES</b>	<b>1,036</b>	<b>713</b>	<b>1,235</b>

(1) Including €212,000 in 2011 and €480,000 in 2010 under the services agreement with SGTI.

(2) Changes in this item reflect a cash advance made by ALTEN to its controlling shareholder (SGTI). The advance pays interest of 3-month Euribor +2% (€1.4 million due 31 December 2011) and was repaid in full on schedule over the financial year.

(3) To guarantee repayment of loans granted by ALTEN SA to non-controlling shareholders, the latter have provided collateral to ALTEN SA in the form of all the securities they hold.

### Relations between ALTEN and its subsidiaries

The main relations between ALTEN and its subsidiaries are detailed below:

#### Service agreements

ALTEN provides its subsidiaries with general services (Group services) as required, as well as more specific services if necessary (subleasing of facilities). These relationships are defined by a framework agreement between ALTEN and its French and foreign subsidiaries.

#### Use of the ALTEN brand

ALTEN invoices its subsidiaries for use of the ALTEN brand.

#### Listing agreements

Listing contracts are signed with certain subsidiaries. In this respect, ALTEN invoices a percentage of revenue received by these companies from customers who are listed.

### Carrying agreements

Carrying agreements have been signed between ALTEN and certain of its subsidiaries. Within the scope of these agreements, which were implemented in response to certain customers' request to have one contact person within the Group's subsidiaries, ALTEN plays an intermediary role between the customer and the subsidiary. As a result, even if all services are carried out by the subsidiary, ALTEN invoices the customer and is invoiced in turn by the subsidiary, and thus carries invoicing costs and default risks. Each subsidiary remunerates ALTEN for the service provided and its related costs at a percentage of annual revenue generated with the customer for whom the carrying agreement was implemented.

## 4.2 Contingent assets and liabilities

### Contingent assets

An ALTEN Group subsidiary has an ongoing dispute in respect of a demand for enforcement of a liability guarantee (claim in excess of €2 million). An appeal against repayments requested by URSSAF (€7 million) has been filed by another Group company. No assets have been recognised in the financial statements in respect of these disputes pending court decisions.

### Contingent liabilities

The Group is also party to a dispute with a non-controlling shareholder in a subsidiary. Total claims by the plaintiff, disputed by ALTEN, total approximately €2 million. Their maturity date is undefined.

The amounts the Company considers it owes are recognised in the consolidated financial statements as goodwill under assets and as debts under liabilities, in accordance with IFRS.

## 4.3 Share capital

Number of shares (nominal value €1.016)	Shares issued	Treasury shares	Shares in circulation
<b>At 31 December 2011</b>	<b>32,271,677</b>	<b>(476,252)</b>	<b>31,795,425</b>
Exercise of options	150,076		150,076
Capital increase			
<b>Treasury shares</b>			
Purchasing			
Sales			
Transfers			
Liquidity contract transactions		(1,768)	(1,768)
<b>AT 31 DECEMBER 2012</b>	<b>32,421,753</b>	<b>(478,019)</b>	<b>31,943,733</b>

#### 4.4 Treasury shares

Within the scope of a share buyback programme, during the financial year the Company made the following treasury share transactions:

	31/12/2012	31/12/2011	31/12/2010
<b>UNALLOCATED SHARES</b>			
Shares held at start of year	464,022	397,441	397,441
Shares purchased		66,677	
Shares sold		(96)	
Reclassifications	(4,000)		
Shares held at closing	460,022	464,022	397,441
<b>FREE SHARE ALLOCATION PLAN</b>			
Purchased treasury shares not yet allocated at start of year			15,400
Shares purchased			
Free shares allocated			(15,400)
Waivers			
Reclassifications			
Repurchased shares not yet allocated on closure			
<b>LIQUIDITY CONTRACT</b>			
Shares held at start of year	12,230	4,486	645
Shares purchased	241,340	131,016	132,917
Shares sold	(245,572)	(123,272)	(129,076)
Reclassifications	10,000		
Shares held at closing	17,997	12,230	4,486

Giving a total of 478,019 treasury shares at a value of €9,275,000, liquidated through shareholders' equity as at 31 December 2012.

## 4.5 Financial commitments

### COMMITMENTS RELATED TO THE GROUP SCOPE

<i>(in thousands of euros)</i>	31/12/2012	maturity	31/12/2011	31/12/2010
<b>Guarantees given</b>				
ALTEN SA	107	01/09/2013	107	107
ALTEN Belgium	178		178	178
ALTEN Indus.				229
ALTEN Italia	32			
ALTEN Spain	2,270			
<b>TOTAL</b>	<b>2,587</b>		<b>285</b>	<b>514</b>
<b>Bank guarantees received</b>				
(collateral guarantees of liabilities)				
ALTEN PTS		31/12/2012	90	200
Avenir Conseil				191
B2I Automotive		31/12/2012	300	300
BBR		31/12/2012	100	160
Burke (merged with ALTEN Spain)		19/09/2012	150	200
Dixid (merged with ALTEN SA)				35
HPTI		31/01/2012	400	400
M&P (merged with MI-GSO)				50
N2T (merged with ALTEN SA)				
RSYS (merged with MI-GSO)				450
Winwise		28/02/2012	100	200
<b>TOTAL</b>	<b>0</b>		<b>1,140</b>	<b>2,186</b>

Other commitment received: To guarantee loans of €1,800,000 granted to non-controlling shareholders, the latter have provided collateral to ALTEN SA in the form of all the securities they hold.

### COMMITMENTS RELATED TO GROUP FINANCING

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Unused credit lines	170,000	110,000	110,000

### COMMITMENTS RELATED TO OPERATING ACTIVITIES:

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011	31/12/2010
Operating leases <sup>(1)</sup>	48,801	50,825	49,854
Financial leases <sup>(2)</sup>	889	688	463

(1) Including property leases: €42,800,000 (of which €11,661,000 due in less than one year, €26,198,000 due in two to five years and €4,940,000 due in more than five years).

(2) Royalties unpaid as at 31 December 2012 are as follows:

Type of property (in thousands of euros)	Royalties unpaid		Total	Including payable to	
	Capital	Interest		Less than one year	One to five years
Hardware and furniture	49	6	55	12	43
Vehicles	771	63	834	388	446
<b>TOTAL</b>	<b>820</b>	<b>69</b>	<b>889</b>	<b>401</b>	<b>488</b>

Assets pledged	Amount (in €k)	Type of asset
Lease-financing transactions	796	Equipment

### Convertible loan stock options

The Group has agreed to subscribe to a convertible bond issue for a maximum amount of €700,000 over the period 1 March 2012 to 28 February 2015, if the non-consolidated, unlisted company in question so requests.

### Minority interests purchase options

- ALTEN SIR GTS: Under the terms of the Joint Venture Protocol signed on 18 February 2010, a unilateral and irrevocable sale promise, which covered 49% of the joint company ALTEN SIR GTS, was granted to ALTEN SA.
- Anotech Energy France: ALTEN SA has a unilateral sale promise from the minority interests. At this time, the shares yet to be exercised by ALTEN SA in this respect represent 1% of Anotech Energy France's share capital.
- Anotech Energy UK: ALTEN Europe SARL has unilateral sale promises from the minority interests. At this time, the shares yet to be exercised by ALTEN Europe SARL in this respect represent 1.04% of Anotech Energy UK's share capital.
- Iteckna: at the conclusion of the purchase MOU at end-2012 the parties signed a promise to buy out/sell the non-controlling shareholder's 35% stake.

At the end of the financial year, except for the commitments set forth above, management does not believe that there are other commitments which will materially impact the Group's financial position.

## 4.6 Retirement benefits

### Charge recorded on the income statement (Note 3.14)

	31/12/2012	31/12/2011	31/12/2010
Provisions	(1,980)	(1,536)	(1,046)
Reversal of provisions		12	
<b>Charge posted in the income statement</b>	<b>(1,980)</b>	<b>(1,524)</b>	<b>(1,046)</b>

The change in the provision on the balance sheet is as follows:

	31/12/2012	31/12/2011	31/12/2010
<b>Balance at beginning of period</b>	<b>7,399</b>	<b>5,876</b>	<b>4,830</b>
Impact on earnings			
Cost of services provided	1,595	1,225	815
Financial cost over the period	355	297	256
Spreading of actuarial differences	30	1	(25)
<b>Charge posted in the income statement</b>	<b>1,980</b>	<b>1,523</b>	<b>1,046</b>
<b>Balance at end of period</b>	<b>9,378</b>	<b>7,399</b>	<b>5,876</b>

The following actuarial assumptions were used:

	31/12/2012	31/12/2011	31/12/2010
Discount rate	3.60%	4.25%	4.10%
Revaluation rate for employees	1.50%	3.06%	2.25%
Employer contribution rate			
• Managerial staff	46.89%	46.89%	46.89%
• Non-managerial staff	46.49%	46.49%	46.49%
Mortality table			
• Women	TV 2004-2006	TV 2004-2006	TV 2004-2006
• Men	TD 2004-2006	TD 2004-2006	TD 2004-2006
Age 1 <sup>st</sup> job			
• Managerial staff	25 years	25 years	24 years
• Non-managerial staff	21 years	21 years	20 years
Age of retirement	65-67 years	65-67 years	65 years

At 31 December 2012, actuarial gains and losses on defined-benefit schemes yet to be allocated totalled €895,000. Outstanding past service costs amount to €7,000. As a result of implementation of Revised IAS 19 on 1 January 2013, the commitment rises to €8,555,000 (see Note 2.2).

The staff turnover rate is recorded from company to company in accordance with observed historical data.

A change of plus or minus one point in the discount rate has no impact on the amount of the provision at 31 December 2012.

#### 4.7 Audit fees

	DAUGE ET ASSOCIÉS				GRANT THORNTON			
	Amount excluding tax		%		Amount excluding tax		%	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Audit</b>								
Statutory audit, certification, review of accounts:								
• Issuer	191	181	67%	64%	204	201	44%	40%
• Consolidated subsidiaries	95	88	33%	31%	259	304	56%	60%
Other duties and services directly related to the Statutory Auditors' assignment:								
• Issuer		3	-	1%		3	-	1%
• Consolidated subsidiaries		9	-	3%			-	-
<b>SUB-TOTAL</b>	<b>286</b>	<b>281</b>	<b>100%</b>	<b>100%</b>	<b>463</b>	<b>508</b>	<b>100%</b>	<b>100%</b>
<b>Other services</b>								
Legal, tax, corporate								
• Issuer	-	-	-	-	-	-	-	-
• Consolidated subsidiaries	-	-	-	-	-	-	-	-
Other								
• Issuer	-	-	-	-	-	-	-	-
• Consolidated subsidiaries	-	-	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>286</b>	<b>281</b>	<b>100%</b>	<b>100%</b>	<b>463</b>	<b>508</b>	<b>100%</b>	<b>100%</b>

#### 4.8 Consolidating entity

The ALTEN Group is consolidated into SGTI.

#### 4.9 Securities pledged as collateral

To the best of the Company's knowledge, the ALTEN shares described below have been used as collateral for various bank loans, bank guarantees and cash management agreements:

Name	Number of ALTEN shares pledged	Maturity date	Type	Percentage of authorised capital
	562,000	25/06/2015	Bank loan collateral	1.73%
Simon Azoulay	500,000	08/12/2018	Bank loan collateral	
		08/12/2016	Bank loan collateral	1.54%
	600,000	22/06/2013	Bank loan collateral	1.85%
Célia Azoulay	361,623	22/06/2013	Bank loan collateral	1.12%
Annaëlle Azoulay	361,760	22/06/2013	Bank loan collateral	1.12%
SGTI	4,903,000	25/06/2015	Bank loan collateral	15.12%



## 20.3.2 2012 FINANCIAL STATEMENTS

### 1. COMPANY BALANCE SHEET

#### ASSETS

<i>(in thousands of euros)</i>	Gross	Depreciation, amortisation and provisions	31/12/2012	31/12/2011
<b>Intangible assets</b>	44,824	11,107	33,717	33,596
<b>Property, plant and equipment</b>	19,646	12,085	7,560	6,857
<b>Financial assets</b>	165,734	12,283	153,450	154,496
<b>FIXED ASSETS</b>	230,203	35,476	194,727	194,949
<b>Work in progress</b>				
Work in progress	60		60	52
Advance payments on orders	1,465		1,465	57
<b>Receivables</b>				
Trade receivables	148,146	2,991	145,154	138,381
Other receivables	23,237	3,146	20,092	94,833
Marketable securities	521		521	335
Cash and equivalents	3,309		3,309	4,625
Prepaid expenses	4,448		4,448	3,811
<b>CURRENT ASSETS</b>	181,186	6,137	175,049	242,094
Translation adjustment	1		1	2
<b>TOTAL ASSETS</b>	<b>411,390</b>	<b>41,613</b>	<b>369,778</b>	<b>437,045</b>

#### LIABILITIES

<i>(in thousands of euros)</i>	31/12/2012	31/12/2011
Capital	32,953	32,801
Paid-in capital	25,443	22,708
Reserves and Retained Earnings	131,105	127,417
Profit for the year	27,725	35,511
<b>SHAREHOLDERS' EQUITY</b>	<b>217,226</b>	<b>218,437</b>
<b>PROVISIONS FOR RISKS AND EXPENSES</b>	<b>8,546</b>	<b>7,478</b>
Other loans and related debt	4,041	10,681
Miscellaneous financial borrowings and liabilities	6,943	59,661
Trade payables	30,569	36,664
Taxes and social security charges payable	86,445	84,538
Other debt	13,404	17,432
Deferred income	2,466	2,145
<b>DEBT</b>	<b>143,869</b>	<b>211,121</b>
Translation adjustment	137	10
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>369,778</b>	<b>437,045</b>

## 2. COMPANY INCOME STATEMENT

<i>(in thousands of euros)</i>	<b>2012</b>	<b>2011</b>
<b>NET REVENUE</b>	<b>452,616</b>	<b>433,257</b>
Reversal of depreciation, amortisation & provisions, transfer of expenses	12,442	8,506
Other income	10,071	9,955
<b>Operating revenue</b>	<b>475,130</b>	<b>451,718</b>
Other external purchases and costs	152,069	143,526
Taxes other than on income	16,041	15,952
Payroll expenses	269,224	259,309
Charges to depreciation, amortisation and provisions	8,387	6,832
Other operating expenses	1,235	926
<b>Operating expenses</b>	<b>446,957</b>	<b>426,546</b>
<b>OPERATING PROFIT</b>	<b>28,173</b>	<b>25,173</b>
<b>NET FINANCIAL INCOME</b>	<b>10,215</b>	<b>25,737</b>
<b>PRE-TAX EARNINGS</b>	<b>38,388</b>	<b>50,909</b>
<b>NON-RECURRING LOSS</b>	<b>(347)</b>	<b>(6,045)</b>
Employee profit-sharing	3,263	1,889
Income tax	7,053	7,465
<b>PROFIT FOR THE YEAR</b>	<b>27,725</b>	<b>35,511</b>

### 3. NOTES TO THE 2012 COMPANY FINANCIAL STATEMENTS

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#### Detailed contents of the notes to the financial statements

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### 3.1 General information on ALTEN SA

Founded in 1988, ALTEN is the European leader in the Engineering and Technology Consulting (ETC) market.

ALTEN carries out design and research projects for the Technical and Information Systems divisions of major customers in the industrial, telecommunications and service sectors.

ALTEN works with its customers through various types of contracts:

- consulting;
- “workpackage” or “global platforms” in which services are generally provided by committing resources and billed on a time-spent basis;
- fixed-price projects under which ALTEN is bound by an obligation to achieve results at a fixed price. This business represents less than 10% of activity.

ALTEN SA has been ISO-certified since 1998.

ALTEN SA continued its Group structuring approach, mainly through implementation of the CMMI certification process, strengthening of the Structured Projects Division by skills sectors and systematic training of managers and consultants experienced in “structured project” management.

The scope of ALTEN SA's business covers all outsourced Engineering and Technology Consulting services.

### 3.2 Key events

#### 3.2.1 Business

Despite the uncertainties that the financial crisis unleashed on the economy at the end of 2011, activity remained generally satisfactory in 2012.

ALTEN SA was affected by the ongoing fall in project numbers at one French car manufacturer. However, other sectors continued to grow.

ALTEN SA had all its listings confirmed and consolidated its position as a leading player in workpackages, reinforced by the award of CMMI3 certification in 2012.

#### 3.2.2 Other information

- During the first half of 2012 €31,823,000 of dividends were paid to shareholders in respect of financial year 2011.
- ALTEN SA was subject to a tax audit relating to 2008 and 2009, resulting in an immaterial proposed adjustment for which a provision was made in the financial statements and which is being contested.
- In December 2012, ALTEN SA confirmed its credit lines in a club deal that provided €150 million in financing to draw on for a maximum of three years.

### 3.3 Post-closing events

- On 1 January 2013, ALTEN SA dissolved the company B2I by absorbing its assets and liabilities.
- A tax (URSSAF) inspection was launched at the start of 2013, looking at financial years 2011 and 2012.

### 3.4 Accounting principles and methods

The accounting principles and methods applied by ALTEN SA are consistent with France's generally accepted accounting standards (*Plan Comptable Général*), pursuant to regulation CRC 99-03.

General accounting conventions have been applied, in accordance with the principle of prudence and the fundamental accounting concepts of:

- going concern;
- the same accounting methods used from one year to the next;
- independence between years;

and in accordance with the general rules for preparing and presenting financial statements.

The main accounting methods used are as follows:

### 3.4.1 Fixed assets

Intangible assets and property, plant and equipment are valued at acquisition or production cost.

Amortisation is calculated on a straight-line/declining-balance basis over the following estimated useful lives:

- development costs 10 years;
- concessions-patents-software licences 1 year;
- transport equipment 5 years/L;
- office and computer equipment 1 to 5 years/L - 2 to 3 years/D;
- office furniture and fittings 5 to 10 years/L;
- fixtures and fittings 3 to 6 years/L.

Development costs are obligatorily capitalised as intangible assets and all expenses directly attributable to the creation, production and preparation of the asset in view of its planned use are capitalised.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

All depreciation and amortisation charges are recognised under operating expenses.

### 3.4.2 Goodwill – Business assets

Business assets are valued at their acquisition cost. They are not amortised but are tested for value if, because of events or circumstances occurring during the year, their recoverable value appears to be permanently lower than their net book value. The recoverable value is based on the discounted future cash flows generated by the continued use of the assets tested. The discounting is applied at a rate corresponding to the weighted average cost of capital.

The main criteria chosen for the application of the valuation method according to the Discounted Cash Flows are described under the heading “Investment securities”.

### 3.4.3 Investment securities

The gross value of investment securities is recorded on the balance sheet at acquisition cost. The acquisition cost of investment securities comprises a fixed portion paid at the time an interest is acquired and any variable earn-outs based on the acquired entity's future revenues and earnings. These earn-outs are recognised under investment securities against debt on non-current assets.

Whenever general business conditions and/or material adverse developments cause a subsidiary to post revenue and earnings significantly below expectations at the time of acquisition, an additional one-time impairment loss on the investment securities is calculated.

Required depreciation is determined through the Discounted Cash Flows method. This is only done for acquired companies and applies the following assumptions:

- a four-year financial budget prepared by entity and validated by the Group's Finance Division, updated when the year-end budget is prepared. Cash flow beyond four years is extrapolated on the basis of a growth rate to infinity;
- low growth rate (2%): this growth rate does not exceed the long-term average growth rate for the business sector;
- weighted average cost of capital (9.50%), resulting from risk-free interest rates, risk premiums, beta coefficient and additional premiums if applicable;
- net indebtedness (except for goodwill).

In the current fast-changing economic environment, it is harder to define the business outlook and the random nature of some estimates can be accentuated, especially where profits and cash flow are concerned.

### 3.4.4 Treasury shares

All treasury shares held by ALTEN SA are recorded at their acquisition cost under “other fixed financial assets”.

### 3.4.5 Trade receivables

Trade receivables are valued at nominal value. They are individually valued and, where applicable, depreciated to account for any difficulties in collecting certain amounts.

Any such impairment is recognised once there is an indication of the Group's inability to recover the full amount such as bankruptcy procedures or non-payment by the due date. Impairment is recognised under other income and operating expenses.

For any trade receivables that are not subject to individual impairment, the depreciation method applied is a statistical one.

### 3.4.6 Marketable securities

Securities (money market fund) recognised in the balance sheet are valued at the lower of either their historical cost or market value.

### 3.4.7 Provisions for risks and expenses

Provisions for risks and expenses are recorded at year-end whenever the Group has an obligation towards a third party which is likely or certain to result in an outflow of resources for the benefit of such a third party, with no anticipated consideration of at least equal value.

The estimate of the amount recorded under the provisions is the expense the Company is likely to incur to discharge the obligation.

Among these provisions are retirement obligations as estimated by an independent actuarial firm, in accordance with CNC Notice 97-06.

Benefits payable to retiring employees are calculated on the basis of the current headcount at reporting date. It is based on the following items:

Presentation of actuarial assumptions	31/12/2012	31/12/2011
Discount rate	3.60%	4.22%
Revaluation rate for employees		
Managerial staff	1.50%	3.26%
Non-managerial staff	2.50%	3.44%
Employer contribution rate		
Managerial staff	46.89%	46.89%
Non-managerial staff	46.49%	46.49%
Mortality table		
For women	TV 2004-2006	TV 2004-2006
For men	TD 2004-2006	TD 2004-2006
Age 1 <sup>st</sup> job		
Managerial staff	25 years	25 years
Non-managerial staff	21 years	21 years
Age of retirement	65-67 years	65-67 years

### 3.4.8 Recognition of revenue

Revenue is recognised over the period in which services are rendered and made up of invoiced services (issued or to be issued):

- on a cost basis: income is equal to time spent multiplied by an hourly, daily or monthly rate;
- fixed price: income is recognised according to the percentage of completion method in proportion to expenses incurred. Loss-making contracts give rise to recognition of a contract loss provision corresponding to the total expected loss less any losses already recorded in advance. Services for which a fixed price is charged account for less than 10% of revenue.
- “workpackage” method: recognition of revenue varies according to the nature of the resource commitment. When the workpackage is part of a global cost-based scheme, income is equal to time spent multiplied by an hourly, daily or monthly sales rate; when it is part of an outsourced platform for which billing is on a monthly or quarterly fixed-price basis, income is recognised on a monthly basis according to the amount of the agreement, independent of the real time spent by consultants; lastly, when it is part of a service commitment package, revenue is recognised as and when deliverables and/or performance indicators (work units) are received/validated by the customer and for which the price has been fixed in the workpackage contract.

### 3.4.9 Tax consolidation

ALTEN SA follows a tax consolidation regime in which it is the Group's holding company.

Under this agreement, ALTEN SA is solely liable for payment of corporation tax on behalf of subsidiaries, which are responsible for indemnifying ALTEN for this expense. In the event a subsidiary records a loss, this is also transferred to ALTEN SA; however the subsidiary may not claim reimbursement of its tax savings obtained.

### 3.4.10 Benefits granted to personnel

Pursuant to the opinion 2008-17 of the Conseil National de la Comptabilité (CNC) dated 6 November 2008, shares allotted to stock option plans are not subjected to impairment based on market value because of the commitment to award them to employees and the provision recognised under liabilities.

### 3.4.11 Translation adjustments of assets and liabilities in foreign currency

Costs and income in foreign currency are recorded at their exchange value on the transaction date.

Costs and income in foreign currency are recorded in the balance sheet at their exchange value on the year-end date. The difference resulting from the discounting of debts and receivables in foreign currency at year end is recorded under asset or liability translation adjustment and provisioned for foreign exchange risk.

## 3.5 Balance sheet and notes

### 3.5.1 Fixed assets, gross value

<i>(in thousands of euros)</i>	31/12/2011	Acquisitions setups/ transfers	Less transfers between items	Less disposals	31/12/2012
Intangible assets <sup>(1)</sup>	43,260	1,586		22	44,824
Property, plant and equipment	15,939	4,131		425	19,646
Financial assets	165,514	1,041	84	737	165,734
<b>TOTAL</b>	<b>224,713</b>	<b>6,758</b>	<b>84</b>	<b>1,185</b>	<b>230,203</b>

(1) Intangible assets comprise (i) goodwill mainly from full asset and liability transfers for an amount of €27,374,000 at 31 December 2012, unchanged from 2011, and (ii) for the most part the development costs relating to integrated management software introduced on 1 January 2009 and amortised over 10 years.

### 3.5.2 Depreciation, amortisation and impairment

<i>(in thousands of euros)</i>	31/12/2011	Increases provisions	Decreases reversals	31/12/2012
Intangible assets <sup>(1)</sup>	9,664	1,451	8	11,107
Property, plant and equipment	9,082	3,396	392	12,085
Financial assets	11,018	1,500	235	12,283
<b>TOTAL</b>	<b>29,764</b>	<b>6,347</b>	<b>635</b>	<b>35,475</b>

(1) No impairment was recorded for goodwill during the year.

### 3.5.3 Breakdown of financial assets

<i>(in thousands of euros)</i>	31/12/2011	Transfers between items	Acquisitions setups/transfers	Less disposals	31/12/2012
Investment securities <sup>(1)</sup>	152,555		723	445	152,834
Related receivables	38			38	0
Treasury shares	8,797	84			8,713
Security deposits	2,312		317	254	2,374
Loans	1,813				1,813
<b>TOTAL</b>	<b>165,514</b>	<b>84</b>	<b>1,041</b>	<b>737</b>	<b>165,734</b>

(1) Most of the decreases shown under disposals in fact relate to X-Ange's capital reduction via a reduction in the nominal values of the shares. Most acquisitions relate to the buyout of minority interests and the investment in the X Ange 2 fund.

## 3.5.4 Net fixed assets

<i>(in thousands of euros)</i>	Gross value as at 31 December 2012	Depreciation, Amortisation & Provisions	Net value as at 31 December 2012
Intangible assets	44,824	11,107	33,717
Property, plant and equipment	19,646	12,085	7,560
Financial assets	165,734	12,283	153,450
<b>TOTAL</b>	<b>230,203</b>	<b>35,476</b>	<b>194,727</b>

## 3.5.5 Provisions for risks and expenses

<i>(in thousands of euros)</i>	31/12/2011	Increases provisions	Decreases reversals <sup>(1)</sup>	31/12/2012
Provisions for arbitration and corporate risk	1,667	1,114	708	2,073
Provisions for miscellaneous risks	1,905	1,278	1,876	1,308
Provisions for charges	233	343	232	344
Retirement provisions	3,674	1,148		4,822
<b>PROV. FOR RISKS AND CHARGES</b>	<b>7,478</b>	<b>3,883</b>	<b>2,815</b>	<b>8,546</b>

(1) Including reversed provisions: €589,000 used in 2012 and €2,227,000 unused in 2012.

<i>(in thousands of euros)</i>	31/12/2011	Increases provisions <sup>(1)</sup>	Decreases reversals <sup>(2)</sup>	31/12/2012
Provisions for intangible assets	206			206
Provisions for financial assets	11,018	1,500	235	12,283
Provisions for receivables	4,439		1,447	2,992
Other impairments	3,162		17	3,145
<b>PROVISIONS FOR IMPAIRMENT</b>	<b>18,825</b>	<b>1,500</b>	<b>1,699</b>	<b>18,625</b>
<b>TOTAL PROVISIONS</b>	<b>26,303</b>	<b>5,383</b>	<b>4,515</b>	<b>27,171</b>

(1) 2012: includes a €1.5 million provision for impairment of Atexis France shares.

(2) 2012: includes €235,000 of reversals in respect of investment securities in French companies.

Including	Provisions	Reversals
Operating	3,540	4,277
Financial	1,500	237
Extraordinary	343	
<b>TOTAL</b>	<b>5,383</b>	<b>4,515</b>



### 3.5.6 Statement of maturity dates of receivables and payables

#### STATEMENT OF RECEIVABLES

<i>(in thousands of euros)</i>	Gross amounts	At 31 December 2012	
	2012	Up to one year	Over one year
<b>Fixed assets</b>			
Receivables from equity interests			
Loans	1,813	13	1,800
Other fixed financial assets <sup>(1)</sup>	11,087		11,087
	<b>12,900</b>	<b>13</b>	<b>12,887</b>
<b>Current assets</b>			
Uncertain clients	1,600	1,600	
Other trade receivables <sup>(2)</sup>	146,545	146,545	
Personnel and related accounts	317	317	
Social security and other social agencies	44	44	
Income tax	6,854	6,854	
Value added tax	4,559	4,559	
Other receivables	12	12	
Groups and associates	9,849	9,849	
Miscellaneous receivables	1,602	1,602	
	<b>171,383</b>	<b>171,383</b>	<b>0</b>
Prepaid expenses <sup>(3)</sup>	4,448	4,448	
<b>TOTAL</b>	<b>188,731</b>	<b>175,844</b>	<b>12,887</b>

(1) 2012 - including €8,713,000 euros corresponding to treasury shares.

(2) 2012 - including €2,501,000 for receivables represented by negotiable instruments.

(3) 2012 - including rents and leasing costs €1,792,000.

#### STATEMENT OF PAYABLES

<i>(in thousands of euros)</i>	Gross amounts	At 31 December 2012		
	2012	Up to one year	Between one and five years	Over five years
Bank borrowings maturing in less than one year	4,041	4,041		
Bank overdrafts				
Miscellaneous financial borrowings and debts	94	94		
Trade payables	30,569	30,569		
Personnel and social security debts	51,361	51,361		
Tax liabilities	35,084	35,084		
Debt related to fixed assets and related accounts		0		
Groups and associates	6,850	6,850		
Other debt	13,404	12,326	869	209
Deferred income	2,466	2,466		
<b>TOTAL</b>	<b>143,869</b>	<b>142,791</b>	<b>869</b>	<b>209</b>

**3.5.7 Outstanding charges**

<i>(in thousands of euros)</i>	2012	2011
Trade payables	8,596	12,204
Taxes and social security charges payable	39,985	39,161
Debt related to fixed assets and related accounts	0	166
Current interest	46	111
Other debt	10,687	14,096
<b>TOTAL</b>	<b>59,314</b>	<b>65,738</b>

**3.5.8 Revenue accruals**

<i>(in thousands of euros)</i>	2012	2011
Trade receivables	24,332	25,725
Government related receivables	1,198	1,600
Other receivables	107	91
<b>TOTAL</b>	<b>25,636</b>	<b>27,415</b>

**3.5.9 Cash and investment securities**

They are made up of money market funds and term deposits. The underlying surplus was immaterial at 31 December 2012.

**3.5.10 Change in shareholders' equity**

<i>(in thousands of euros)</i>	Number of shares	Capital	Additional paid-in capital	Reserves	Other reserves and retained earnings (losses)	Earnings (Gp share)	Shareholders' equity
<b>At 31 December 2010</b>	<b>31,966,790</b>	<b>32,491</b>	<b>17,219</b>	<b>3,463</b>	<b>138,466</b>	<b>20,483</b>	<b>212,123</b>
2010 allocation of earnings				14	20,469	(20,483)	0
Dividends paid for 2011					(34,996)		(34,996)
Capital increase <sup>(1)</sup>	304,983	310	5,491				5,801
Capital decrease	(96)		(2)				
Profit/loss at 31 December 2011						35,511	35,511
<b>At 31 December 2011</b>	<b>32,271,677</b>	<b>32,801</b>	<b>22,708</b>	<b>3,478</b>	<b>123,939</b>	<b>35,511</b>	<b>218,437</b>
2011 allocation of earnings				31	35,480	(35,511)	0
Dividends paid for 2012					(31,823)		(31,823)
Capital increase <sup>(2)</sup>	150,076	153	2,734				2,887
Capital decrease							0
Profit/loss at 31 December 2012						27,725	27,725
<b>At 31 December 2012</b>	<b>32,421,753</b>	<b>32,953</b>	<b>25,443</b>	<b>3,509</b>	<b>127,596</b>	<b>27,725</b>	<b>217,226</b>

(1) The number of shares issued in 2011 corresponds to the issue of shares following the exercise of stock options (304,983 shares).

(2) The number of shares issued in 2012 corresponds to the issue of shares following the exercise of stock options (150,076 shares).

At 31 December 2012 the nominal value of a share was €1.016.

**3.5.11 Information regarding capital**

Under the delegation of authority given by the Combined General Meeting dated 21 June 2010, no free shares were awarded by the Board.

It should be noted that, under the delegation of authority dated 27 June 2007, 105,600 free shares were awarded to two beneficiaries by the Board on 11 April 2008. One of the beneficiaries waived his right to these free shares, therefore only 52,800 free shares have been awarded as of this date (representing 0.16% of the share capital at the time of this report).

In all, 885,734 options awarded have yet to be exercised, i.e. 2.73% of the share capital at 31 December 2012.

### 3.5.12 Free share allocation plan

All free shares allocated have been acquired by their beneficiary since 31 December 2010; no allocation plan has been made in 2012.

### 3.5.13 Share option plan

Plan	1	2	3	4
Date of grant by the Board	25/01/2002	13/03/2003	25/07/2003	06/01/2004
Number of beneficiaries	214	237	6	259
<b>Number of options awarded</b>	<b>438,400</b>	<b>359,150</b>	<b>450,000</b>	<b>318,970</b>
including number of options granted to employees	438,400	359,150	450,000	318,970
including number of options awarded to corporate officers				
Exercise price	15.7	5.9	7.3	10.7
Average weighted exercise price in 2011		5.9		10.7
Fair value of the option in euros		3.59	4.32	7.13
First possible exercise date	25/01/2006	13/03/2007	25/07/2007	06/01/2008
Last possible exercise date	25/01/2010	13/03/2011	25/07/2011	06/01/2012
Date of first possible disposal	25/01/2006	13/03/2007	25/07/2007	06/01/2008
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010</b>	<b>12,720</b>	<b>17,335</b>	<b>70,000</b>	<b>99,563</b>
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2010	10,000	8,200	70,000	33,853
Number of options expired as at 31 December 2010	2,720	2,000		(4,600)
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2010</b>		<b>7,135</b>		<b>70,310</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011</b>		<b>7,135</b>		<b>70,310</b>
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2011		6,635		54,110
Number of options expired as at 31 December 2011		500		8,700
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011</b>				<b>7,500</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,500</b>
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2012				2,200
Number of options expired as at 31 December 2012				5,300
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Plan (cont.)	5	6	7	8	9	Total
Date of grant by the Board	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	356	598	794	689	6	
<b>Number of options awarded</b>	<b>496,500</b>	<b>1,189,780</b>	<b>622,790</b>	<b>574,330</b>	<b>120,000</b>	<b>4,569,920</b>
including number of options granted to employees	496,500	1,173,780	622,790	574,330	120,000	4,553,920
including number of options awarded to corporate officers		16,000				16,000
Exercise price	17.9	24.1	19.1	15.2	22.4	
Average weighted exercise price in 2011	17.9	24.1				
Fair value of the option in euros	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010</b>	<b>296,309</b>	<b>547,040</b>	<b>457,715</b>	<b>561,625</b>		<b>1,765,998</b>
Number of options awarded					120,000	120,000
Number of options waived						0
Number of options exercised as at 31 December 2010	71,196	1,920				195,169
Number of options expired as at 31 December 2010	20,910	136,940	66,610	81,505		306,085
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2010</b>	<b>204,203</b>	<b>408,180</b>	<b>391,105</b>	<b>480,120</b>	<b>120,000</b>	<b>1,681,053</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011</b>	<b>204,203</b>	<b>408,180</b>	<b>391,105</b>	<b>480,120</b>	<b>120,000</b>	<b>1,681,053</b>
Number of options awarded						
Number of options waived						
Number of options exercised as at 31 December 2011	115,178	129,060				304,983
Number of options expired as at 31 December 2011	6,400	43,920	71,325	90,525		221,370
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2012</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
Number of options awarded						0
Number of options waived					30,000	30,000
Number of options exercised as at 31 December 2012	50,825	18,680	78,371			150,076
Number of options expired as at 31 December 2012	(1,800)	3,320	26,600	55,470		88,890
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2012</b>	<b>33,600</b>	<b>213,200</b>	<b>214,809</b>	<b>334,125</b>	<b>90,000</b>	<b>885,734</b>

### 3.5.14 Share warrants

The Board meeting of 7 September 2009 allocated 487,000 stock warrants in accordance with the authorisation granted by the Combined General Meeting of 23 June 2009.

These stock warrants, which are not admitted to a regulated market, give their holders the right to subscribe for ordinary shares at the rate of one (1) new ALTEN share for one (1) stock warrant (maximum number of shares to be issued: 487,000 shares). These new shares shall be comparable to existing shares upon their admission to listing on the Euronext Paris - Compartment B market.

The subscription price was set at one euro nineteen euro cents (€1.19) based on a report issued by an independent expert.

The maximum purchase price is fixed at fifteen euros and eighty-five euro cents (€15.85) per share.

The exercise period is established from 7 September 2013 to 7 September 2017. The maximum term of the stock warrants is eight (8) years, beyond which date the warrants expire. These share warrants are not transferable.

History of past awards of share warrants:

<b>2009 Plan</b>	
Date of the General Meeting	23/06/2009
Date of grant by the Board	07/09/2009
Number of beneficiaries	7
<b>Number allocated</b>	<b>487,000</b>
including number of shares granted to corporate officers	285,000
Exercise price for the warrants (in €)	15.85
First possible exercise date	07/09/2013
Last possible exercise date	07/09/2017

### 3.5.15 Information on financial liabilities

ALTEN SA and its subsidiary ALTEN Cash Management are responsible for financing the Group through €150 million of available but unused credit facilities (at financial year end) confirmed in December 2012 as part of a club deal for a maximum period of three years, and short-term unconfirmed lines of credit that are renewable annually.

This club deal requires that the following ratios are met half-yearly and annually (and for the first time at 30 June 2013) while the contract is in force and an advance is outstanding:

- ratio 1: "Consolidated net financial debt/Consolidated operating profit on activity". This ratio must be less than 2.1;
- ratio 2: "Consolidated net financial debt/Increased equity". This ratio must be less than 0.7.

At 31 December 2012, these banking ratios were adhered to.

## 3.6 Income statement and notes

### 3.6.1 Revenue

ALTEN SA's revenue in 2012 was €452,616,000, a 4.47% increase compared to the previous year (€433,257,000).

99.05% of ALTEN SA's revenue is made in France and 0.95% in Europe, in the framework of missions conducted for French clients.

### 3.6.2 Breakdown of revenue by geographic region

<i>(in thousands of euros)</i>	<b>2012</b>	<b>2011</b>
France	448,303	428,294
Abroad	4,313	4,963
<b>TOTAL <sup>(1)</sup></b>	<b>452,616</b>	<b>433,257</b>

*(1) Of which revenue from operations = €425,586,000 compared to €408,088,000 in 2011.  
Revenue management fees = €27,030,000 compared to €25,169,000 in 2011.*

### 3.6.3 Transfer of expenses

The balance of the transfer of expenses account is €8,164,000. It is mainly composed of training costs and certain employee expenses.

### 3.6.4 Net financial income

The net financial income was €10,215,000 compared to €25,737,000 in 2011.

It reflected the following:

<i>(in thousands of euros)</i>	<b>2012</b>	<b>2011</b>
Dividends and income from subsidiaries	12,006	22,000
Net impairment of non-current financial assets	(1,263)	3,869
Other net financial income (expenses)	(528)	(132)
<b>TOTAL</b>	<b>10,215</b>	<b>25,737</b>

**3.6.5 Non-recurring loss**

<i>(in thousands of euros)</i>	<b>2012</b>	<b>2011</b>
Gains and losses on assets sold	(22)	(6,696)
Other	18	650
Extraordinary charges to depreciation, amortisation and provisions	(343)	0
<b>TOTAL</b>	<b>(347)</b>	<b>(6,045)</b>

**3.6.6 Affiliates and related parties****BALANCE SHEET**

<i>(in thousands of euros)</i>	<b>2012</b>	<b>2011</b>
Receivables on assets <sup>(1)</sup>	1,906	1,830
Group customers	17,580	8,172
Group suppliers	23,013	25,686
Other Group receivables <sup>(2)</sup>	12,175	82,866
Other Group liabilities	9,052	59,675

**INCOME STATEMENT**

	<b>2012</b>	<b>2011</b>
Group operating income	57,504	56,145
Group operating expenses	77,281	71,845
Group financial income	140	1,912
Other financial income <sup>(3)</sup>	12,000	22,000
Group financial expenses	1	874

(1) Including €1,800,000 in loans to shareholders of a company where ALTEN SA is a non-controlling shareholder. These loans are guaranteed by the pledge to ALTEN SA of all the shares in the company held by the controlling shareholders who received the loan.

(2) ALTEN SA made a cash advance of €7,400,000 to its majority shareholder (SGTI) in 2009. The balance of €1,449,000 (including interest) outstanding at 31 December 2011 was repaid in full on schedule over the financial year.

(3) Income from investments was € 12,000,000 in 2012, compared to € 22,000,000 in 2011.

### 3.6.7 Information on taxable income and tax rates

Income tax	12/2012	12/2011
Net Earnings	27,725	35,511
Income tax expense	7,053	7,465
<b>Pre-tax earnings</b>	<b>34,778</b>	<b>42,975</b>
Tax rate	33,33%	33,33%
Theoretical income tax charge	11,593	14,325
Social security contributions 3.3%	272	251
Additional contribution of 5% to corporation tax (common law)	450	419
Temporary and permanent differences <sup>(1)</sup>	(5,261)	(7,529)
<b>Tax expense recognised</b>	<b>7,053</b>	<b>7,465</b>

(1) 2012: temporary and permanent differences:

- Dividends - €3,802,000,
  - Impairment of shares: €422,000,
  - Provisions for risks and expenses: -€463,000,
  - Provisions for contract loss: €144,000,
  - Income tax savings from tax consolidation: -€1,365,000,
  - Gifts: - €495,000,
  - Other: €298,000;
- 2011: permanent differences:
- Dividends: -€6,967,000,
  - Impairment of shares: -€1,235,000,
  - Capital loss on transfers of securities: €2,212,000,
  - Income tax savings from tax consolidation: -€1,002,000,
  - Gifts: -€371,000,
  - Other: -€166,000.

Breakdown of tax on current and non-recurring profit	2012	2011
Current profit	6,942	7,323
Non-recurring profit	112	142
<b>TOTAL TAX</b>	<b>7,053</b>	<b>7,465</b>

Increase and decrease in future tax liabilities	2012	2011
<b>Increase</b>	<b>0</b>	<b>0</b>
<b>Decrease</b>		
Provisions and charges that are not deductible the year of their reporting:		
Profit-sharing and fixed social payments	3,263	2,040
Tax on Turnover	714	725
Retirement benefits	4,822	3,674
Translation adjustments	139	18
Uncertain clients	1,654	2,884
<b>TOTAL PROVISIONS AND NON-DEDUCTIBLE EXPENSES</b>	<b>10,591</b>	<b>9,340</b>
<b>DECREASE IN FUTURE FISCAL CHARGES</b>	<b>3,707</b>	<b>3,269</b>

## 3.7 Other information

### 3.7.1 Workforce

Average headcount by category	31/12/2012	31/12/2011
Managerial staff	4,352	4,182
Non-managerial staff	543	491
<b>TOTAL</b>	<b>4,895</b>	<b>4,673</b>

Individual training entitlements (*Droits Individuels de Formation*) represented 231,899 hours for the 2012 financial year.

### 3.7.2 Remuneration of corporate officers

The Board of Directors has five members, including the Chairman who is a founder.

During 2012, remuneration paid to corporate officers was €801,000 (of which €351,000 related to attendance fees paid by ALTEN Group subsidiaries) compared with €376,000 in 2011. This remuneration was shared by three corporate officers in 2012. In 2011, remuneration paid to the third director was reported from the date of appointment (22 June 2011).

In accordance with legislation in force, no advances or credits were granted to the company executives or corporate officers.

### 3.7.3 Tax consolidation

ALTEN SA is the head company of the tax consolidation group, which includes several subsidiaries.

Tax payable by the Group amounted to €15,107,000.

ALTEN SA benefited from tax savings of €1,165,000 (excluding costs and expenses on dividends for €200,000).

The amount of tax related to ALTEN SA itself was €7,053,000.

### 3.7.4 Contingent assets

ALTEN SA has ongoing disputes in respect of a demand for enforcement of a liability guarantee (claim in excess of €2 million). No assets have been recognised in the financial statements in respect of these disputes pending court decisions.

### 3.7.5 Contingent liabilities

The Group is also party to a dispute with a non-controlling shareholder in a subsidiary. Total claims by the plaintiff, disputed by ALTEN, total approximately €2 million.

Their maturity date is undefined.

### 3.7.6 Off-balance sheet commitments

#### 3.7.6.1 ALTEN SIR GTS

Under the terms of the Joint Venture Protocol signed on 18 February 2010, a unilateral and irrevocable sale promise, which covered 49% of the joint company ALTEN SIR GTS, was granted to ALTEN SA.

#### 3.7.6.2 Anotech Energy France

ALTEN SA has a unilateral sale promise from the minority interests. At this time, the shares yet to be exercised by ALTEN SA in this respect represent 1% of Anotech Energy France's share capital.

#### 3.7.6.3 Other commitments

Given or mutual commitments	2012	2011
Bonds and guarantees provided	285	285
Bonds and guarantees received	0	1,140

Other commitment received: To guarantee the loan of €1,800,000 granted to non-controlling shareholders, the latter have provided collateral to ALTEN SA in the form of all the securities they hold.

### 3.7.7 Treasury shares

#### 3.7.7.1 Under the Liquidity Contract

Within the framework of the share buyback programme adopted by the Combined General Meetings of 27 June 2008 and 23 June 2009, the Company purchased and sold the following shares under its liquidity contract during the past financial year:

2012	
Opening shareholdings	12,230
Shares purchased	241,340
Reclassification	10,000
Shares sold	(245,572)
Shares held at closing	17,997



### 3.7.7.2 Shares intended for award to employees

In 2012 ALTEN SA transferred 4,000 shares to its liquidity contract.

Acquisition and transfer of treasury shares in 2008, 2011 and 2012:

Execution date	Value date	Quantity	Share price
Treasury shares on 31 December 2011		464,022	
26/07/2012	26/07/2012	(4,000)	21,010
<b>TOTAL TREASURY SHARES</b>		<b>460,022</b>	

Treasury shares are recognised under non-current financial assets in the amount of €8,713,000 for a total of 460,022 shares purchased.

Treasury shares are not revalued in the annual financial statements. Based on the average from the last 20 days of the trading month, treasury shares are estimated at €12,101,000.

### 3.7.7.3 Summary of transactions during the year

	2012
Opening shareholdings	476,252
Shares purchased	241,340
Reclassification	6,000
Shares sold	(245,572)
Awarded by AGM	0
Shares held at closing	478,019

## 3.8 ALTEN SA subsidiaries and shareholdings

Closure on: 31 December 2012										
	Capital	Shareholders' equity other than capital	Share of capital owned, in %	Book value of shares held		Loans and advances made by the Company and not yet repaid	Deposits and guarantees given by the Company	Earnings in the last financial year (excl. tax)	Net income for the year ended 31/12/2011	Dividends paid to the Group by the Company during the year
				Gross	Net					
<b>1 – Subsidiaries directly and majority owned (+50%) (in thousands of euros)</b>										
Alten SIR	20,003	25,722	100.00	26,221	26,221	0		137,111	4,764	8,000
Alten Training Center	16	65	99.80	68	0	0		1,257	(167)	
Alten Sud-Ouest	15,061	18,258	100.00	15,939	15,939	0		106,541	10,207	2,000
MI-GSO	1,000	12,479	100.00	11,941	11,941	0		41,673	2,559	2,000
Alten Cash Management	250	(32)	100.00	643	643	5,477		0	205	
Alten Europe	57,120	33,416	100.00	58,072	58,072	0		0	582	
Elitys Consulting	60	978	100.00	1,750	1,750	0		6,642	272	
Pegase SI	100	(89)	100.00	426	426	0		4,811	(234)	
Atexis France	1,307	578	100.00	11,550	10,050	0		18,601	552	
Alten Aerospace	37	3,523	100.00	37	37	0		27,660	2,320	
Idestyle Groupe	150	(4,910)	100.00	9,921	0	3,021		0	0	
Avenir Conseil Formation	50	4,036	100.00	533	533	0		13,298	1,152	
Alten SI Techno Romania	1	(21)	100.00	0	0	384		2,895	302	
Anotech Energy France	100	5,807	99.00	413	413	0		64,584	3,386	
HPTI	40	1,040	100.00	40	40	0		0	698	
B2I Automotive	1,200	7,327	100.00	5,175	5,175	0		8,215	(680)	
Alten SIR GTS	200	(227)	51.00	102	102	0		924	22	
ID.APPS	100	(49)	100.00	100	100	0		2,231	(418)	
APTECH SAS	100	(35)	80.00	80	80	0		7,167	386	
<b>TOTAL SECURITIES</b>				<b>143,012</b>	<b>131,523</b>					
<b>2 – General information on other securities</b>										
French subsidiaries				8	8					
Foreign subsidiaries				19	18					
Interests in French companies				9,796	9,022					
<b>TOTAL OTHER SECURITIES</b>				<b>9,822</b>	<b>9,047</b>	<b>0</b>				<b>0,00</b>

## 20.4 AUDIT OF COMPANY HISTORICAL FINANCIAL INFORMATION

### 20.4.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2012 on:

- the audit of the accompanying consolidated financial statements of ALTEN;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

#### I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

- The principle of follow-up of goodwill was specified in Note 2.2.8 "Impairment of fixed assets" to the financial statements. Based on the information provided to us, we assessed the data retained by the Company for the values-in-use and reviewed the expected discounted cash flows for each cash generating unit (CGU), checked the consistency of assumptions with the budget forecasts and verified that the notes to the financial statements provide adequate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

#### III. SPECIFIC VERIFICATION

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

Paris, 22 April 2013

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International

Laurent Bouby  
Associate

Cabinet Dauge et Associés

Christian Laplane  
Associate

## 20.4.2 STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS

To the shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying financial statements of ALTEN SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### I. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ALTEN SA at 31 December 2012, and the results of its operations and its financial position for the year then ended, in conformity with French generally accepted accounting principles.

### II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

- Goodwill and investment securities are valued according to the approaches described in the appropriate Notes 3.4.2 "Goodwill" and 3.4.3 "Investment securities", included under "Accounting principles and methods" in the Notes to the financial statements. Required depreciation is determined through the discounted cash flows method. Based on the information provided to us, we assessed the data retained by the Company and reviewed the expected discounted cash flows, checked the consistency of assumptions with the budget forecasts and verified that the notes to the financial statements provide adequate information.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements. Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remuneration and benefits received by the corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris, 22 April 2013

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International

Laurent Bouby  
Associate

Cabinet Dauge et Associés

Christian Laplane  
Associate

## 20.5 DATE OF LATEST FINANCIAL INFORMATION

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The last financial year for which financial information was audited was the year ended 31 December 2012.

## 20.6 INTERIM FINANCIAL AND OTHER INFORMATION

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None.

## 20.7 DIVIDEND DISTRIBUTION POLICY

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Over the last three years, ALTEN SA has paid the following net dividends per share:

<i>(in euros per share)</i>	2012	2011	2010
Net dividend	1.00	1.10	0.90

Future net dividends will depend on the Company's ability to generate profits, its financial position, its development strategy and all other factors that the Board of Director's consider relevant.

## 20.8 LEGAL AND ARBITRATION PROCEEDINGS

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No legal or arbitration procedures had any material effect on the financial position of the issuer or Group (see Chapter 20.3.1, Note 3.12).

## 20.9 MATERIAL CHANGE IN FINANCIAL OR COMMERCIAL POSITION

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There were no material changes in the financial or commercial position of the ALTEN Group during the year since the end of the last year for which audited financial statements have been published.



# ADDITIONAL INFORMATION

# 21

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## 21.1 SHARE CAPITAL

### 21.1.1 SUBSCRIBED AND AUTHORISED CAPITAL

At 31 December 2012, subscribed share capital amounted to €32,953,439.34, divided into 32,421,753 shares, as noted by the Company's Board of Directors at its meeting on 28 January 2013.

At 31 March 2013 subscribed share capital amounted to €33,271,807.83, divided into 32,734,984 fully subscribed and paid up ordinary shares, all of the same category.

Shares are freely transferable; they are either registered shares or bearer shares as decided by the shareholder.

#### SUMMARY OF CURRENT DELEGATIONS OF POWER AND AUTHORISATIONS RELATED TO CAPITAL INCREASES

	Date of the AGM	Delegation's expiry date	Authorised amount	Increases carried out in prior years	Increases carried out during the past financial year	Residual amount at 31 December 2012
Delegation of authority for the purpose of increasing capital through capitalisation of reserves, earnings or premiums	22/06/2011	21/08/2013	€16,662,400	None	None	€16,662,400
			€16,662,400 (nominal value of shares)			€16,662,400 (nominal value of shares)
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right and/or a right to allotment of debt securities, with pre-emptive subscription rights maintained	22/06/2011	21/08/2013	€200,000,000	None	None	€200,000,000
			(nominal value of debt securities)			(nominal value of debt securities)
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right and/or a right to allotment of debt securities, with elimination of pre-emptive subscription rights through public offering	22/06/2011	21/08/2013	€8,139,415	None	None	€8,139,415
			(nominal value of shares)			(nominal value of shares)
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right in the share capital, with elimination of pre-emptive subscription rights through private placement	22/06/2011	21/08/2013	€200,000,000	None	None	€200,000,000
			(nominal value of debt securities)			(nominal value of debt securities)
Delegation of authority to increase the capital within a limit of 10% for the purpose of remunerating contributions in kind of shares or securities	22/06/2011	21/08/2013	10% of capital	None	None	10% of capital
Authorisation to increase share capital with elimination of pre-emptive subscription rights reserved for members of a company savings plan (PEE)	19/06/2012	18/08/2014	5% of share capital	None	None	5% of share capital
Authorisation to award free shares to salaried employees (and/or to certain corporate officers)	21/06/2010	20/08/2013	3% of capital	None	None	3% of capital
Delegation of authority to issue share options	19/06/2012	18/08/2015	14% of capital	None	None	14% of capital
Delegation of authority to issue share warrants reserved for a category of persons	19/06/2012	18/12/2013	€3,255,764	None	None	10% of capital



## 21.1.2 SHARES NOT REPRESENTATIVE OF CAPITAL

None.

## 21.1.3 SHARE BUYBACKS AND TREASURY SHARES

### 21.1.3.1 Report on share buyback programme

The Combined General Meeting of 19 June 2012 authorised the Board of Directors for a period of eighteen months from the date of the Meeting, in accordance with Article L. 225-209 et seq. of the French Commercial Code, to carry out one or several purchases of the Company's shares at the times it shall deem appropriate, up to a maximum of 10% of the total number of shares forming the Company's share capital, adjusted if necessary to account for any increase or reduction of share capital that may arise during the duration of the programme. This authorisation replaces that granted by the General Meeting of 22 June 2011.

ALTEN entrusted the implementation of a liquidity contract complying with the AMAFI code of ethics to SG Securities in Paris, which was terminated on 30 June 2012. On 2 July 2012, ALTEN agreed a new liquidity contract with Kepler Capital Market (Paris).

In 2012, ALTEN carried out the following share purchases and sales under its liquidity contract:

- number of shares purchased: 241,340;
- average purchase price: €24.07;
- number of shares sold: 245,572;
- average sale price: €23.94.

At the end of the financial year, the company directly or indirectly held 478,019 treasury shares, representing 1.474% of the Company's share capital, for the following purposes:

- stabilisation of share price by way of an AMAFI (French Financial Markets Association) liquidity contract: 17,997;
- acquisitions: 0;
- covering stock option plans or other share allocation systems to employees: 460,022;
- covering securities: 0.

### 21.1.3.2 Description of share buyback programme

**Programme authorisation:** Combined General Meeting of 19 June 2013.

**Securities concerned:** ordinary shares.

**Maximum share of capital whose buyback is authorised:** 8% of the capital (2,618,798 shares as of the current date), it being stated that this limit is assessed on the date of the buyback so that any capital increases or decreases during the term of the programme may be taken into consideration. The number of shares taken into consideration in calculating this limit corresponds to the number of shares bought, after deduction of the number of shares resold for liquidity purposes during the term of the programme. Since the Company is unable to hold more than 8% of its capital, and given that it already owns 460,022 shares (1.405% of the capital), the maximum number of shares it may buy amounts to 2,158,776 shares (6.59% of the capital), unless shares already held are sold or cancelled.

**Maximum purchase price:** €50.

**Maximum amount of the programme:** €130,939,900.

**Buyback methods:** purchases, sales and transfers may be carried out by all available means on the market or through a private sale, including transactions on blocks of shares. The resolution put to shareholders does not limit the proportion of the programme which may be fulfilled by the purchase of blocks of shares.

**Purpose:**

- proceeding with the cancellation of the shares repurchased, subject to the authorisation to be granted by the Combined General Meeting on 19 June 2013 in its sixth resolution;
- ensuring a secondary market or the liquidity of the ALTEN shares through a securities service provider *via* a liquidity agreement in compliance with the AMAFI code of ethics approved by the AMF;
- holding the purchased shares and later offering them in exchange or payment in potential acquisitions, it being specified that shares purchased for this purpose may not exceed 5% of the Company's capital;
- covering share option plans and/or free share allocation plans (or similar schemes) to Group employees and/or corporate officers as well as any shares allocated under company or Group savings plans (or similar schemes) with respect to company profit-sharing and/or any other form of allocating shares to the Group's employees and/or corporate officers;
- covering securities which give a right to shares in the Company within the scope of regulations currently in effect.

Programme term: 18 months from the General Meeting of 19 June 2013, being until 18 December 2014 inclusive.

**21.1.4 SECURITIES CONFERRING A RIGHT IN THE SHARE CAPITAL****Potential dilution**

On the basis of 32,421,753 shares outstanding at 31 December 2012, the share capital may potentially increase by a maximum of 1,372 million new shares, equivalent to 4.06% of the fully diluted capital. The sources of this potential dilution are the exercise of stock options, or warrants allocated to employees and corporate officers.

<i>(number)</i>	<b>31 December 2012</b>	<b>% Dilution</b>	<b>31 December 2011</b>	<b>Change</b>
Number of shares	32,421,753		32,272,677	149,076
Share options	885,734	2.62%	1,154,700	(268,966)
Share warrants	487,000	1.44%	487,000	0
Potential dilution	1,372,734	4.06%	1,641,700	(268,966)
<b>TOTAL POTENTIAL CAPITAL</b>	<b>33,794,487</b>		<b>33,914,377</b>	<b>(119,890)</b>

**21.1.5 TERMS OF ANY ACQUISITION RIGHTS AND/OR ANY OBLIGATION ATTACHED TO THE CAPITAL SUBSCRIBED BUT NOT PAID UP, OR ANY UNDERTAKING INTENDED TO INCREASE THE CAPITAL**

None.

**21.1.6 OPTIONS OR AGREEMENTS**

None.

## 21.1.7 HISTORY OF SHARE CAPITAL

### INFORMATION RELATING TO THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION

Date	Transaction	Capital	Cumulative premiums	Number of shares
18/01/2010	Share options exercised	€32,292,949	€14,436,570	31,771,921
21/04/2010	Share options exercised	€32,386,537	€15,202,780	31,863,999
29/07/2010	Share options exercised	€32,405,583	€15,452,158	31,882,738
27/09/2010	Share options exercised	€32,414,274	€15,546,698	31,891,288
09/11/2010	Share options exercised	€32,459,461	€16,219,426	31,935,746
17/12/2010	Share options exercised	€32,487,936	€16,598,396	31,963,230
31/01/2011	Share options exercised	€32,491,014,23	€16,639,021	31,966,790
01/03/2011	Share options exercised	€32,557,657,65	€17,785,955	32,032,358
10/05/2011	Share options exercised	€32,716,958,27	€20,577,664,98	32,189,088
28/07/2011	Share options exercised	€32,782,470,43	€21,818,197,42	32,253,543
27/09/2011	Share options exercised	€32,793,691,50	€22,060,188,35	32,264,583
08/11/2011	Share cancellation	€32,793,593,93	€22,058,194,47	32,264,487
27/01/2012	Share options exercised	€32,800,901,86	€22,128,035,24	32,271,677
28/02/2012	Share options exercised	€32,803,951,06	€22,162,976,04	32,274,677
03/04/2012	Share options exercised	€32,815,995,42	€22,371,469,68	32,286,527
07/05/2012	Share options exercised	€32,835,103,77	€22,708,760,83	32,305,327
23/07/2012	Share options exercised	€32,839,880,86	€22,793,894,74	32,310,027
24/09/2012	Share options exercised	€32,854,618,68	€23,054,636,43	32,324,527
06/11/2012	Share options exercised	€32,893,262,27	€23,736,297,84	32,362,547
14/12/2012	Share options exercised	€32,920,568,91	€24,237,151,43	32,389,413
28/01/2013	Share options exercised	€32,953,439,34	€24,862,909,00	32,421,753
26/02/2013	Share options exercised	€33,020,695,65	€26,175,431,96	32,487,924
03/04/2013	Share options exercised	€33,271,807,83	€31,125,166,38	32,734,984

## 21.2 STATUTORY INFORMATION

### 21.2.1 CORPORATE PURPOSE

The Company's corporate purpose is defined in Article 2 of the Articles of Association, as follows: "To provide all services, both in France and abroad, relating to the fields of technology, computing or electronics, particularly in the areas of: consultancy, research and engineering, training, assistance, maintenance, systems and network operations, facilities management and the development and distribution of hardware or software products. Any direct or indirect involvement in any activities relating to the above purposes: creating new companies, transferring assets, subscribing to or purchasing securities or shareholdings, merging with other companies or otherwise; creating, acquiring, leasing or taking over the management of any business or establishment; taking, acquiring, operating or selling all processes and patents related to these activities and generally, all industrial, commercial, financial, civil, personal property and real property transactions relating directly or indirectly to the company object or any similar or related purpose."

#### Financial year (Article 25 of the Articles of Association)

The company's financial year is twelve (12) months. It starts on 1 January and ends on 31 December of each year.

## 21.2.2 GOVERNANCE

### 21.2.2.1 Board of Directors – Composition – Term of office (Article 16 of the Articles of Association)

The company is administered by a Board of Directors with no fewer than three and no more than 18 members; in the event of a merger; however, the Board may exceed a maximum of 18 members according to the conditions and limits defined in the French Commercial Code.

Directors are appointed by the Ordinary General Meeting, which may dismiss a Director from office at any time. In the event of a merger or a demerger, they are appointed by the Extraordinary General Meeting. A legal entity which is appointed as Director must designate a permanent representative who is subject to the same conditions and obligations as if he had been appointed Director in his own name.

A company employee may only be appointed Director if his or her employment contract is current. The number of Directors employed by the company may not exceed one-third of the total number of Directors in office.

Directors are appointed for a term of four years which expires following the Ordinary General Meeting held to approve the financial statements for the year in which such Director's term expires. All Directors whose term of office is ending are eligible to be re-elected.

The acceptance and the exercise of the duties of director also entails the commitment, for each interested party, to attest in writing at any time that he or she personally fulfils the conditions and obligations required under the laws in force, especially with regard to concurrent appointments.

### 21.2.2.2 Chairmanship of the Board of Directors (Article 17 of the Articles of Association)

The Board elects a Chairman, who must be a natural person, from among its members for a period that does not exceed the Chairman's term as Director. The Board determines the Chairman's remuneration. The Board of Directors may dismiss the Chairman at any time.

The Chairman of the Board of Directors organises and oversees the work of the Board. The Chairman prepares a report on the conditions in which the work of the Board is prepared and organised as well as the internal control procedures implemented by the Company. The Chairman ensures that the Company's bodies duly fulfil their obligations and, in particular, that the Directors are in a position to perform the tasks assigned to them.

If it deems this necessary, the Board of Directors may appoint one or more Deputy Chairmen from among its members, whose sole duty is to preside over Board Meetings and General Meetings in the absence of the Chairman. The Board of Directors sets the term of his/her appointment, which cannot exceed that of their term as director. Where the Chairman and Vice-Chairmen are absent, the Board of Directors will appoint one of its members to preside over the meeting.

### 21.2.2.3 Discussions of the Board of Directors - Minutes (Article 18 of the Articles of Association)

The Board of Directors meets as often as required by the Company's interests. The Board is convened by the Chairman at his discretion and, where the Chairman is not the Chief Executive Officer, as requested by the Chief Executive Officer. If the Board has not met in over two months, the meeting may be convened at the request of at least one-third of the Directors. Unless the meeting is convened by another party, the Chairman sets the agenda for the meeting. Meetings must be held at the registered office.

However, they may be held at another location as set forth in the convocation, provided this location has been approved by at least half of the Directors in office.

Deliberations of the Board are only valid if at least half of the Directors are present. The company Internal Rules stipulate that individuals taking part in the meeting *via* videoconference, in accordance with the legal and regulatory provisions in effect are deemed present when calculating the quorum and the majority.

All decisions require a majority vote of those members present or represented. Each Director who is present or represented holds one voting right and each Director present may only hold one delegation of authority. In the event of a tied vote, the Chairman of the meeting has the deciding vote. If the Board is composed of fewer than five Directors and only two are present at the meeting, all decisions require a unanimous vote.

Deliberations of the Board are recorded in minutes which are then signed and kept in a special register or on single sheets in accordance with the corresponding provisions in effect.

At each meeting, the Board of Directors may appoint a secretary who is not required to be a Director.

### 21.2.2.4 Powers of the Board of Directors (Article 19 of the Articles of Association)

The Board of Directors determines policy for the Company's business and supervises its implementation. Subject to the powers expressly allotted to shareholders' meetings and within the limits of the Company's object, it will address any question concerning the satisfactory running of the Company and rule by its deliberations any matters which relate to it.

Concerning relations with third parties, the Company is bound by any actions taken by the Board of Directors, including actions which are not related to the company's purpose unless the Company is able to prove that the third party was aware that the action in question did not fall within the scope of the Company's purpose or at least could not have been unaware of this fact given the circumstances.

The Board of Directors carries out inspections and verifications which it considers appropriate. The Company's Chairman or Chief Executive Officer shall provide each Director with all documents and information necessary for the performance of his duties.

### 21.2.2.5 General Management (Article 20 of the Articles of Association)

General management of the company is entrusted to either the Chairman of the Board of Directors or another natural person who may or may not be a member of the Board, who is appointed as Chief Executive Officer.

The Board of Directors chooses between the two available modes of general management in accordance with Article 18 of the Articles of Association. It may modify this choice at any time. In each case, the Board of Directors informs the shareholders and third parties in accordance with the regulations in effect.

Where the Chairman is also Chief Executive Officer, he must comply with the provisions of the Articles of Association concerning the functions of general management.

## 21.2.3 RIGHTS ATTACHING TO SHARES

### 21.2.3.1 Statutory distribution of profits (Article 27 of the Articles of Association)

Distributable profit is profit for the year after deducting prior year losses, if any, and the sums to be allocated to reserves, as required by law or the Articles of Association, and adding retained earnings

The General Meeting may appropriate any sums it deems necessary to any non-mandatory reserves, whether ordinary or non-recurring, or allocate such sums to retained earnings.

The General Meeting may also decide to distribute any sums drawn from the available reserves, specifying the reserve account from which the deduction is made. However, dividends must initially be drawn from the profits for the financial year. Following approval of the accounts by the General Meeting, any losses must be carried forward as accumulated losses and offset against future profits until eliminated.

### 21.2.3.2 Payment of dividends (Article 28 of the Articles of Association)

The Ordinary General Meeting held to approve the year-end financial statements may grant each shareholder, for all or a portion of the dividends paid, or an advance on the dividends, the option of receiving some or all of the interim or final dividends in cash or in shares.

### 21.2.3.3 Indivisibility of shares - Bare ownership - Usufruct (Article 13 of the Articles of Association)

Shares are indivisible with regard to the company. The co-owners of undivided shares are represented at General Meetings by one of the owners or by a common agent. If there is disagreement, the agent shall be appointed by the courts at the request of the first co-owner to act.

Voting rights attaching to shares belong to the beneficial owner at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

### 21.2.3.4 Double voting rights (Article 14 of the Articles of Association)

Since the Combined General Meeting of 7 January 1999, a double voting right exists which is subject to the following provisions:

Once shares are registered in the bearer's name, the shareholder is authorised to benefit from a double voting right based on the timeframe in effect at the time of registration. Any subsequent change to this timeframe is not enforceable against such shareholder.

Notwithstanding the above, all fully paid-up shares which have been registered in the same name for a continuous period of at least four years are assigned double voting rights.

The transfer by succession, liquidation of community property between spouses or *inter vivos* gift to a spouse or a relative entitled to succeed does not result in a loss of acquired rights and does not interrupt the four year period described above.

A merger or demerger of the Company shall have no effect on the double voting rights, which may be exercised by the beneficiary company(ies) if the Articles of Association of such company (ies) so provide.

Any share converted to bearer status or whose ownership is transferred loses its double voting rights.

### 21.2.3.5 Identifiable bearer shares (Article 10 of the Articles of Association)

The company may at any time request that the main custodian of its marketable securities provide the information required by law pertaining to the identity of the owners of shares that confer immediate or future voting rights at General Meetings.

## 21.2.4 MODIFICATION OF SHAREHOLDERS' RIGHTS

None.

### **21.2.5 GENERAL MEETINGS (ARTICLE 23 OF THE ARTICLES OF ASSOCIATION)**

General Meetings are convened and deliberate according to the terms stipulated by law. Meetings take place at the registered office or at any other place designated in the convocation.

The right to take part in General Meetings is subject to the entry of shares in the books under the name of the shareholder or the agent not later than midnight, Paris time, on the third banking day preceding the General Meeting, either in individual accounts managed by the Company or in bearer accounts managed by an authorised agent.

### **21.2.6 PROVISIONS IN THE ARTICLES OF ASSOCIATION RELATING TO A CHANGE OF CONTROL**

None.

### **21.2.7 STATUTORY THRESHOLDS (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)**

The Articles of Association require shareholders to notify the Company when their holdings exceed thresholds set forth in Article 233-7 of the French Commercial Code.

In addition, the Combined General Meeting of 7 January 1999 decided to impose a similar obligation when a shareholder, acting alone or in concert, comes to control greater than or less than 3% of the share capital or voting rights, with notice by registered letter with acknowledgement of receipt within 15 days of crossing such a threshold.

Failure to comply with the above notice requirement means that shares in excess of the undeclared fraction lose voting rights under the conditions set forth by law. This sanction applies when, at a General Meeting, one or more shareholders owning more than 3% of the capital indicate that no notice was submitted to the company and such failure to notify is duly recorded in the minutes of the General Meeting.

### **21.2.8 MODIFICATIONS TO THE SHARE CAPITAL (ARTICLE 29 OF THE ARTICLES OF ASSOCIATION)**

All modifications to the capital and the rights attached to the shares making up such capital are governed by the applicable regulations.

There are no provisions in the Company's Articles of Association that impose conditions on such changes that are more restrictive than the legal obligations in effect.

## SIGNIFICANT AGREEMENTS

# 22

On 21 December 2012, ALTEN agreed a new club deal, replacing the previous deal, which was due to expire on 31 December 2012. The credit facility of up to one hundred and fifty million euros (€150,000,000) is due to expire on 31 December 2015. This club deal is designed to fund ALTEN's operating needs as well as its investment and any acquisitions.

ALTEN also made several acquisition agreements in the last two financial years providing for targeted acquisitions of limited size in respect of the Group's overall size.

To date, the Company has made no other significant agreements, other than in the normal course of its business, that bind the Group as a whole to any significant obligation or commitment.

No member of the Group has made any agreements outside the normal course of their business that bind any Group member to a significant obligation or commitment for the Group as a whole at the publication date of this Registration Document.

Please see Note 3.10 to the consolidated financial statements in paragraph 20.1.3 of this Registration Document.





# INFORMATION FROM THIRD PARTIES, EXPERT DECLARATIONS AND DECLARATIONS OF INTEREST

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None.



## PUBLICLY AVAILABLE DOCUMENTS

# 24

The company's Articles of Association, financial statements, reports of the Statutory Auditors and the minutes of the General Meetings are available at the Company's registered office under the terms set forth by law and in the Articles of Association.

The company's press releases, annual Registration Documents filed with the AMF along with updates, if any, are available on the Company's website at: [www.alten.com](http://www.alten.com).



# DISCLOSURE OF INTERESTS

# 25

See Chapter 20.3.1, Note 2.4 "Scope of consolidation" and paragraph 20.3.2, Note 3.8.



# APPENDICES

# A

## CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

Required by Article L. 451-1-2 of the French Monetary and Financial Code.

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1. Management report		
Analysis of changes in revenue	104-105	9.1.1. and 9.1.2.
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6. Chairman's report	134	16.4.1
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8. Certification by the person responsible for the company financial report	79	1.1

## NOTES

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## NOTES


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## NOTES

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**Annual Report: designed and published by**  **eurokapi.**

**Registration Document: designed and published by**  **Labrador +33 (0)1 53 06 30 80.**

This document was printed in France using vegetable-based inks by an Imprim'Vert® printer, guaranteeing the management of hazardous waste through approved channels, on PEFC-certified paper from forests managed responsibly at environmental, economic and social levels.



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