



# 2014

## REGISTRATION DOCUMENT

including the annual financial report



ENGINEERING AND TECHNOLOGY CONSULTING



# = 2014

## REGISTRATION DOCUMENT

including the annual financial report



"This document and the accompanying financial report constitute the ALTEN registration document for 2014. It was filed with the French Financial Markets Authority (Autorité des Marchés Financiers, or AMF) on 27 April 2015, in accordance with Article 212-13 of the AMF General Regulation. It may only be used in support of a financial transaction if accompanied by a securities note authorised by the AMF.

Pursuant to Article 28 of Regulation (EC) No. 809/2004, the following information is incorporated by reference in this Registration Document:

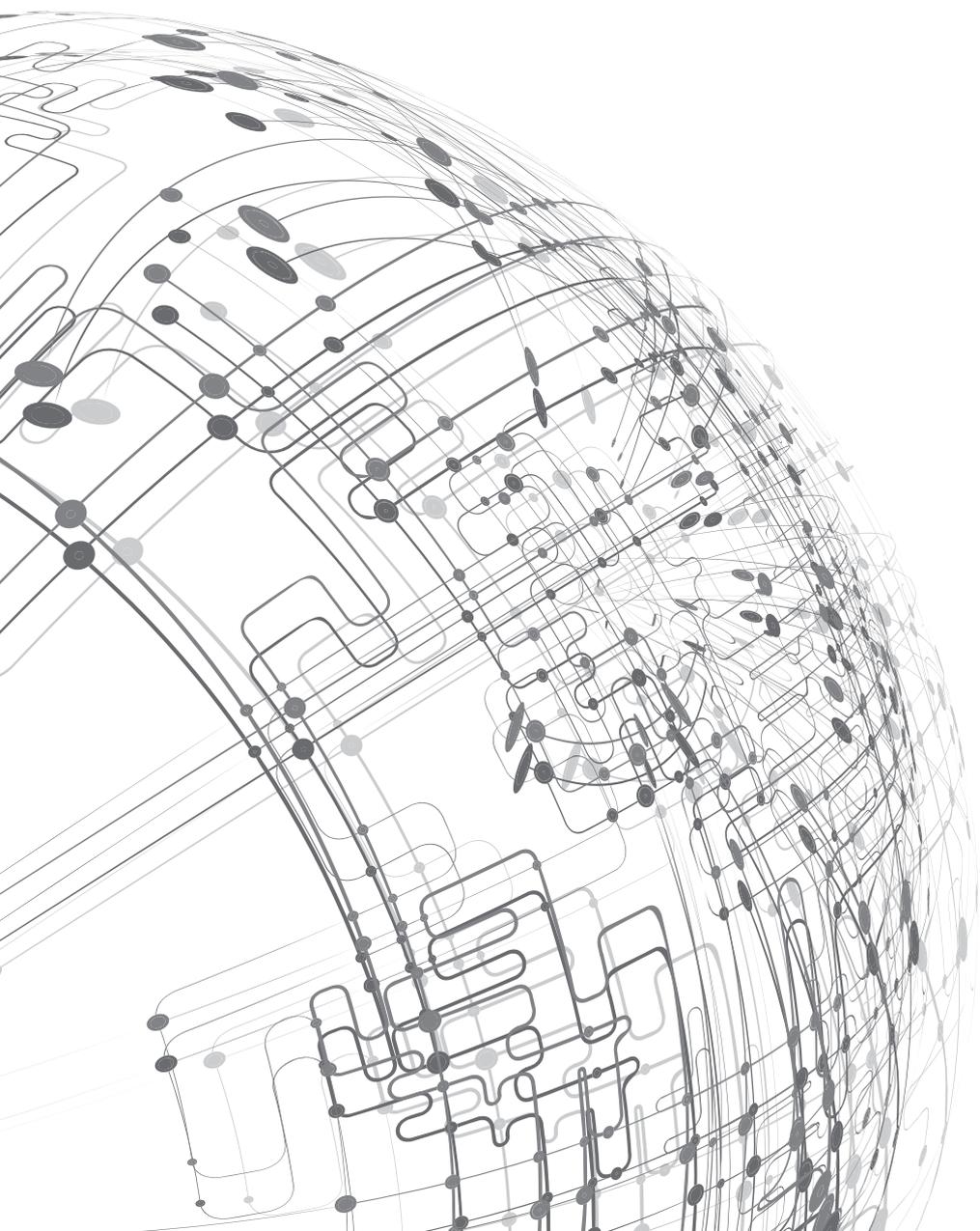
- The separate and consolidated financial statements at 31 December 2013 and Statutory Auditors' reports, found on pages 171 to 230 of Registration Document No. D. 14-0448 filed with the AMF on 25 April 2014;
- The separate and consolidated financial statements at 31 December 2012 and Statutory Auditors' reports, found on pages 163 to 226 of Registration Document No. D. 13-0454, filed with the AMF on 26 April 2013.

This document was prepared by the issuer and the signatories are responsible for its contents."

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## INTERVIEW WITH = Simon Azoulay

### What is your assessment of 2014?

The ALTEN Group was able to combine growth and profitability despite rather difficult conditions. Consolidated revenue for the 2014 financial year totalled €1,373.2 million, a 12.9% increase over 2013, with an operating profit close to 10%. This performance is largely due to international business, which has grown by 31.5%, and now represents 44.5% of revenue. I am particularly proud that we were once again able to create organic growth, which is the basis for ALTEN's growth since on a like-for-like basis, business has grown by 2.75%.

### How did each sector perform?

First, I want to note that the ALTEN Group's strategy consists in working within the five economic macro-sectors in order to balance risks and provide a cushion during downturns. 2014 was no exception to the rule, with different dynamics at play depending on the sector. Aeronautics, which has been a key sector for the past ten years, is ending a large-scale programmes cycle. Despite the reduction in budgets for studies, we have been able to retain our positions by successfully extending our services to new sectors such as manufacturing engineering. Growth in Land Transport was driven by strong automotive investments in embedded electronics, CO<sub>2</sub> reduction and active safety. Energy continues to perform well and has experienced strong growth. Telecoms have suffered as a result of a decrease in budgets and prices among our clients due to margin pressures. Finally, the Services sector has remained stable throughout 2014.

At the global level, ALTEN's multi-sector strategy was a winner once again.

### What is your development strategy?

As a world leader, the ALTEN Group must experience strong growth on the international scene. Our goal is for 60% of our business to be international within three years. To this end, we must achieve the critical mass of 1,500 engineers in each industrialised country in which we are interested. This includes Western European countries as well as the United States, Canada, India and China. We already have in excess of 1,000 engineers in nearly all countries in the European zone and we are starting to conquer the "outside Europe" zone. Both in 2014 and 2013, we made eight acquisitions, including seven internationally, in order to accelerate this growth. We have set the same objectives for 2015.

### What core values form the basis for your development?

Since ALTEN's creation, we have relied on three values as the foundation for the Group's development and operations. Foremost among these is "the engineering culture" on which we base our "premium service" positioning. This value reflects our ability to take part in a wide range of complex, high-value technology projects, including in manufacturing or support environments.

The ALTEN Group's second value is growth that is profitable and sustainable. We intend to establish a Group of 20,000 engineers before 2017, while maintaining our profitability in the 10% range. We have always used this development model and we will continue to apply it.

Finally, the third value consists in operating in accordance with ethical values, respect and to provide HR support for all our employees. We make long-term investments in our teams because we are convinced of their quality; we grow through our engineer and manager training.

### How do you structure this growth?

The ALTEN Group, given its growth ambitions, must establish the optimum structural model. We rely on effective processes that are applied in a uniform manner throughout the Group's entities, be it at the level of project performance, recruitment or HR support for our employees. We have also made substantial investments in the information systems that support these processes and are already reaping the rewards. In the short term, based on the transnational nature of many Customer listings, we will have to accelerate the ability of managers and the best consultants to travel internationally throughout the entire ALTEN Group network.

### What is your outlook?

Although the economic situation remains complex and R&D budgets remain limited, ALTEN has solid assets. We have confirmed our preferred supplier status with the major European customers. Our size, our financial soundness, the quality of our positioning and our leadership enable us to grow our market shares and to continue the consolidation of the sector. I am therefore very confident in our ability to achieve positive organic growth in 2015 in a globally stable market, while complying with our margin policy.

## 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 Middlednext Reference Code.

#### At 31 December 2014, the Board of Directors was composed of eight members:

- **Mr Simon Azoulay**, who also serves as Chairman and Chief Executive Officer;
- **Mr Gérald Attia**, who also serves as Deputy Chief Executive Officer;
- **Mr Bruno Benoliel**, who also serves as Deputy Chief Executive Officer;
- **Ms Emily Azoulay**;
- **Ms Anaëlle Azoulay**;
- **Ms Jane Seroussi**, independent director;
- **Mr Marc Eisenberg**, independent director;
- **Mr Jérôme Valat**, director representing employees.

**Mr Simon Azoulay**, a French national, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. At 31 December 2014, he held 7,417,481 shares in his own name and via SGT1 and SGT1 2, which he controls 100%, i.e. 22.08% 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 2014, he held 204,477 ALTEN shares in his own name and via GMA, which he controls, i.e. 0.61% of the Company's capital.

**Mr Bruno Benoliel**, a French national, was born on 13 May 1964 in Paris and is a graduate of ESC Reims. At 31 December 2014, he held 112,800 ALTEN shares, i.e. 0.34% of the Company's capital.

**Ms Emily Azoulay**, a French national, was born on 20 July 1948 in Rabat (Morocco); at 31 December 2014, she held 3,600 ALTEN shares, i.e. 0.01% of the Company's capital.

**Ms Anaëlle Azoulay**, a French national, was born on 31 October 1990 in Paris, and was appointed by ALTEN's Combined Ordinary and Extraordinary General Meeting of 18 June 2014. At 31 December 2014, she held no Company shares.

**Ms Jane Seroussi**, a French national, was born on 5 February 1966 in Paris, and was appointed by ALTEN's Combined Ordinary and Extraordinary General Meeting of 18 June 2014. At 31 December 2014, she held no Company shares.

**Mr Marc Eisenberg**, a French national, was born on 9 April 1955 in Paris, and was appointed by ALTEN's Combined Ordinary and Extraordinary General Meeting of 18 June 2014. At 31 December 2014, he held no Company shares.

**Mr Jérôme Valat**, a French national, was born on 19 June 1969 in Rodez, and was appointed by the Works Council on 23 October 2014, which was duly acknowledged by the Board of Directors on 29 October 2014. At 31 December 2014, he held no Company shares.

## Executive Committee

The Executive Committee meets at least once a month. It comprises the Chief Executive Officer, the Deputy Chief Executive Officers and the Chief Operating Officers. This Committee analyses the sales and financial performance, defines the development strategy, sets targets, and implements operational measures.



*From left to right*

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

# — Management Committee - France

This committee meets once a month to discuss operations in France and to ensure synergies and consistency with the international companies.

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

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

**Stéphane Ougier,**  
Executive Vice President of ALTEN Technology France and Solutions subsidiaries

**Fabrice Pecqueur,**  
Head of External Development

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

**Pierre Bonhomme,**  
Executive Vice President of ALTEN Technology France and Northern Germany

**Pascal Amore,**  
Head of Structured Projects France

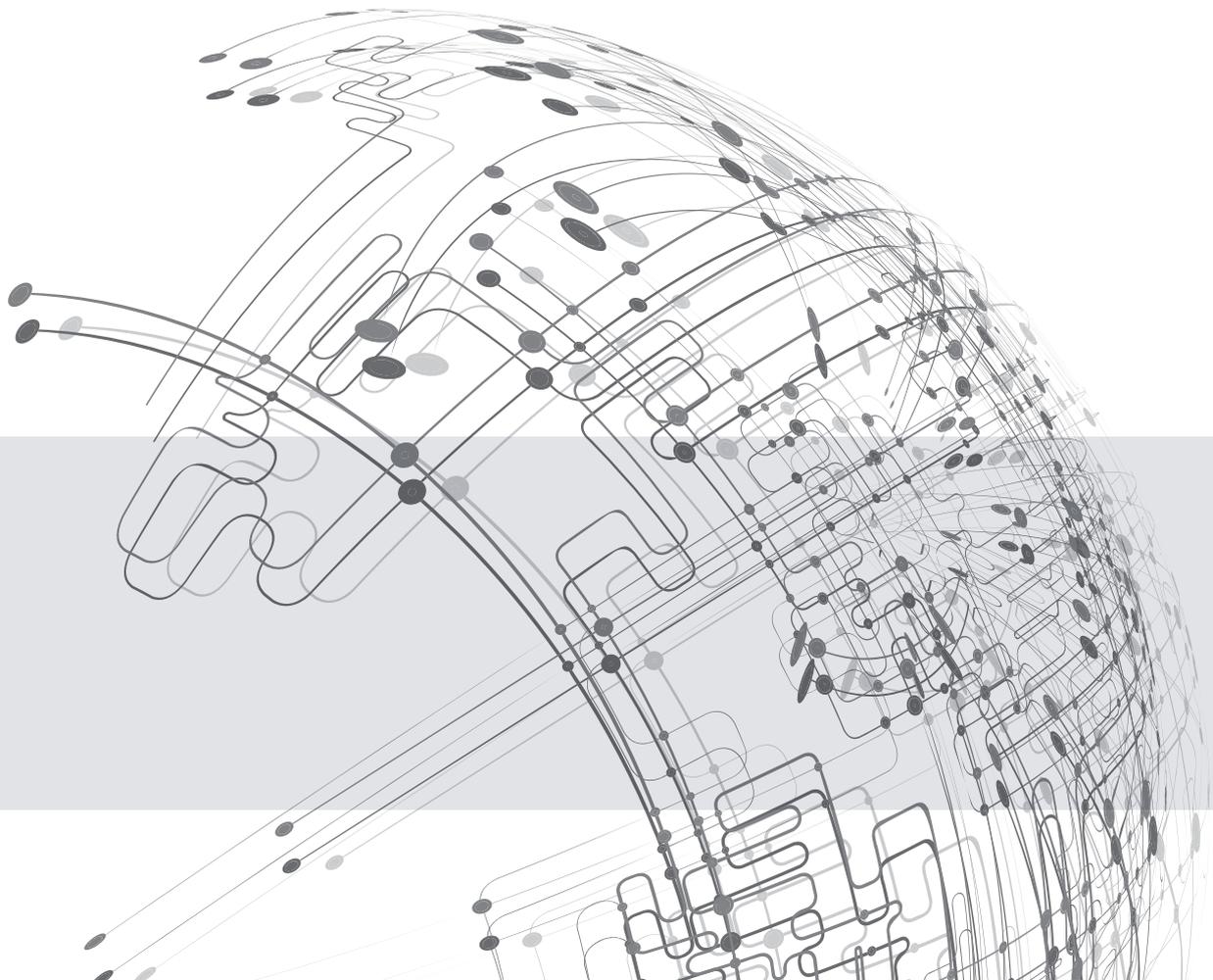
**Franck Lect,**  
Head of Internal Development France

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

**Jean-François Guyomar,**  
Executive Vice President, Responsible for the Paris NTIS division

**Jean-Marc Morawski,**  
Head of Human Resources France

**Laurent Graciani,**  
Head of Communication, Marketing, Development of Engineering Human Resources and Quality France





ALTEN

# ≡ ALTEN, the technology partner of choice

ALTEN, Europe's leading engineering and technology consultancy, supports the development strategy of its customers in the fields of innovation, R&D and technological information systems.

Its 16,200 highly qualified engineers carry out studies and conception projects for the Technical and IT Divisions of major customers in the industrial, telecommunications and service sectors.

At a time of increasing globalisation, ALTEN is integral to the R&D strategy of its customers, supporting their performance and accompanying them as they venture into new markets.

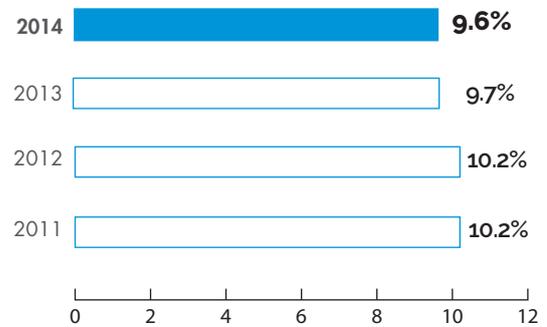
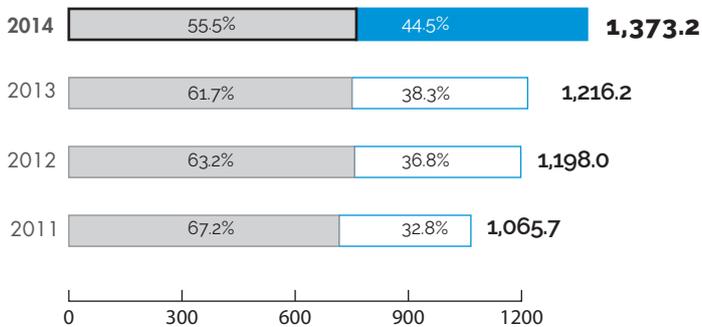
With a network that spans 20 countries, involvement at every stage of the development cycle, and service levels ranging from technology consulting to working on outsourced projects, ALTEN has made a name for itself as the technology partner of choice for multinationals.

# KEY FIGURES 2014

REVENUE  
in € millions

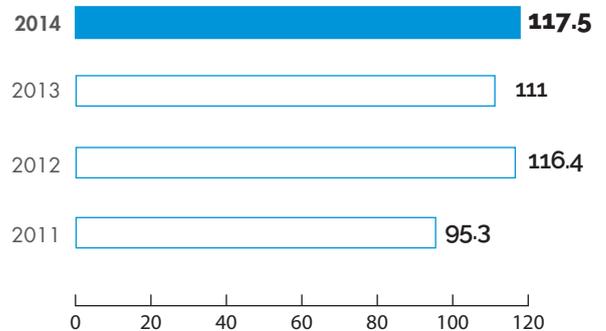
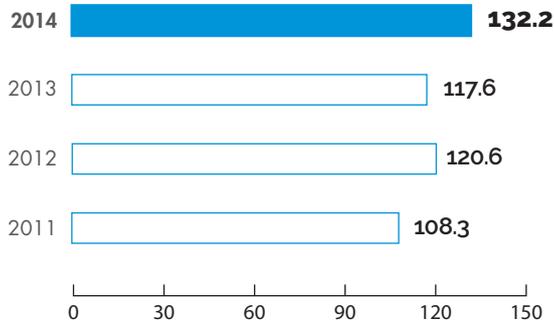
OPERATING PROFIT ON ACTIVITY  
% of revenue

FRANCE  
INTERNATIONAL



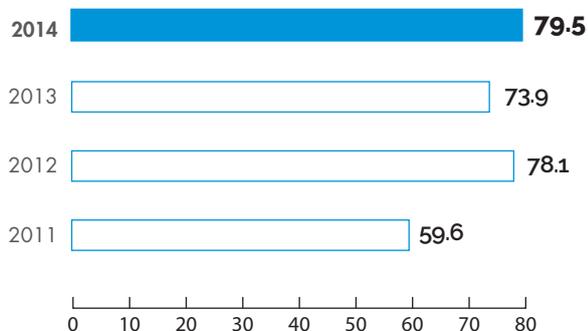
OPERATING PROFIT ON ACTIVITY  
in € millions

OPERATING PROFIT  
in € millions

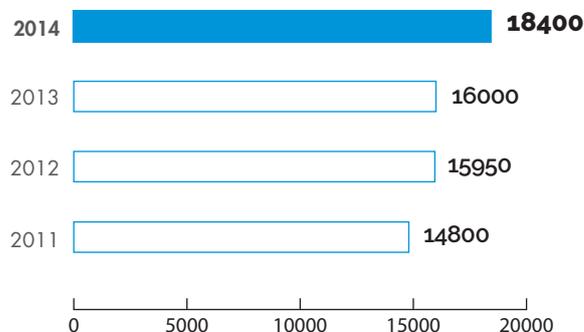


1373.2 M€  
OF REVENUE IN 2014

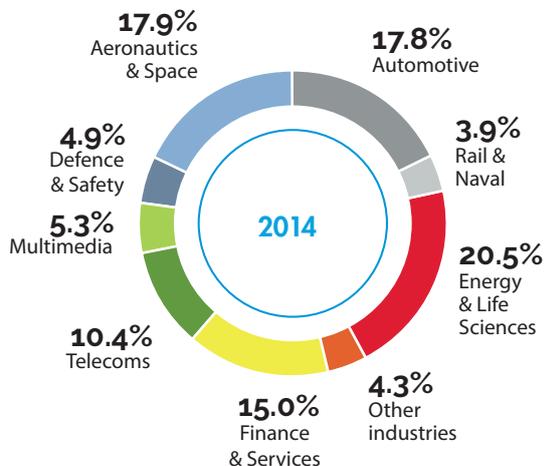
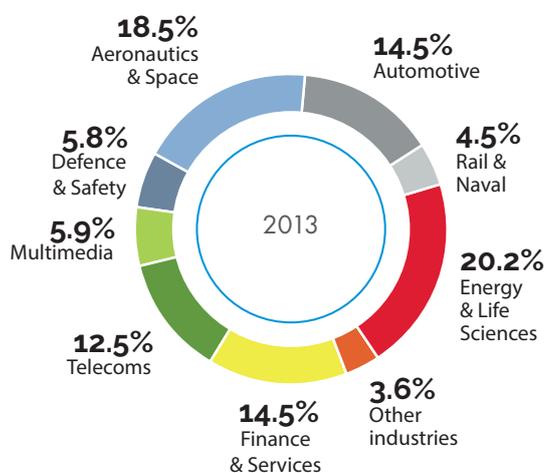
NET INCOME, GROUP SHARE  
in € millions



WORKFORCE  
at year end



BREAKDOWN OF REVENUE BY BUSINESS SECTOR  
% of revenue



# ALTEN in the world

16,200 ENGINEERS  
IN 20 COUNTRIES,  
MORE THAN 50% OVERSEAS



Acquisition of a company specialising in Project Management methodologies and "Agile"



China



Development of local market and ALTEN's offshore development platform for US and European projects



Acquisition of a software development company, a nearshore platform for Information Systems & Telecom projects

FRANCE

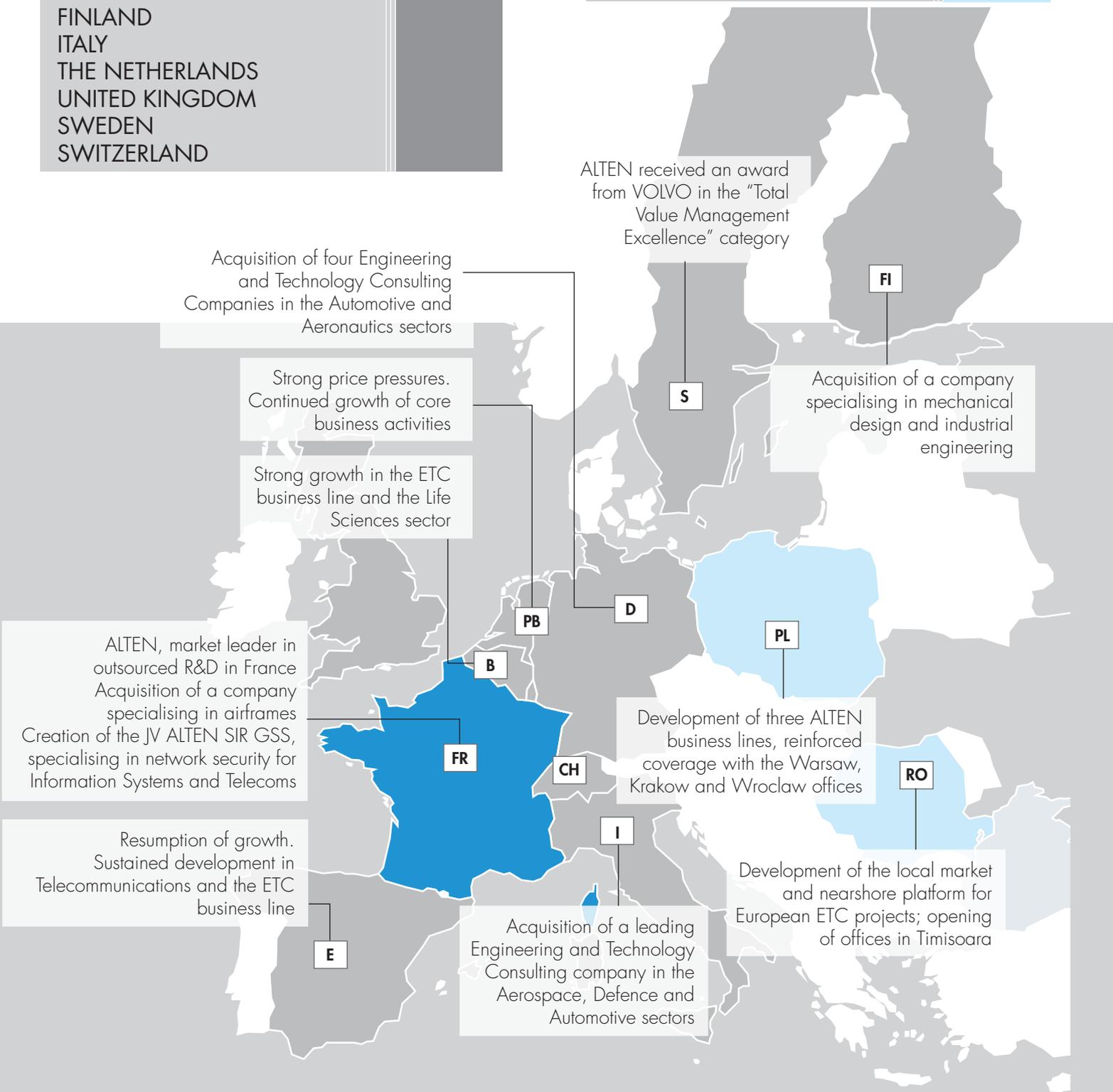
50%

- GERMANY
- BELGIUM
- SPAIN
- FINLAND
- ITALY
- THE NETHERLANDS
- UNITED KINGDOM
- SWEDEN
- SWITZERLAND

39%

- EASTERN EUROPE
- INDIA
- CHINA
- UNITED STATES
- MOROCCO

11%



# ≡ The benefits of development

## Size and structure

Revenue of €1.37 billion in 2014, 16,200 engineers in 20 countries, of whom 50% are outside France

Capacity to make acquisitions (eight in 2014) and to invest in end-to-end infrastructure projects

Iso 9001, Iso 9100, CEFRI, Mase, CMMi

European leader in Engineering and Technology Consulting

A culture of profitable growth, solid financial position

Effective oversight processes throughout the entire Company

## The engineer culture

Workforce composed of **88% engineers**, working upstream of each phase of the product cycle (consulting and specifications, studies and design, manufacturing engineering, customer support)

Real-time embedded systems, materials' resistance, structure calculations, engines, electronics, telecoms, etc.

Technology consulting and project management

Premium, high value-added technology positioning

Multidisciplinary engineer skills

A wide offer

## Customer presence

Cushioning of downturns, no dependence on any particular business sector

Renewed listings, even extended (ex. 2014 ME3S Airbus Manufacturing Engineering)

Balanced mix of sectors

Level 1 supplier with the major customers in the Industry, Telecoms, and Services sectors

Project-led organisation

## Quality of delivery

A Technical Division that includes Project Managers and experts, processes assessed at CMMi level 3, effective nearshore and offshore capacities with 1,000 engineers in Morocco, Romania and India

Know-how developed in each business sector

Systematic project feedback in an effort to ensure continuous improvement

Anticipation of technological trends

R&D integrated with Projects Division

High-level recruitment drive

Plan to recruit 2,800 engineers in 2015, partnerships with top engineering schools

Structured development paths

Bonus for internal promotions in the Expertise and Management fields for engineers, sales managers and staff in support functions.

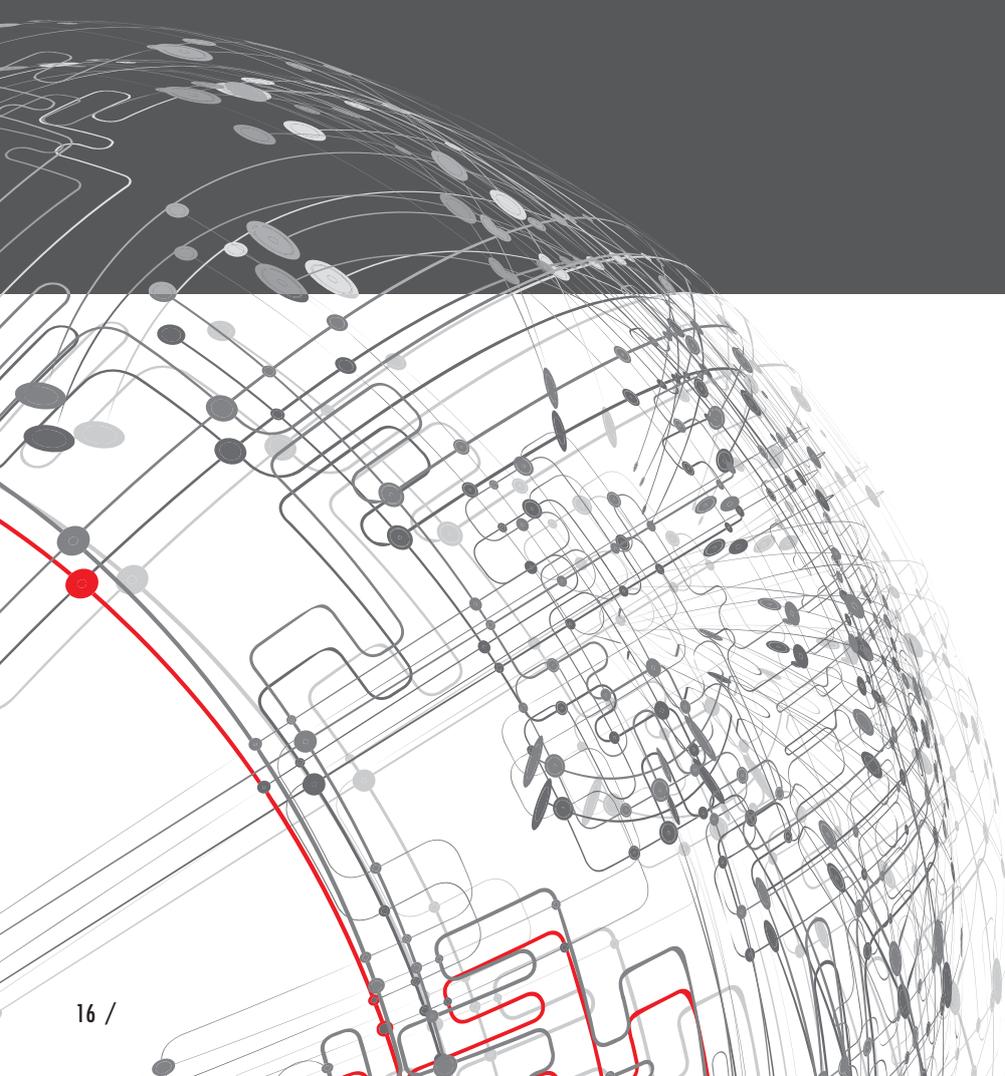
Substantial investments in training and skills development

ALTEN earned the "Top employer 2015" label for a fourth consecutive year for its internal values and the Group's projects involving the development of human capital

Sustainable Development: part of the Group's DNA

ALTEN supplier Gold EcoVadis for its responsible practices and ISO 14001 rating for its management of environmental performance

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1

ALTEN, technology  
partner

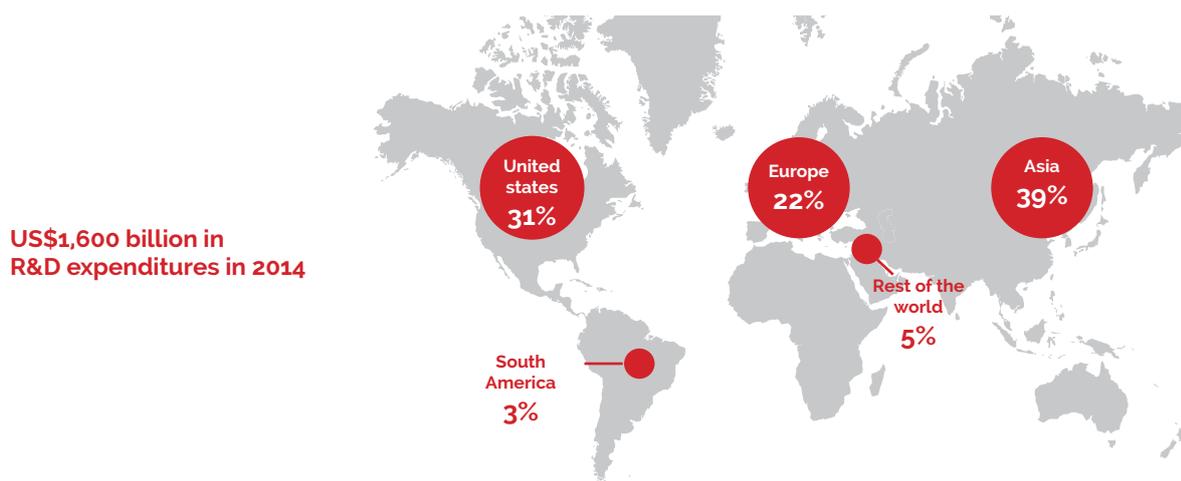
# Development of global R&D

**The volume of a country's R&D investments is correlated to the GDP and to the public and private rate of investment dedicated to R&D by this country.**

Given the current economic situation, it is difficult to make reliable GDP forecasts. By contrast, there is no doubt that most countries' R&D efforts (as % of GDP) will become significantly larger over the next five years.

Accordingly, assuming linear GDP progression, China should pass the United States at the end of 2020 and become the leading R&D investor worldwide. The United States and Europe will nonetheless retain a leading role in innovation and technology, particularly because of the excellence of their academic institutions and their «technological clusters» policies that encourage collaborations between public laboratories, technological start-ups and the research departments of large industrial groups.

## Status of private and public R&D investments



## Forecast for the countries that make 80% of worldwide R&D expenditures

	% of world R&D	2013 R&D expenditures (as % of country's GDP)	Total R&D expenditures forecasts (as % of country's GDP)	Forecast of the year
<b>United States</b>	29%	2.80% <small>(private sector contribution: 71.5%)</small>	<b>3%</b>	2020
<b>China</b>	18%	1.90% <small>(private sector contribution: 75.5%)</small>	<b>2.50%</b>	2020
<b>Japan</b>	10%	3.40% <small>(private sector contribution: 78%)</small>	<b>4%</b>	2020
<b>Germany</b>	6%	2.80% <small>(private sector contribution: 67%)</small>	<b>3%</b>	ND
<b>South Korea</b>	4%	3.60%	<b>ND</b>	2020
<b>France</b>	3%	2.30% <small>(private sector contribution: 65%)</small>	<b>3%</b>	ND
<b>UK</b>	3%	1.80% <small>(private sector contribution: 64.5%)</small>	<b>ND</b>	2020
<b>India</b>	3%	0.85%	<b>2%</b>	2015
<b>Russia</b>	2%	1.50%	<b>1.77%</b>	2014
<b>Brazil</b>	2%	1.30%	<b>1.80%</b>	2014

# Market trends in R&D outsourcing

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

It may be defined as the portion of technology R&D that has been outsourced by industrial companies. There is not a one-to-one relationship with R&D spending but it is closely correlated.

## Overall R&D investment

- Public-sector R&D investment (state-owned laboratories, universities, etc.)
- = Private-sector R&D investment
- Private-sector investment in non-technology R&D (medicines, vaccines, etc.)
- = Private technological R&D investment
- × Outsourcing rate
- = ETC market

### In general, outsourcing allows a manufacturer to:

- control the internal R&D costs, since the size of internal teams can be aligned with the recurring level of project activity;

- manage sudden changes in workforce requirements 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.

### The outsourcing rate varies per country.

In France, which is one of the more structured countries in terms of R&D sub-contracting, it is estimated at 30%. This rate nevertheless conceals some significant differences that are dependent on the business sector, between 40% and 50% in the automotive and aeronautics sectors versus 20% in the nuclear and oil/gas sectors. In Germany, where R&D investments are twice the size of those in France, it amounts to 15%. The underlying trend in outsourcing is therefore upward, including in France, both from a general standpoint or due to the effect of specific business sectors. On a like-for-like basis of R&D investments, the ETC market will automatically continue to grow worldwide over the coming years.

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

(in € millions)	2013	2014	14/13	2015	15/14	2016	16/15	2017	17/16	2018	18/17
<b>Aerospace and Defence</b>	1,809	1,764	-2.5%	1,767	0.2%	1,816	2.8%	1,882	3.6%	1,950	3.6%
<b>Land transport</b>	1,108	1,132	2.2%	1,169	3.3%	1,215	3.9%	1,270	4.5%	1,324	4.3%
<b>Telecoms and Multimedia</b>	509	514	1.0%	524	1.9%	535	2.1%	548	2.4%	560	2.2%
<b>Energy and Life Sciences</b>	1,486	1,529	2.9%	1,585	3.7%	1,649	4.0%	1,716	4.1%	1,786	4.1%
<b>Other</b>	1,369	1,399	2.2%	1,447	3.4%	1,509	4.3%	1,582	4.8%	1,665	5.2%
<b>Total Technology Consulting (scope: ALTEN core business)</b>	<b>6,281</b>	<b>6,338</b>	<b>0.9%</b>	<b>6,492</b>	<b>2.4%</b>	<b>6,724</b>	<b>3.6%</b>	<b>6,998</b>	<b>4.1%</b>	<b>7,285</b>	<b>4.1%</b>

## ALTEN overview and sector trends

### Automotive

Strong business growth for French manufacturers and equipment suppliers.

2015 forecast: favourable dynamics

### Aerospace

End of the A380/A350 development programmes; new «ME3S» projects (manufacturing engineering), gains from the A330 Neo work packages.

2015 forecast: business stabilisation

### Energy and Life Sciences

Strength in the Oil & Gas business and in the Environment

2015 forecast: limited growth, Oil & Gas stability

### Telecommunications and multimedia

Business stability among all European operators

2015 forecast: possible decline in France, growth at the international level

### Finance and Services

Stable business activity

2015 forecast: a more favourable outlook

# ALTEN's positioning

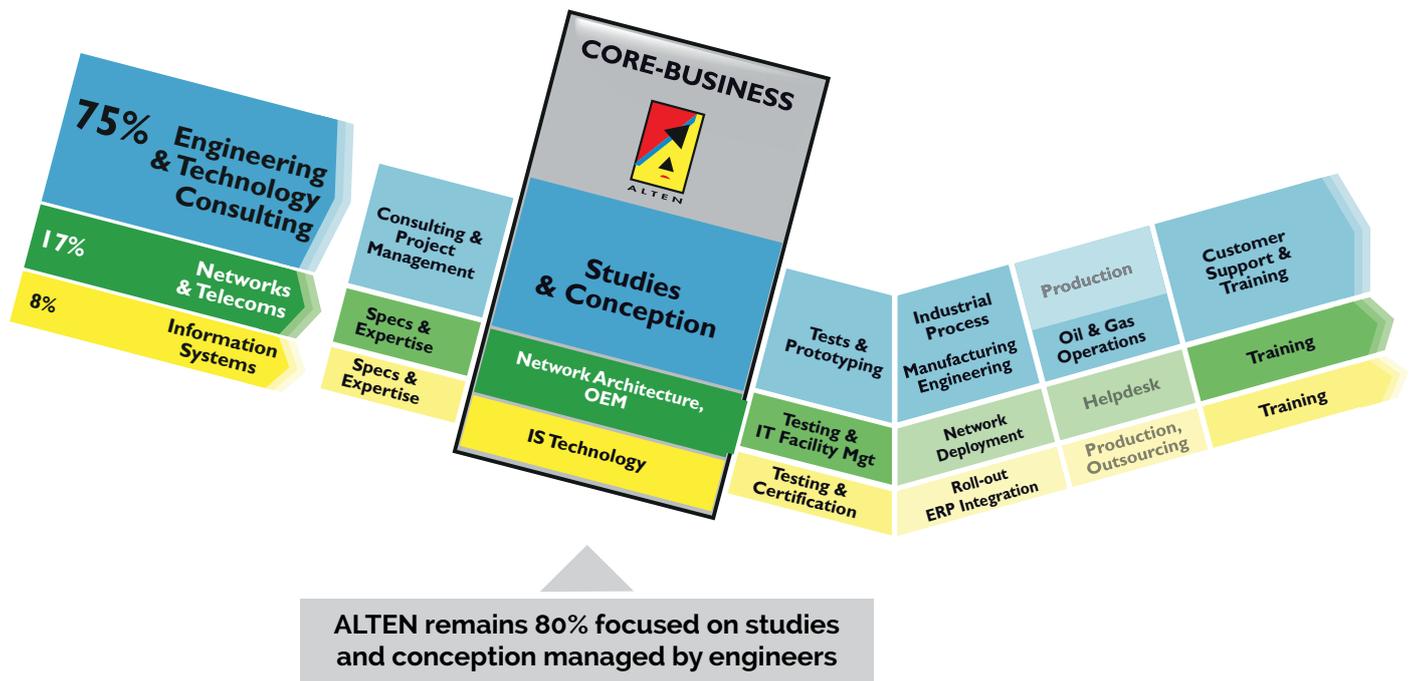
The ALTEN Group's strategic positioning is based on:

**1. Three business lines:**

- Engineering and Technology Consulting (ETC): Study and conception of technological products.
- Telecoms Networks and Multimedia: product design (network equipment and terminals). Architecture, deployment and operation of networks.
- IT systems: Information Systems architecture, software development, third-party application acceptance, support and operations.

**2. Engineer-level services over the entirety of the development cycle:**

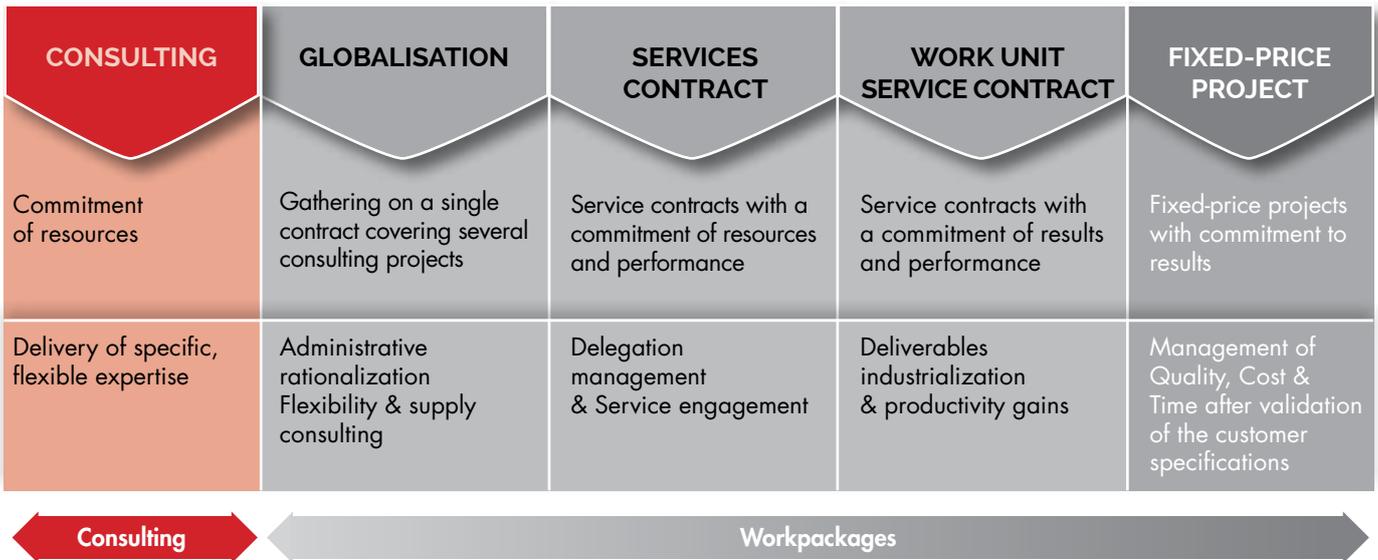
- ALTEN's core business offering: consulting, upstream studies and conception.
- The Solutions offering, delivered by specialist, horizontal and transnational companies, meets specific client needs (e.g. PMO/programme management, customer support, technical training, etc.) and may complement ALTEN's services as part of a comprehensive approach.



ALTEN has remained true to this premium positioning since its inception. It participates in all high-value technological projects on behalf of the Technical and IT Divisions of major industrial, telecoms and services companies.

# Range of services

Five offers to meet our clients' technology needs.



## Consulting service

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

All projects entrusted to ALTEN are carried out by highly qualified engineers.

ALTEN's expertise	Project owner support
Practical 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.
Technical expertise	Added capacity in studies and conception phases, or technological support in high value-added niches.
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.

# Workpackage management

The growth in work package management is related to the listing policies of the major industrial companies, which aim to streamline sub-contractor services and transfer broader scopes as well as project management responsibilities to the selected service providers. These providers must be able to orchestrate the completion of projects through established oversight processes.

Work packages include several levels of responsibility and risk-sharing, and may be carried out on the client's premises or may be partially or completely outsourced to an ALTEN facility. They are overseen by ALTEN's Technical Division, which establishes a structured and multidisciplinary team (PMO, technical support and project engineers) that

is adequate for the levels of engagement defined with the client. They provide logistical resources to the client (facilities, professional software, secure communication channels, etc.) 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, Morocco) for some project phases.

These constitute a true obstacle for the competition since the processes and structures required for the completion of projects require significant investments and involve a steep learning curve.

## ALTEN, French leader in the delivery of work packages

ALTEN is currently the uncontested leader in the delivery of work packages, both in numbers and by size of the projects undertaken, which represented 60% of business activities in 2014, and through the quality of the ALTEN delivery.

Its project management methodologies are assessed at Capability Maturity Model & Integration (CMMI) level 3.

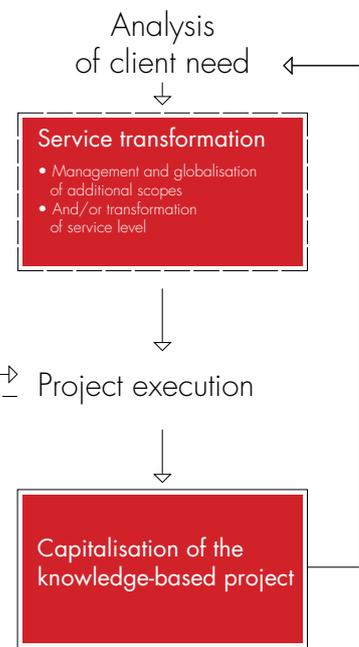
This worldwide standard established by the Software Engineering Institute makes it possible to understand, assess and improve engineering companies' systems for completing projects through a continuous improvement approach.

## Work packages, an integrated client/supplier relationship

The expansion of work package services has major implications for ALTEN but also for clients. Beyond the project feedback that is systematically sought, the search for productivity may lead to a change in the service and/or may bring the participation of ALTEN nearshore or offshore structures for all or a portion of the project. These transformations lead to a revision of the processes and interfaces for both ALTEN and the client, and are therefore implemented as part of an integrated supplier approach.



Partial or total completion on an ALTEN nearshore/offshore structure



# THE TALENT OF THE ALTEN TEAMS ENSURES THE SUCCESS OF THE PROJECTS

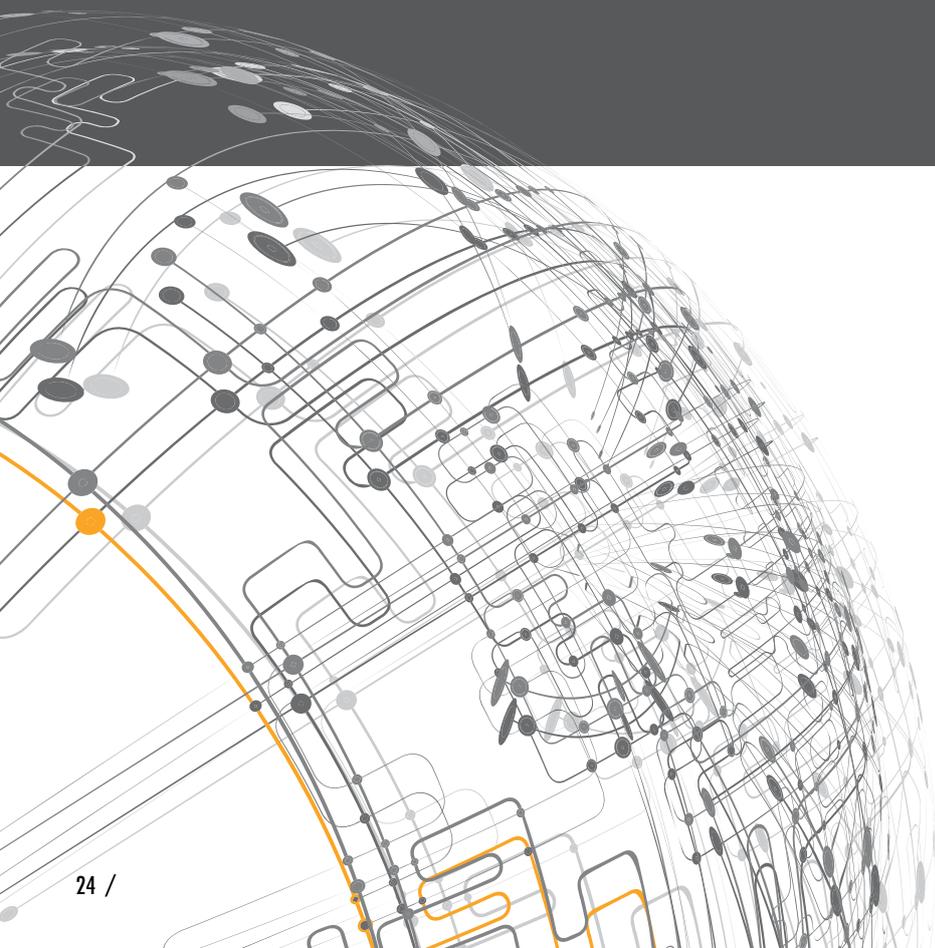
A highly selective recruitment process: 1 candidate recruited out of 15 interviewed.

Unique tools and processes on the market to identify the skills required for the proper completion of the projects, both internally and externally.

Measures for assessing skills and performance in order to detect, single out and mentor the best employees.

Training channels to anticipate future needs in technology or project management.

- / 26 Automotive
- / 28 Rail
- / 30 Aerospace
- / 32 Defence & Security
- / 34 Nuclear and Renewable energy
- / 36 Fossil energy
- / 38 Health & Pharmacy
- / 40 Telecommunications & Multimedia
- / 42 Finance & Services



# 2

## Our customers



# AUTOMOTIVE

17.8 %  
OF 2014 REVENUE

**The automotive sector benefited from the worldwide recovery in 2014. Emerging countries are an export target for global manufacturers but, at the same time, are becoming serious competitors on the international scene. A balance of power is being achieved and automotive partners in emerging countries are now more assertive in stating their desires during negotiations and within inter-company agreements.**

In Europe, a progressive recovery can be seen in the English, German, French, Italian and Spanish markets, which is particularly fuelled by the demand for crossovers (approximately 27 million units produced in 2014). In France, competitiveness and restructuring efforts among automotive manufacturers have enabled French companies to get back on track in terms of investments and innovation. French automotive equipment suppliers are also successfully pursuing their technological innovation and globalisation strategy.

## A market powered by emerging countries

The average annual growth rate in world automotive production forecast for the 2013-2020 period is 4.1%. Emerging countries will contribute 86.5% of this growth. In addition to China, which remains an unquestioned driver, Mexico, Indonesia, Thailand, Iran and Poland will actively contribute to this growth. In 2012, BRICs accounted for 36% of market shares in sales volume and 34% in production volume. In 2019, they will account for 43% of market shares in sales volume and 42% in production volume. BRICs will become major players; however, the growth in their share of the world market will be primarily supported by local demand rather than by exports.

## The user and technology paradigm

The relationship between driver and car is changing from an ownership model to a mobility-consumption model. The rise of car sharing and urban rental solutions demonstrate this point. As a result, automotive R&D is adapting: although it continues to pursue ultra-low consumption or greater autonomy for electric cars as end-goals, a connected user-experience is becoming the primary focus.

## Challenges and trends

### Sustainable driving

Although regulatory requirements encourage electric vehicle growth, this segment may only represent 4.6% of world production in 2020, either in hybrid or fully electric form. The pursuit of ultra-low consumption and the reduction of emissions will be handled by the integration of new composite (carbon) materials in the car body or through rechargeable hybrids. The challenges? To innovate in terms of energy sources (lithium, graphene batteries, supercapacitors, compressed air hybrids) and the structural integration of these new technologies.

### Connected driving, driving without driving?

Embedded telematics and connected components are the new automotive standard: for comfort, security, entertainment, maintenance, remote operation, etc. By 2020, driverless cars will be a reality. Furthermore, the car interacts with the driver's environment, its driving environment and even its automated tools. The challenges? Design goes beyond basic vehicle usage, it must take into account the integration of new technologies, electric and electronics systems, while guaranteeing dependability and passenger safety.

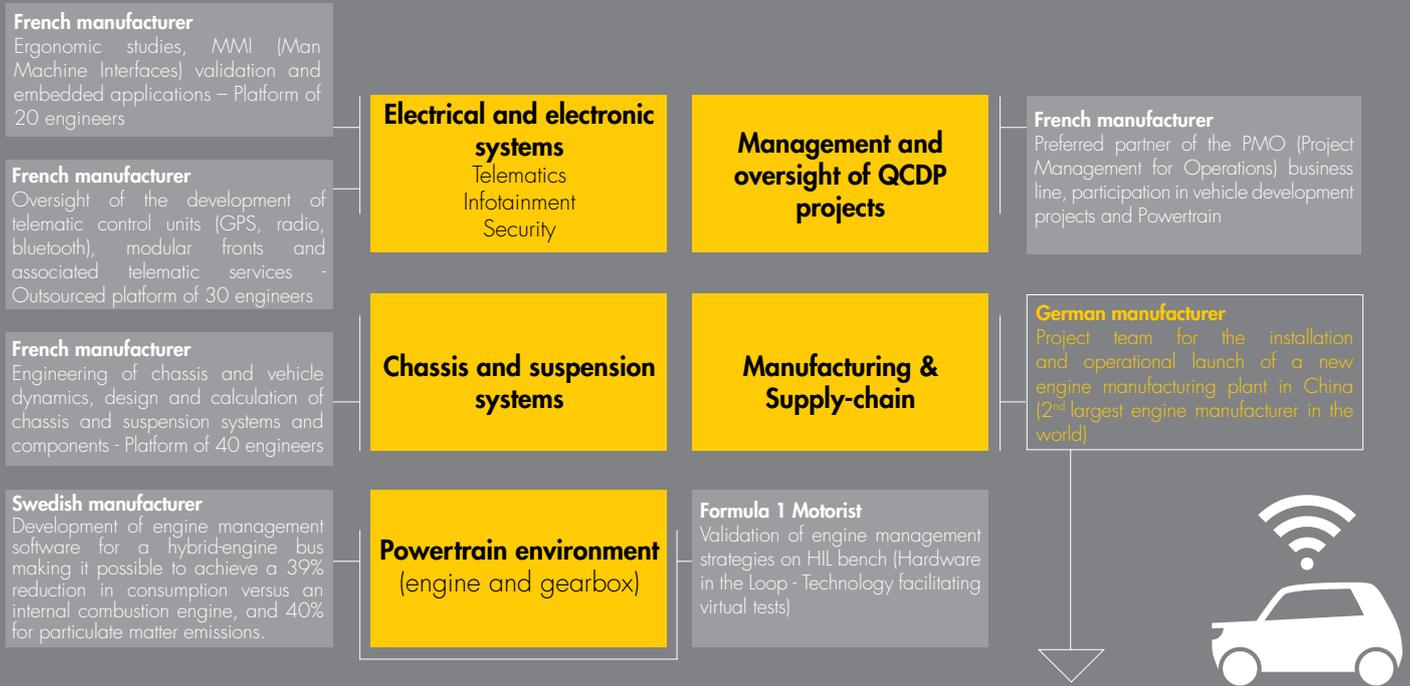
## Internal R&D project focus

In late 2013, the Group's R&D Division launched a new research programme on the "intelligent car".

The aim is to devise innovative solutions in the field of assisted driving and even driverless cars. In 2014, ALTEN continued its work on detecting hypovigilance in manual, automatic or driverless driving through vehicle instrumentation, as well as on aids for driving in fog through a device for image processing and detecting signage and obstacles, as well as on connected vehicles, for a collaborative form of driving that will make it possible to solely inform affected drivers through safety alerts (e.g. presence of fog) automatically generated by other cars. The effectiveness of this device was increased by taking into account historical data present in the Cloud and the integration of web data (weather, etc.)



# Positioning and project examples



## Trends in two key markets: China and Germany

**Lawrence,**  
ALTEN Managing Director in China

**Yves-Antoine,**  
ALTEN Managing Director in Germany

“Car manufactures are primarily derived from European and US models, utilizing MNC OEM’s global platforms. However, a common local adaptation is the stretch sedan, which is very popular in China, given the prevalence of professional drivers. Chinese are big fans of car infotainment systems and other intelligent systems: from auto doors to auto parking, connectivity of mobile and entertainment devices, increasingly sophisticated navigation systems and telematics. Also, the Chinese government is making a significant push for electric cars, a technology in which they would like to have a leadership role.

R&D in China consists primarily of “complicated” adaptations for the local market, which presents quite some challenge in terms of regulatory requirements, consumer tastes and in the lower end of the market place, equipment cost challenges. All areas of R&D are outsourcing in the China automotive sector, and all the typical technical skills and experience are required: mechanical design, electronics and embedded software, systems integration... Besides, as China is quite a significant manufacturer, in the automotive as well as other industrial sectors, there is a strong need for industrial engineers, and engineers with a strong understanding on how to design and optimize production equipment and facilities. And with the rise in labour costs, engineers with strong knowledge of automation and lean manufacturing are greatly in demand.

Today, 50% of Alten’s activity in China is in the Automotive sector. Our customers are mainly European car manufacturers (PSA, BMWV, Volvo ...) for which we work on projects in the fields of infotainment, electronic and electrical systems, mechanical engineering as well as manufacturing engineering. We have a strong pipeline of business opportunities, from both multinational companies and increasingly, local Chinese OEMs.”

“Over the last few years, the German market has been particularly affected by significant changes in the legal framework associated with technical assistance services, which led to very rapid consolidation of the market due to pressure from customers. The companies selected by customers have to meet some basic criteria: the capacity to rapidly adapt to the legal context, critical size, financial stability, experience with fixed-price services and transformation methods for technical assistance in services that are 100% outsourced, and finally, a local presence.

Currently, this consolidation requires a significant customer support capacity for strategic planning and implementation. It also involves the ability to respond to new expectations, particularly to provide support outside Germany. These structural changes do not detract from the technological changes and technical requirements, focused on safety, the environment and inter-connectivity, accompanied by the premium positioning that is an inherent part of the German industry.

Finally, the market remains afflicted by a very significant shortage of expertise. This environment is restrictive, but it presents a great opportunity for ALTEN, both in terms of external and organic growth. We enable some German SMEs, focused on a client or a technology, to benefit from methodological expertise on outsourced services and the financial prerequisites required by large customers. In addition, the strength of ALTEN’s business model, combining a significant recruitment capacity, particularly internationally, with a strong sales presence is perfectly adapted to the current situation, which penalises historical German structures that are often ill-prepared and very focused on Germany.

This positioning as an alternative to traditional services providers, often emphasised by the purchasers for major customers, has enabled us to obtain numerous strategic listings over the last few months, both with manufacturers and major equipment suppliers, which bodes very well for the future.”



3.9%  
OF 2014 REVENUE

**The world rail market should see an annual growth of 2.7% by 2019, i.e. revenue of approximately €176 billion per year.**

The European rail products and services sector reinvests 2.7% of its revenue in R&D in order to stay on the cutting edge of innovation and to retain its leadership role on the international scene, particularly in the face of the increasing power of Chinese and Japanese players who are initiating a strategy to conquer the European market. This drive is supported by the European Commission, which, under the terms of the Shift2Rail plan, intends to invest €920 million in research and innovation by 2020.

In France, the players are attempting to consolidate the field by emulating the aeronautics sector in particular, which has structured its relationships with sub-contractors. Stagnation, even regression, is expected in the market for new products; however, strong growth is expected in the maintenance sector. As a result of the Brétigny-sur-Orge tragedy, a significant portion of investments will be devoted to the renovation and modernisation of the network.

In France, as well as internationally, cities are primarily opting for tramway equipment, which is cheaper than the metro, although the latter is still preferred in the Asian market.

**France: priority given to network maintenance and the digital revolution**

The innovation effort has led to new mobile maintenance systems that make it possible to anticipate and reduce material risk. Their modular construction allows for a flexible and individual adaptation to the various requirements and intervention capacities. The revolution in digital technologies has led to the current use of predictive maintenance solutions that allow for real-time monitoring of equipment condition. Radio communications make it possible to do away with a large number of pieces of traditional signalling equipment, which simplifies installation and maintenance while ensuring traffic safety and optimal performance while in use.

Although digital technologies have represented an obvious advance in maintenance systems, they will also be the source of radical innovations in the rest of the market. The ability to collect and process precise, reliable, real-time information gathered from information systems and embedded systems will be a competitive advantage in the traffic forecasting/management systems sectors (modelling of flows thanks to Big Data) and signalling systems.

Furthermore, the digital revolution will also take place at the level of transport operators for the benefit of customers: growing onboard connectivity, digitalisation of customer service, real-time passenger information, or even NFC/RFID technology. SNCF thus presented its digital programme, dubbed #DIGITALSNCF, whose objective is to ensure mobile 3G and 4G or WiFi coverage of train lines and train stations and to deploy WiFi and 4G coverage in TGVs starting at year-end 2016.

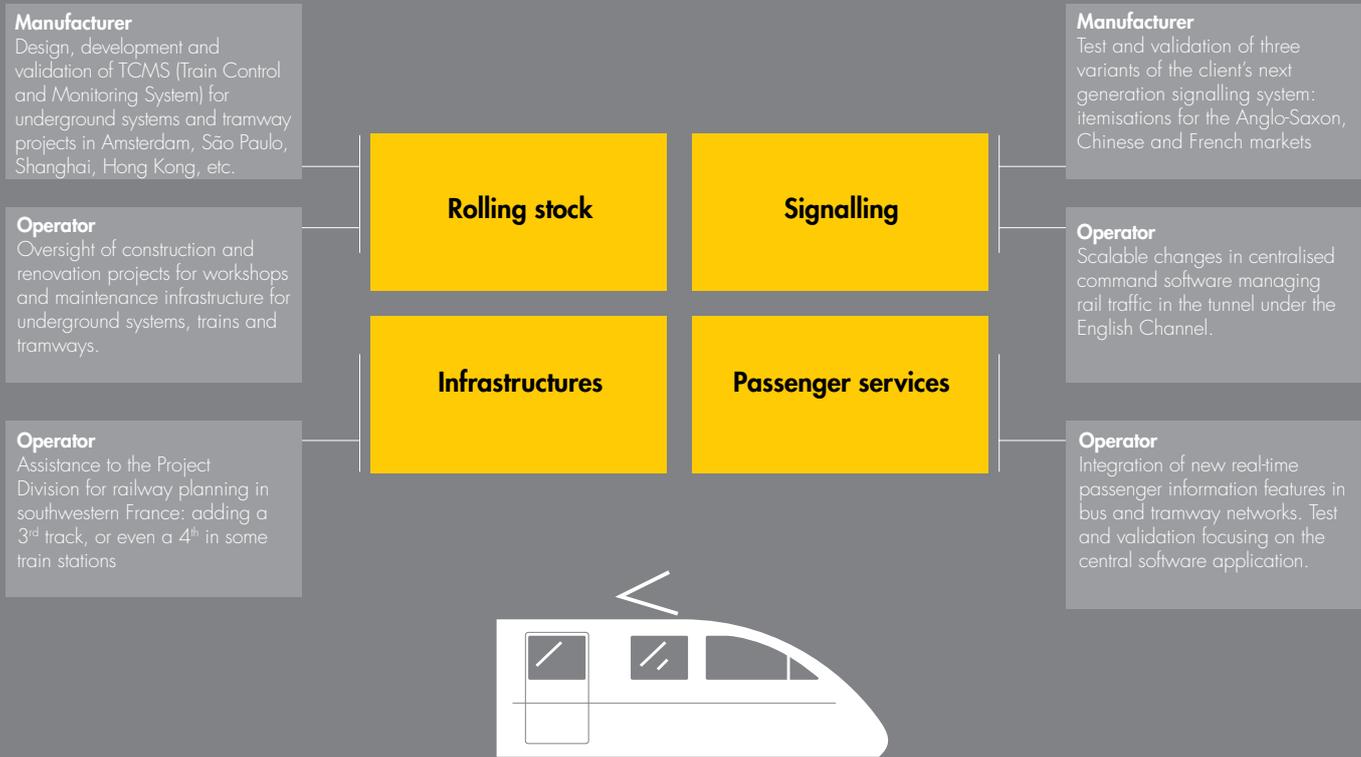
**International: capture new markets**

The contracts won by the European rail companies in Nanjing, Hong Kong (China) or Kochi (India) herald the development of transport infrastructure in emerging countries. Southeast Asia, in particular, will be faced with a sizeable challenge since, by 2030, 90 million persons are expected to move to the cities where the transportation infrastructures have not yet been adapted.

The market potential is substantial and European actors must prepare to meet this demand for rail construction, services, turnkey products, command and control systems, and rolling stock. This internationalisation leads to a large amount of work and the establishment of standards by each country, which must naturally meet the local environmental conditions and standards.



# Positioning and project examples



## ALTEN is committed to promoting French rail activity

**Eric,**  
ALTEN Director Responsible for the Rail sector.

“Fer de France is a professional body created in 2012 with the objective of uniting all public and private rail actors: public authorities, coordinating authorities, passenger and commodities transport operators, infrastructure managers, industrial and engineering companies.

Fer de France works to promote French rail activity in accordance with four significant areas of focus: the growth of French rail sector market shares for exportation, the strengthening of competitiveness among actors in the field and the rail system in general, and innovation over the entire value chain by encouraging R&D efforts and investment in training people.

Each of these areas of focus has a corresponding thematic commission. Among these, the “facilitate Innovation” and the “rolling stock” working group, in which ALTEN invests under the aegis of Syntec Ingénierie.

ALTEN possesses strong rail expertise in Europe, with over 600 engineers in France, Germany, Italy, Belgium, Sweden and Spain. We have implemented an “Experts Network” to unite and manage all the ALTEN entities that work in the sector. This tool is intended to strengthen our services and our performance, and to leverage technological and product synergies in our fields of expertise, which also play a role in our development strategy: signalling (software

development, validation of critical systems), rolling stock (command-control, system engineering). Our active involvement and participation in Fer de France’s work, more particularly within the Innovation Commission, is the result of our desire to ensure our position as an expert and to create a framework for launching the necessary joint efforts for the implementation of the innovation programmes that will enable the French sector to meet the numerous challenges it faces in its conquest of international markets”.



**1.5 billion passengers in 2003, 3.4 billion in 2014, 6.7 billion in 2032, etc. According to the International Air Transport Association (IATA), the number of air passengers will increase by approximately 5% per year over the next twenty years. These growth predictions are led by the emerging countries, with a tipping of the centre of gravity towards Asia. China will become the largest internal market in the world, ahead of the United States and Europe.**

In order to meet this demand, the worldwide fleet will need to double to more than 40,000 airplanes in 2032. According to Boeing, 37,000 new aircraft will be delivered to companies in that same time frame, for a value of around US\$5,200 billion, in order to grow and renew existing fleets with the newest manufacturers' models, which have better jet fuel consumption and lower operating costs. Therefore, the A320 Neo Airbus, with a first delivery expected to Qatar Airways in October 2015, will benefit from a 15% reduction in consumption and NOx emissions reduced by over 10%. It will also offer a range 950 km higher than that of a classic A320.

The current challenges for manufacturers and all their sub-contractors - equipment suppliers, assemblers, engineers, etc. - are to position themselves as close as possible to the new markets and to produce the planes, following a prosperous 1.5-year R&D period that, for example, allowed Airbus to finalise several major programmes: A380, A350, A320 Neo, and A400M.

Orders from European aircraft manufacturers thus amounted to €857.5 billion at year-end 2014, i.e. 6,386 aircraft, in comparison to €60.7 billion in revenue. The primary challenge is therefore to accelerate the industrial pace in order to meet delivery deadlines. Airbus aims to increase its production of

42 airplanes per month at the end of 2014 to 50 in the first quarter of 2017. The ramp-up and the faster pace involve airplane programmes as well as new aircraft produced by Airbus Helicopters, such as the EC175.

World airplane construction will also progress with the arrival of Chinese industrial companies (Comac) on the over-150 seat airplane market by 2020. This is a preliminary step, over the longer-term, to the launch of large-capacity aircraft that are harder to control. However, greater flexibility in support for low-altitude flights will allow for the rapid development of a long-haul aircraft - direct competitor to the A350 and B737 - and the medium haul C919 - competitor to the A320.

### European agreement to counter low-cost American space competition.

The year-end 2014 decision to develop the new Ariane 6 launcher is intended to counter the low-cost competition, particularly the American Space X programme. Airbus Safran Launchers, a joint venture created by the two groups in the space transport field, will be responsible for the development and manufacture of the new launcher. €8 billion will be committed over 10 years, half of this amount for the launcher.

### Technological trends

Industrial companies devote a significant portion of their development budgets to technologies that will be integrated into the major civil aviation programmes to come within the next 5 to 15 years. Among these are composite materials that facilitate a reduction in mass and optimise airplane aerodynamics; the cockpit of the future, which incorporates numerous avionics-related innovations such as head-up visual displays, onboard data management, aid in mission management, etc.; controlling noise, with an aerodynamic configuration and optimised control systems; the electrification of the plane, which focuses significant resources in key technologies such as batteries under the stewardship of Airbus-Safran-Siemens type collaborations.

In 2013, ALTEN signed its commitment as a partner of the CORAC research programme for the development of the avionics of tomorrow with greater attention being paid to green issues.

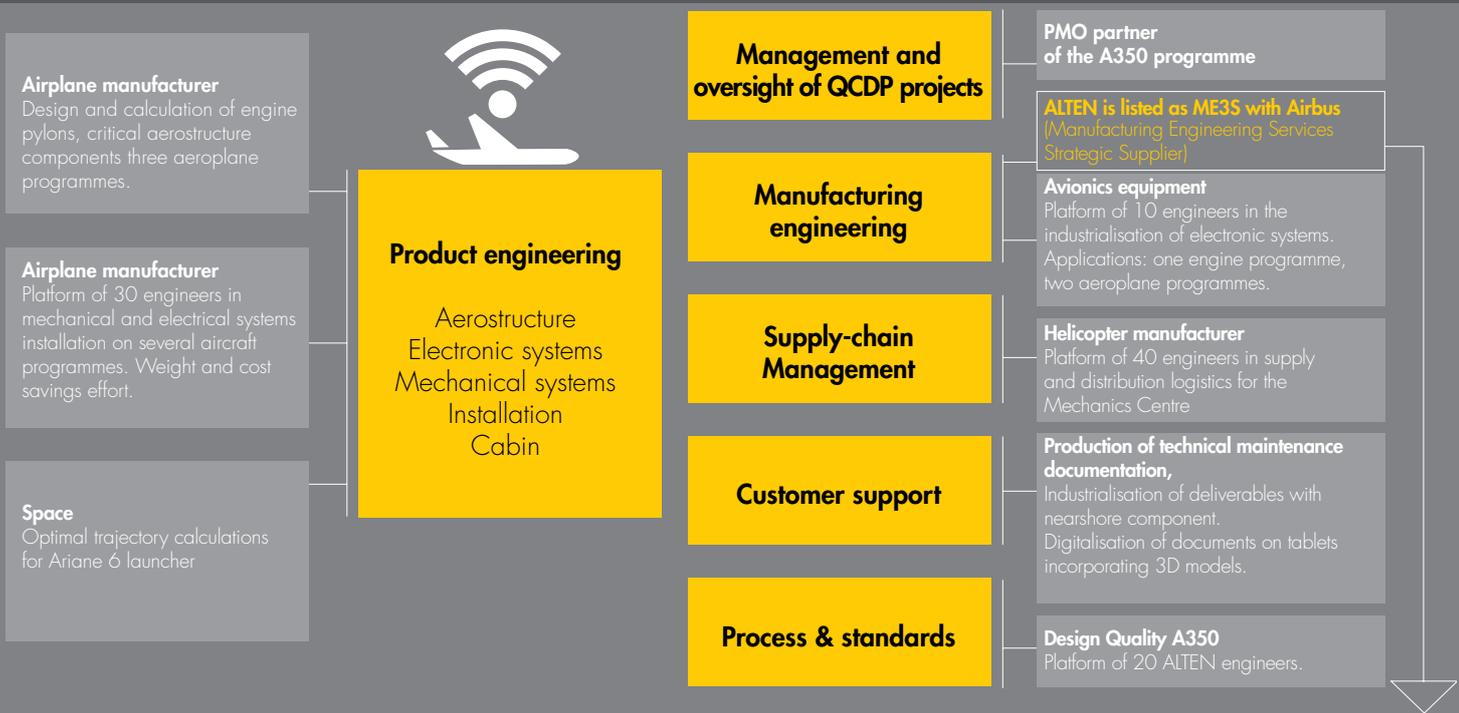
The CORAC collaborative research programme is funded by the French government under its Investment for the Future programme. It brings together the major aerospace players in a research and innovation project to develop demonstrators in the field of sustainable air transport.

The goal is to equip planes with calculating means that are more far-reaching, modular and pooled, meeting the need for greater safety while also providing passengers with onboard Internet access. In 2014, ALTEN initiated a work package under its responsibility, which aims to equip the demonstrator with modular avionics with a far-reaching reference platform that will guarantee calculator architecture, thus contributing to efforts to minimise the consumption of the aircraft of tomorrow.

The Group's R&D Division has also continued its aeronautics R&D work in the field of rescue drones for victims of natural disasters by focusing, among other items, on: flight in independent formation, the security of navigation instruments (particularly inertial measurement units and GPS) through the repositioning of images, and the devices for dropping rescue kits to victims.



# Positioning and project examples



## The challenges of Manufacturing Engineering

**Stéphane,**  
ALTEN Project Manager

### What are our customers' production challenges?

The airplanes are essentially designed, they must now be produced with record challenges in terms of industrial pace for pioneering programmes such as the A320 Neo, or the A350, which is entering the series phase. The objectives are to secure these ramp-ups to comply with delivery deadlines while maintaining the maturity of the products. Plans for cycle reduction that apply lean methodologies to gain efficiency and performance must be implemented, precise monitoring of level 1 sub-contractors must be performed, the same applies to level 2 in order to ensure that all links in the chain achieve an appropriate quality, and finally, the production/assembly tools must be managed by taking advantage of the latest innovations. ALTEN provides a knowledge base to its clients in other business sectors, particularly in the automotive sector, as well as specialists and strategic approaches to meet these challenges.

### In what areas are our customers particularly sensitive?

Our customers use the lean methodology, for example in the operation of control rooms to facilitate briefings, identify priorities and make good decisions. Certain Quality processes derived from the automotive sector have also been tailored to the world of aeronautics and a certain level of maturity has already been attained with regard to these challenges. They expect their sub-contractors to possess in-depth knowledge of processes, to

be a true value added in industrial operations knowledge, and to act as a performance vector in the overall supply chain in order to meet delivery deadlines at the best price.

### How is ALTEN positioned?

ALTEN currently intervenes in several segments, from industrialisation to production support:

- in the design of production/test units, in the improvement of their performance, in the implementation of industrial process design;
- consulting on ERPs or major change programmes: structure, resources, processes, methods (Business Analysis and Support);
- in the oversight of the production of specific large-scale equipment, sometimes even embedded (onboard the famous Beluga plane, boat, truck, etc.) and specialised machines (composite, metal, draping, cutting, drilling, shaping, etc.);
- in industrial transfer: customer assistance in outsourcing a business activity, the replacement of a supplier by another worldwide;
- throughout the activities around the digital mockup, the airplane product in its production environment, including the simulation of flows and the product/production tool integration;
- in industrial transfer: anything that enables the craftsmen to assemble the components as well as the management of nonconformity and the remaining work.

ALTEN performs these activities for the sector's major customers, manufacturers and equipment suppliers. Bolstered by this positioning, ALTEN saw its scope extended with Airbus following the ME3S listing. A wide range of opportunities is opening for the Group and for the future. For example, we ensure the industrial ramp-up of the A350 and we are also already involved in the manufacturing process for 3D printing.

### What do our customers expect from ALTEN?

The main expectation involves our ability to connect the world of the research department with that of industrialisation and production, to contribute our knowledge base to the design phase during the primary stages and to do the same for future development programmes. Being a major player in End-to-End engineering from design to production including the control of the supply chain is a major asset for ALTEN for future programmes.



# DEFENCE AND SECURITY

4.9 %  
OF 2014 REVENUE

**The tragic events of January 2015 in France validated the concept of the Defence & Security continuum expressed in the white paper on national defence and security in 2013. Questions of national security can no longer remain separate from the situation in certain countries such as Syria, Iraq, Libya or Yemen.**

## Security: adaptation to digital

The emergence of the solo jihad has accelerated the implementation of new strategic measures to prevent threats, which to a large part involve adaptation to digital. The development of information and the identification of weak signals, by monitoring networks and the interconnection between intra and inter-country information systems, have become priorities.

Big Data is of particular importance due to its ability to identify risk situations in real time, for example the analysis of an individual's "illogical" air movements. In order to cover their tracks and reach their destination, an individual may try to take several flights and pass through a number of cities using different identities. By analysing a traveller's data using an inter-state database, you can track their movements as soon as a trip is booked and identify suspects with "illogical" movements.

Finally, it has now become essential to boost the targeted intervention of forces on the ground (police, gendarmerie) making available tools to allow them to act with greater efficiency and reactivity. By way of example, in France, all police in the Nord department will be equipped with tablets by the end of 2015, allowing them to access all digital services (files, databases) available to the squad in real time.

## Defence: renewal of armoured vehicles, expansion of drones, development of export markets

The Ukrainian conflict and the guerrilla situation in Syria has once again highlighted the importance of "conventional" land combat tools such as tanks and armoured vehicles. In response to the Russian rearming programme (production of a new

generation of the "Armata" tank in 2015-2016, adoption of the latest technologies such as an unmanned turret), the German parliament approved the budget to develop a new combat tank, probably the Leopard 3, in light of this new threat. The merger between the KMW and Nexter manufacturers could lead to French-German cooperation in the development of this programme.

At the same time, drones are growing in importance, with revenue that could reach €288 million in France in 2015. While the United Kingdom and France have launched feasibility studies on the French-British drone, Washington is dreaming of a drone carrier, following on from the aircraft carrier concept.

France is in a paradoxical situation. While the Military Planning Law 2014-2019 places pressure on defence budgets, in proportions which are significantly less than forecast in view of recent events, the French defence industry is booming and generates revenue of more than €17 billion for 165,000 direct and indirect jobs. Weapons exports reached record levels in 2014 to more than €8 billion, almost double compared to 2012. The most symbolic sale is obviously Rafale, which for the first time found an outlet for export with an order for 24 fighter planes by Egypt, which bodes well for the completion of negotiations that have been ongoing for a long time with other countries, particularly India. At national level, the main requirement is for utility helicopters and tactical means of air transport. In this respect, Airbus reorganised the governance and industrial organisation of its A400M programme; the priority is to double deliveries in 2015.

**The Group's Research & Development division continued work on its Drone programme in 2013.**

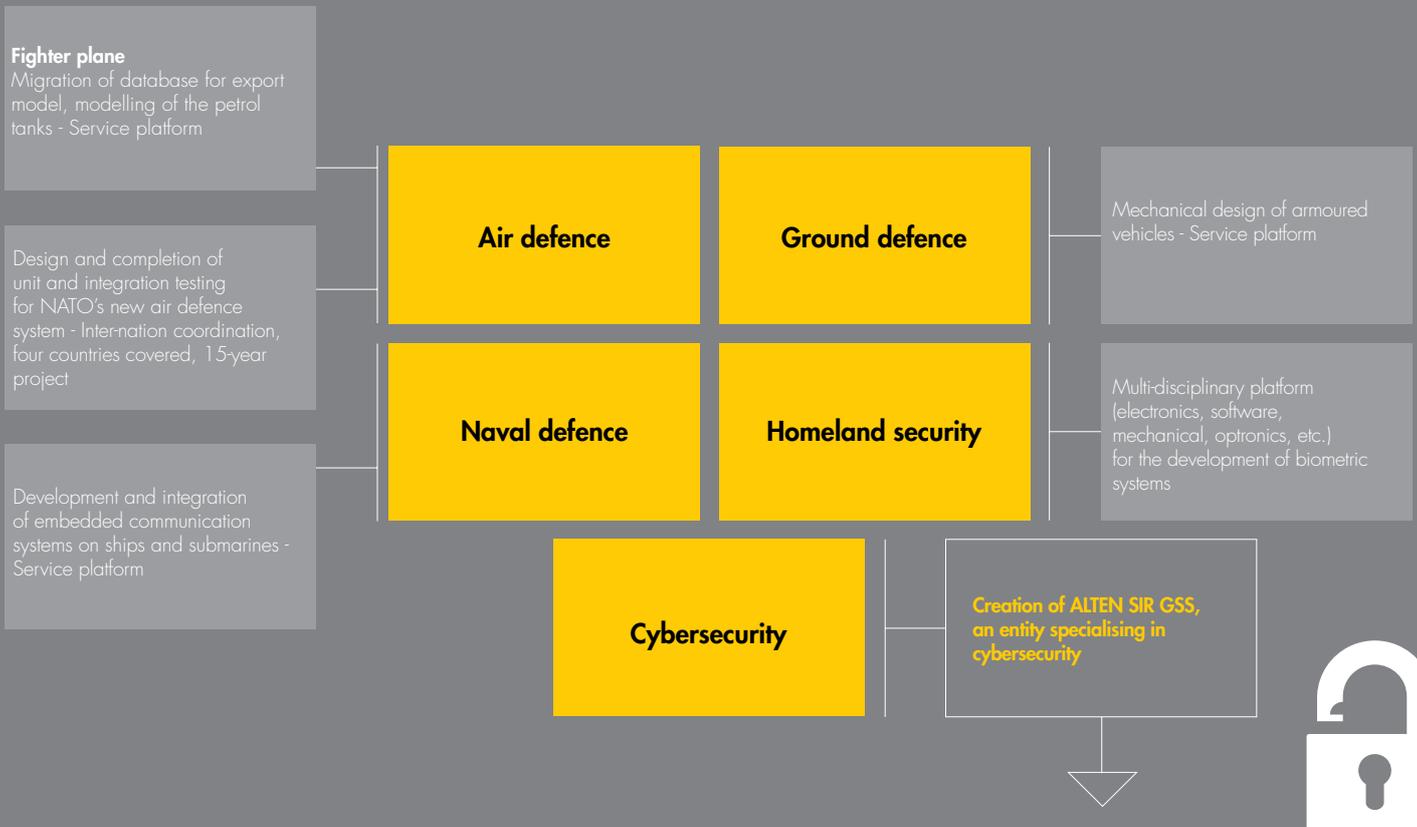
Originally launched in 2012 in partnership with an innovative SME, it has allowed us to develop the skills and expertise of the Group's core business (including on-board processing, artificial intelligence, mechatronics, signal and image processing, etc.) while exploiting expertise in drones, which is a leading topic among companies that place orders concerning security issues, for example, the surveillance of electrical, rail and roadway networks, telecom towers, etc.

The research projects launched in 2014 aim to extend the functions of the airship (ability to fly in a swarm and unguided or scout an area collaboratively, etc.).

Internal R&D  
project focus



# Positioning and project examples



## Cybersecurity: creation of ALTEN SIR GSS

**Renaud,**  
 Director of ALTEN Operations

“On 8 December 2014, ALTEN and AKERVA, expert in IT security, announced the creation of the joint venture ALTEN SIR GSS, 51% owned by ALTEN and 49% owned by AKERVA.

This is the culmination of a shared commitment to reinforce the collaboration between the two groups on security projects. With the creation of ALTEN SIR GSS, ALTEN and AKERVA have pooled:

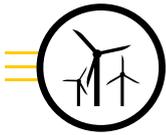
- AKERVA's expertise built up from many years of experience in Information System Security in complex, offsite environments (SaaS, virtualisation, Cloud Computing) and Identity and Access Management (IAM);
- the expertise and achievements in IT Systems and in Networks and Telecoms, linked to ALTEN's industrial approach, its international presence and financial soundness.

ALTEN has been firmly committed to supporting its customers in fixed-price projects for several years with the deployment of technological offers. ALTEN SIR GSS constitutes the Security component of this approach for information systems and management. ALTEN SIR GSS will reinforce our partnerships by positioning this offer of expertise and thus respond to the strategic challenge posed by the security field.

ALTEN SIR GSS proposes an offer covering all of the potential cybersecurity needs in terms of:

- Types of intervention: security and optimisation of networks, systems, workstations and servers, security of the virtual environment, security of information assets, security of wireless networks and communications (fixed and mobile), management of identities and access, etc.

- Activities undertaken: oversight, governance, project management support, operation, intruder testing, etc.
- Localisation: ALTEN SIR GSS allows its customers to benefit from outsourcing platforms in the Paris region, in other regions of France and abroad.
- Logical structure of commitments: the ALTEN SIR GSS offer is based on service agreements and a logical structure of commitments relating in particular to the quality of deliverables, deadlines and skill maintenance.”



# NUCLEAR AND RENEWABLE ENERGY

## Nuclear, an alternative energy in response to global warming

Despite the numerous constraints - fuel recycling, decommissioning costs, health and safety risks - nuclear remains a major energy source in France, as in the rest of the world. Its development is a key alternative to global warming and is presently the only means of producing electricity on a massive scale under competitive conditions without emitting greenhouse gases. The 2014 report by the International Energy Agency estimates that global capacity for nuclear production will increase by 58% over the next 25 years, from 392 GW in 2013 to 620 GW in 2040. This growth will reach 45% for China, 30% for India, South Korea and Russia and 19% for the United States. In the short term, investments for the construction of two EPR reactors in the United Kingdom should be validated, thus allowing an increase in the number of studies over the second half of 2015 and the first half of 2016.

## French nuclear companies faced with the economic challenges of the sector

In France, the Law on Energy Transition voted in October 2014 confirms the supremacy of nuclear in this region. Even if the nuclear share of the energy mix falls from 75 to 50% by 2025, the performance of the plants will remain at its current level (63.1 GW). The scheduled closure of Fessenheim - or other reactors - can thus be offset by the creation of new power stations. The priority challenge over the next three years is therefore to start the first FA3 (Flamanville) and use this project to prepare for the deployment of a new model of EPR that is optimised in terms of costs and deadlines. In terms of operations, EDF has invested heavily in a "major refit" which aims to extend the lifetime of stations and ensure compliance following regulatory changes post-Fukushima. The requirements in engineering - particularly in the south of France - and in oversight of interventions on-site are massive. The French nuclear subsidiary, the country's third largest employer after the aeronautics and automotive industries, therefore faces

huge economic challenges, penalised by the delays in the large sites - Olkiluoto and Flamanville - and it is obligated to invest in the existing network. Productivity levers are identified at all levels of the value chain to optimise spending and investment. By way of example, ALTEN is particularly well positioned in terms of optimising the management of the spare parts inventories for the French network.

## Better integration of renewable energies within the electricity transportation and distribution networks

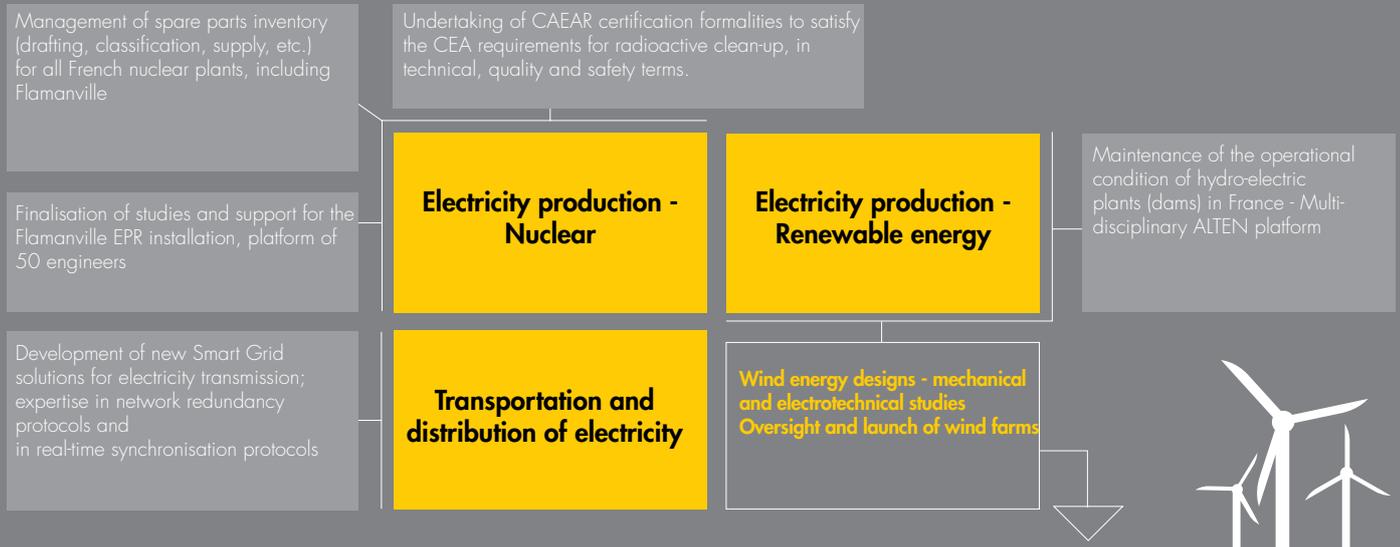
The energy transition will only be economically viable if rationalised at European level, balancing supply and demand between all countries. The integration of renewable energy must enable local specificities in zones where consumption - and production - peaks will not be the same to be taken into account. This will include better integration of different sources, particularly on the distribution network, which must become bi-directional in order to collect the electricity produced by the end customers (e.g. roof solar panels). Technologies will play a leading role, both in the deployment of smartgrids which optimise flows along the entire network and the development of information systems which manage supply and demand using real-time data and increasingly complex predictive models.

In 2014, a new programme on the theme of "Building for the future" was launched as part of the collaboration with the Innovation Division at Bouygues Energies et Services. The first projects undertaken relate to the remote measurement of the consumption of the water, electricity and gas networks in old buildings (more than 90% of the real estate network).

The completion of a device prototype in 2015 should facilitate the future integration of the entire real estate network into the most modern solutions to control energy efficiency. This work was complemented by two exploratory studies on the control of usage in buildings for which there is presently no instrumentation and modelling system to take into account this very significant parameter in building consumption, and work relating to the detection of warning signs for equipment failures by analysing weak signals.



# Positioning and project examples



“We are looking for new ways to improve the competitiveness of our products”

**Mr. Rafael Hernández Agudo**  
 GAMESA Wind Engineering Director

**What are the main challenges that Gamesa is facing on a global point of view?**

Wind sector is slowly recovering after very demanding years with critical decisions regarding fix costs reductions and a general contraction period. Gamesa is now ready, as a Company, to quickly respond to international markets such as India, Brazil, North America, China and Europe, trying to keep and even improve its leadership presence. Sales and contribution margin improvement is our target for the future, based on new and more cost effective products and on a matured supply chain. Also reduction of our working capital and non-quality costs must be some key drivers to follow. Quality assurance excellence and knowledge culture need to be matured in order to meet the new challenges, as well as our ongoing penetration in the communities we interface.

**And in terms of Engineering specifically?**

Gamesa is an international company, not only regarding industrial footprint but also from a product strategy perspective. Key markets such as India and Brazil need specific products design under local requirements in order to increase contribution margins for our customers and improve their satisfaction with new functionalities. On top of that, product development strategy is transforming rapidly into a site-specific design paradigm, in an effort to maximize customer business case for our customers. Site conditions vary significantly from one position to another, and this represents an opportunity for

optimization and a challenge for our engineering tools and processes. Modularity is becoming a key issue in such environment.

From a pure technological point of view, we keep our strong commitment to look for new ways to improve the competitiveness of our products, looking for more energy production (advanced aerodynamics, longer rotors, life extension) and reducing the costs from a wind turbine integration and life cycle perspective.

**What are Gamesa’s expectations regarding its engineering suppliers?**

Engineering partners are key for Gamesa as they represent a relevant percentage in our yearly R&D budgets. We are committed to transform our relation model with them into a partnership relation, based on transparency, confidence and professionalism. Future is bringing to us new product and technology development programs, and therefore we need to quickly adapt our relation mechanisms to optimize engineering suppliers performance for Gamesa. Matching Gamesa needs with engineering partners value proposition will be the way to select the best in the coming years and to have a best-in-class supplier portfolio for Gamesa.

Additionally, we are gradually transforming traditional technical assistance into an engineering service model, linked to work packages development. This process, although tough and slow, will definitely assure better quality, lower costs, customer satisfaction and long term agreements.

This path has been already walked by other sectors, and wind energy sector will not be an exception.

In general, Gamesa looks for big and matured engineering companies, able to make a value proposition across the aggregated engineering services, capable of absorbing valleys and peaks, and running a set of engineering services for also another sectors, thus optimizing their structure and offering Gamesa a competitive product. We need partners committed to find talent in the market, to develop their internal processes, to deploy the knowledge of their persons and to develop their professionals.

**Does ALTEN meet Gamesa’s expectations?**

ALTEN is one of our key partners and belongs to our Engineering Companies Approved list. ALTEN has an extensive track record as an engineering company, initially focused on technical assistance but gradually moving together with Gamesa through the work package development process. Its size and value proposition is attractive for Gamesa. It is our common target to jointly explore more engineering opportunities to reinforce our relation and get benefit of that.



# FOSSIL ENERGY

Energy, Sciences  
of Life & Industry  
**24.8 %**  
OF 2014 REVENUE

## **\$50 in January 2015 compared to \$115 in June 2014: as a result of economic and geopolitical phenomena, the collapse of crude oil prices has shaken the industrial landscape.**

At the economic level, there is overabundant supply due to American shale oil - the United States has become the leading producer of oil in the world with 11 million barrels per day, and demand decreased due to the global economic context and gains in energy efficiency. At the geopolitical level, the OPEC's decline in the share of the global market (40% in 2015 compared to 65% in 2005) caused Saudi Arabia, who is able to produce at extremely low price levels, to react in response to the rise in American shale oil.

The majority of players believe that the market is going through a correction phase which is more short-term than structural. In the long term, oil and oil-related companies are responding to a need for which there is no competitive energy alternative at the economic level. Fossil energy (oil, gas, coal) will continue to cover 70% of requirements over the next 20 to 25 years. At the same time, half of the existing fields will disappear and thus investment is required for exploration and the discovery of new deposits.

### **Reduction in exploration investments**

Presently, 80% of the production of oil and shale gas has a resale price of \$70 a barrel, which is above the market price. Based on a study conducted by Evercore IS based on a survey of 300 companies, said companies will reduce their investment in exploration-production by 10 to 15%. Barclays estimates that this figure could reach 30% in North America. Total plans to reduce its investments by 10% in 2015, and in particular 30% of its exploration and development spending in the North Sea, in shale oil in Canada and in certain African countries.

### **Optimising operating expenses**

Ongoing projects will be continued, and expenses will be optimised over all components (maintenance, equipment, etc.). Total will therefore continue the operations required for production as part of the following projects: Yamal LNG in Russia, Kaombo in Angola, Egina in Nigeria or Moho Nord in Congo.

Optimising existing well costs should allow oil companies to implement innovative technologies. The revolution observed in production methods, with hydraulic fracturing and horizontal drilling, should reduce costs by 10 to 15%, thus allowing operators to obtain a barrel for around \$50.

At the same time, the major operators have demanded that the oil companies reduce their prices. The main objective of oil companies is to reduce the breakeven point - the point where operation is profitable - to bring this to \$40 a barrel.

Downstream, Total plans to restructure its refining capacity in Europe, particularly France and the United Kingdom.

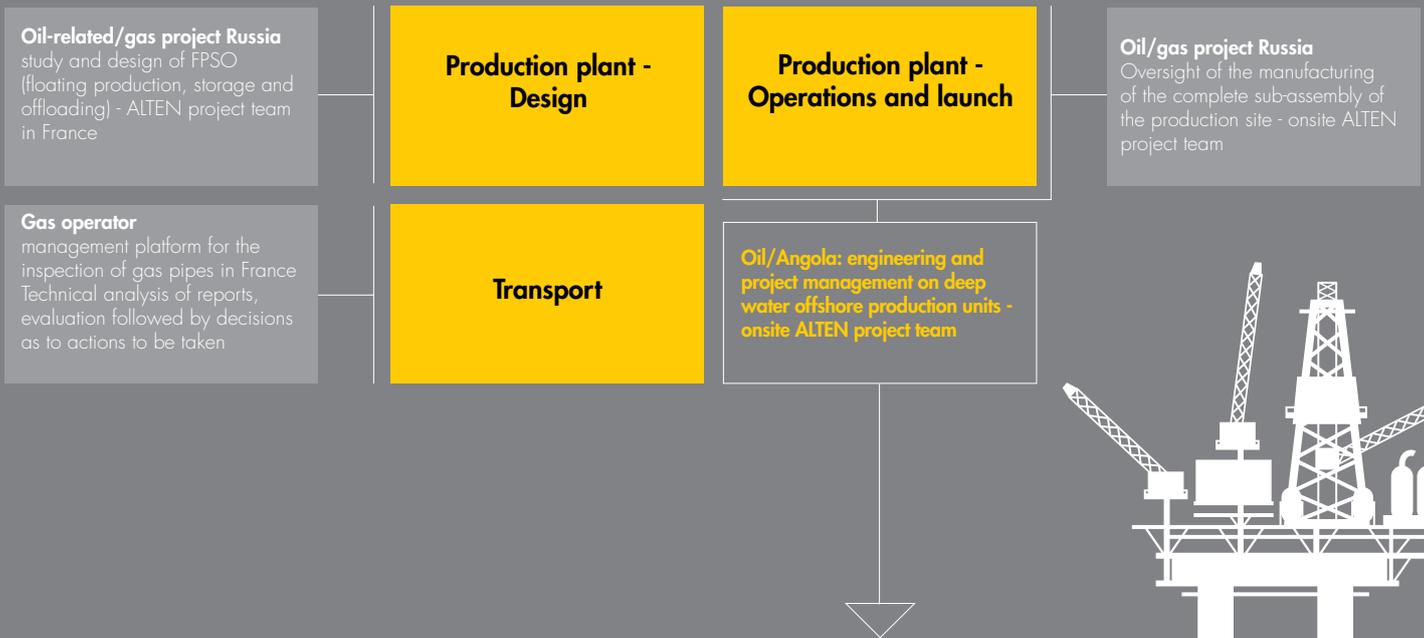
### **Market concentration**

Tensions in the oil and oil-related sector will encourage a wave of merger-acquisitions throughout the sector. This wave began in 2014 with the Halliburton-Baker Hughes merger and continued with Schlumberger obtaining a stake in the capital of Eurasia Drilling Company (EDC), the Russian leader in drilling, in January 2015. These mergers should give the companies involved more weighting in their commercial negotiations with the oil industry.

The oil giants are also on the lookout for small companies, particularly in the US shale oil sector, which has been considerably affected by the collapse in crude oil prices. The fall in prices will impact small players since larger companies will have opportunities to acquire these at a reduced price.



# Positioning and project examples



## Offshore Oil & Gas operations and export

**Xavier,**

Director of ALTEN Group Operations

"A low barrel price intensifies the refocusing of the market but at the same time ensures that oil products are competitive compared to alternative energy sources in particular.

2015 should be a year of consolidation in the Oil and Gas sector. One of our competitive advantages is that we are supported by major project listings. The supplier selection processes are demanding and require significant human investment. However once obtained, they allow access to long contracts (three to five years) that are less vulnerable, and at agreed prices.

The listings that we have recently obtained should allow us to survive the current period and, in particular, should help us prepare our response to the arrival of mass investments in 2016.

We will open branches in strategic countries so that we can build a close relationship with the different players, since proximity to Total in France is not sufficient. In Abu Dhabi for example, the local players are Total Abu Dhabi, of course, and ADNOC (Abu Dhabi National Oil Company) which is currently developing new elephant oil fields. Developing an onsite entity will allow us to be listed directly by the Emiratis. We have also initiated a programme to diversify our customers in order to better distribute our risks."





# HEALTH AND PHARMACY

**The health sector is undergoing a significant transformation in all stages of patient care. Boosted by technologies, methods for diagnosis, prevention or recovery (medication, intervention techniques) and the sharing of medical information with health professionals (doctors, pharmacists, home help, health insurance, etc.) change quickly and are increasing in performance, to the patient's benefit, while optimising the cost of health spending.**

The basic trends that impact the health market relate to the personalisation of health and care and research into greater patient empowerment. Thus, as part of the Horizon 2020 plan, the European Commission plans to invest €537 million of the budget in the sub-programme Personalising Health and Care in 2015, €195 million of which will be allocated to mobile health, which aims to encourage the self-management of health and illness.

A number of products and services are now offered to all stakeholders to streamline the sharing of information and empower the patient: home monitoring by the patient, smart bracelets, remote transmission on the data network and doctor consultations via a smartphone for diagnosis, sending of electronic prescriptions, automatic processing by health insurance and other bodies. Smart devices and information systems will play a significant role in the development of these new services.

The pharmaceutical laboratories, who invest heavily in R&D, without any guarantee that a product will be launched, are faced with the growth of generic drugs and the arrival of technological companies in the health sector. The pressure this places on margins will favour concentration of the sector and the reorganisation of production tools, in very standardised environments where certification and approval of drug manufacture equipment are critical.

## The critical challenges

### 3D imaging and medical diagnosis

The applications of 3D imaging are critical since they allow doctors to diagnose and make decisions more quickly, with greater reliability and relevance. The solutions are developed based on three priorities:

- Mobility (imaging tools available on smartphones and tablets);
- Cloud and data virtualisation ;
- Collaborative tools (informing and quick exchange of opinions, images and reports).

In the longer term, the two major trends in this field are 4D (temporal analysis of 3D images) and multimodality imaging, which combines different sources of information to enhance the quality of the diagnosis (scanners, MRI, ultrasound).

### Securing data at all levels of the chain for sharing patient information

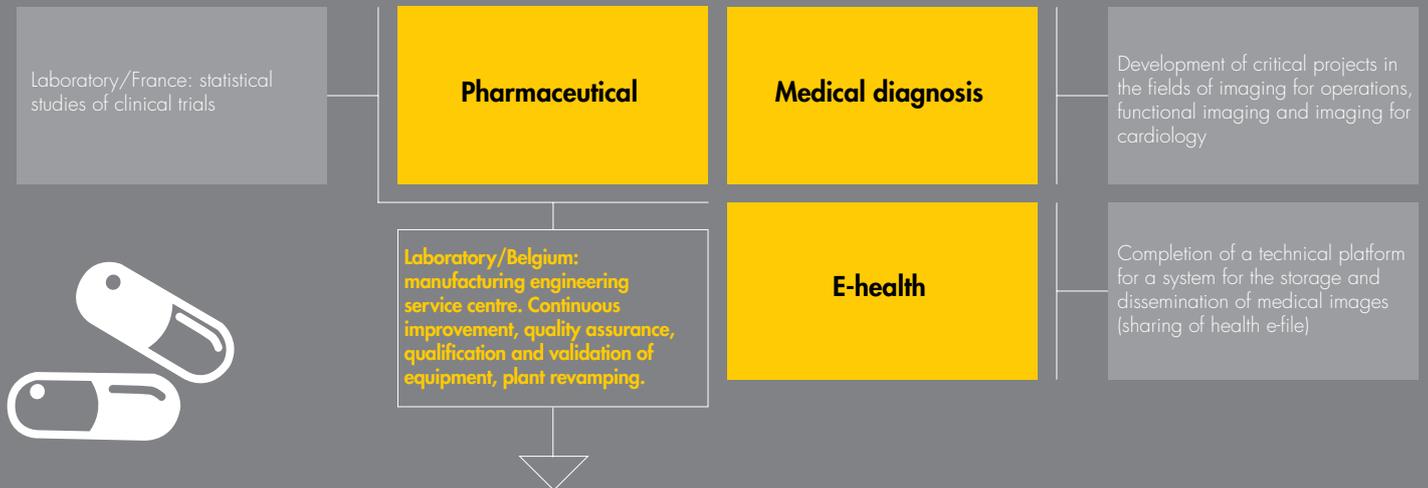
The development of smart devices aimed at self-management by patients and remote medicine cloud services increases the number of data communication interfaces between players: public-private bodies (hospitals, regional health agencies (ARS), clinics, home hospitalisation services), health professionals, manufacturers and insurers (social security, mutual societies and other supporting bodies). These new information and health technologies should be aligned in terms of objectives relating to security, confidentiality and information traceability.



Research into image processing for medical purposes or for personal assistance services began in 2011 within the Group's Research and Development Division. Some of these projects continued in 2014. They are managed jointly with laboratories of international renown and are the subject of three doctoral theses (CIFRE, industrial employment arrangement for training through research).

In the larger field of personal assistance services, work on the HomDocBot, a robotised device to help the elderly in their homes, continued in 2014, focusing on controlling the energy autonomy of the robot using an artificial intelligence approach. This work was complemented by the design of a solution to locate the elderly person in their home using a network of Zigbee sensors.

# Positioning and project examples



## Pharmaceutical laboratories: transnational support

**Mickaël,**  
ALTEN Manager Belgium

### What are the main challenges for pharmaceutical laboratories?

The research and discovery of new drugs and vaccines are the main challenges for responding to the needs of patients and health professionals. The pharmaceutical sector remains very competitive thanks to the growing importance of emerging markets; investments in R&D allow us to retain a competitive advantage. The production of new products is subject to increasing regulatory requirements under the control of the authorities (such as the FDA, AMM, ANSM, etc.). In order to be able to meet demand for vaccines and drugs, the pharmaceutical laboratories must constantly guarantee optimum quality in their products and processes to fulfil their commitments and the requirements of the sector.

### On what type of projects are ALTEN's services requested?

ALTEN supports its customers in the fields of engineering, quality, production and information systems, allowing the customer to focus on their core business.

By way of example, faced with the sudden development of Ebola in 2014, one of our customers urgently began to develop a vaccine which should be marketed in 2016. Several of our engineers are working on the certification and approval of equipment (IQ/OQ/PQ) with a view to produce this potential vaccine. Following an FDA inspection, one of our customers was subject to a number of observations, and thus had to very quickly put in place a strategy for intervention to

resolve the problems found. ALTEN's engineers and pharmacists provided support in record time to treat and resolve the deviations observed (abnormal event on the production line) and then implement CAPA (corrective actions). This type of intervention is not so clear since it requires knowledge of GMP (Global Manufacturing Practices) in a sterile environment, and the ability to intervene in an increasingly demanding environment.

Finally, as a generalist, ALTEN intervenes in other activities such as logistics and the Supply Chain, in the purchasing of raw materials, application and document development, and finally financial reporting.

### What are ALTEN's strong points?

Through its international presence, ALTEN ensures close proximity to its customers. In the pharmaceutical sector, our teams can intervene in Belgium and then Switzerland for the same customer, thus following the project from end to end.

Our recruitment capacity is also a real competitive advantage. Candidates available on the pharmaceutical market are in demand and very few and you therefore need to offer them interesting projects and an international career. In this context, ALTEN has created a transnational recruitment unit dedicated to this type of profile. ALTEN is increasingly positioning itself as a major player in this sector and our consultants are now our leading ambassadors both for new projects and new hires. Referrals play a major role and 20% of new recruits come from this process. This

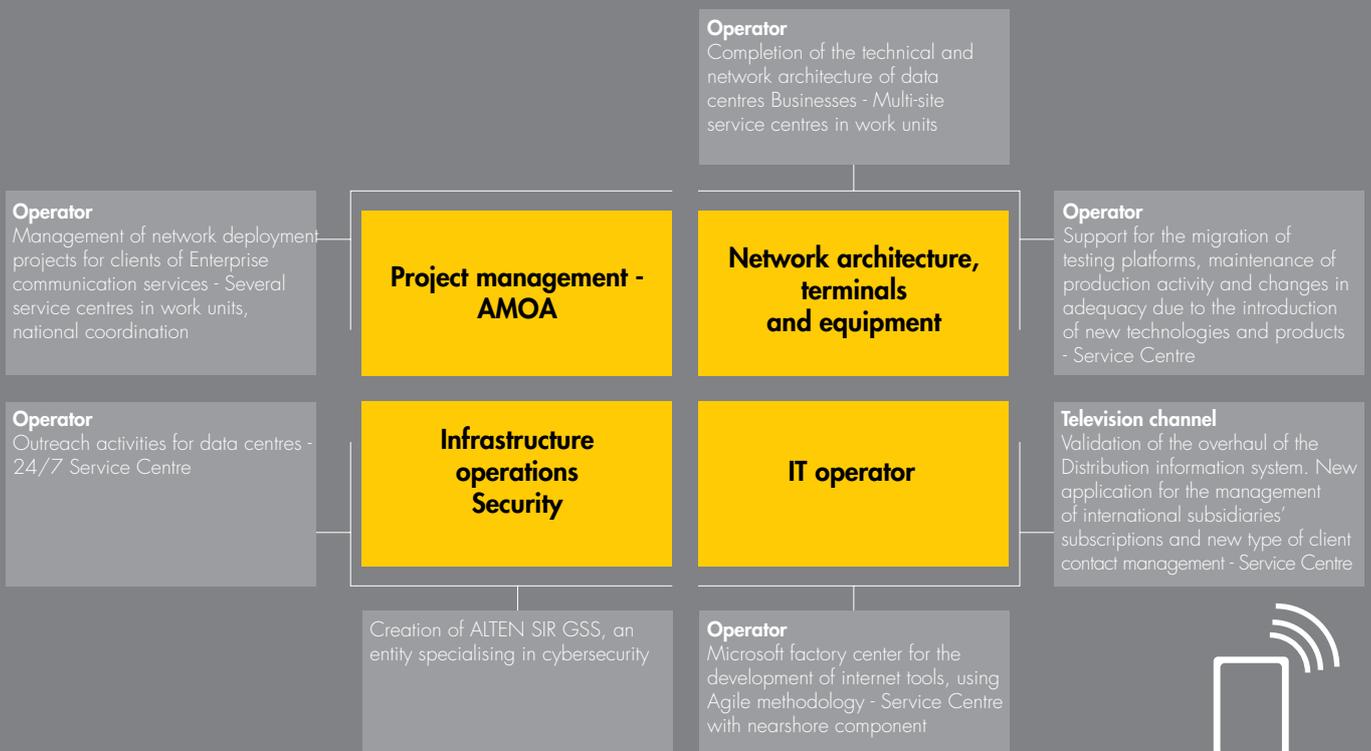
explains how we are able to build a team of more than 30 qualified engineers in record time.

### What are ALTEN's outlook and opportunities in the forthcoming months?

ALTEN is the partner of the six largest pharmaceutical laboratories in Belgium, France, Switzerland and Germany. The rapid development in Belgium over recent years means that we are confident in our ability to deploy in these countries. Our transnational model is an asset for customers who are constantly looking to optimise their network of suppliers without compromising on quality. Medical Technologies will most certainly be one of ALTEN's pillars of growth in forthcoming years.



# Positioning and project examples



## International development of the Telecoms and Media sector

**Marc,**

Director of International Development of the Telecoms and Media Sector

"There has been tension in the Telecoms sector for several years. This is mainly due to increased competition in Europe, which caused a reduction in prices for users and put pressure on operators' revenues and margins. The sector has entered a consolidation phase, with the reinforcement of pan-European players looking for global suppliers to support them in different countries and under different commitments, whether this be technical assistance or in integrated projects.

2015 is looked towards with more optimism due to a certain number of factors which were already present in 2014 but continue to develop:

- Continued investment in the sector, linked to the ever-increasing demand for fixed and mobile bandwidth. Investments in the deployment of mobile 4G and fibre (FTTH). R&D investments in programmes such as 5G or the virtualisation of network functions;
- Continued consolidation of operators in Europe, suggesting a halt to the reduction in revenues, measures for the internal reorganisation and rationalisation of suppliers, which could be beneficial to global suppliers such as ALTEN;

- Extraordinary development of digital uses: continued convergence of Telecoms/IT, multimedia uses, the Internet of things and industrial communication applications, E-commerce, CRM and the processing of user data (Big Data), etc.

ALTEN is a historical supplier in France and has a significant market share in this sector, mainly to Telecoms equipment manufacturers, and the main network operators and a certain number of multimedia players. By comparison, our presence outside France in this sector varies from one country to the other, whether in terms of activity type, or customer type. This therefore offers a significant margin for development.

To seize these opportunities and respond globally to operators' needs, we have implemented a programme to define and manage specific development plans per country, in relationship with commercial organisations in the countries concerned, and to develop a coordinated approach among European global Telecoms players, particularly manufacturers and operators. At the same time, we encourage, train and help our community of ALTEN managers to develop their activity locally.

2014 was a good year for the Telecoms and Media business internationally; the number of projects grew by 25% compared to the end of 2013. We have fixed the same objective for 2015, excluding any possible acquisition transactions. To achieve this level of growth, we must increasingly appear as a reference supplier, both locally and globally, capable of supporting our customers in their business objectives and operational transformations. We must also ensure the success of a certain number of strategic projects to be launched at the start of the year. Finally, we must support and respond to market demand for more outsourcing and structured projects, making use of ALTEN's know-how in this field."



# FINANCE & SERVICES

15.0 %  
OF 2014 REVENUE

**Banking and Insurance will face as many changes in the next five years as in the last 50. Pushed by new entries positioned in the 100% digital field, criticised for their governance and risk management, confronted with demographic changes and the growing economic power of emerging countries, they have no choice but to adapt their business models in record time. The champions of growth are those who adopted strategies of acquisitions, targeted internationalisation and very specialised innovations.**

## Basic trends

### Targeted internationalisation: reference markets

Given the economic weighting of certain emerging countries and the development of middle classes, banking and insurance institutions are restructuring their business activities and geographic positioning to invest in the Chinese, Brazilian and Indonesian markets in particular.

### Digitalisation: the new standard

Banking and insurance institutions must adapt their business model to the change in paradigm of customer proximity to that of customer accessibility, both in their distribution strategy and their customer relationship strategy.

However, less than two out of five executive officers consider that their customer services, IT and Marketing teams are ready for this change: the digital transformation in banking and insurance institutions is still too slow. Significant investments will be made in the forthcoming months, in response in particular to the Internet pure players, to ensure that the leadership is not lost to more flexible and proactive competitors.

## The critical challenges

The new information and embedded electronic technologies to improve the customer offering

Besides accessibility to services, the new information technologies provide an opportunity to propose personalised offers and premiums which are better suited to the customers' needs and expectations. The processing of Big Data, the monitoring of social networks or even the use of sensors facilitates the use of accurate customer information that can be used in the decision-making process or the design of new offers more suited to the customer's needs or experience.

These information technologies also facilitate the reduction in costs and risks for banking and insurance institutions.

A total of 86% of executive officers in insurance believe that the technological advances will transform their business model in the next three to five years.

### Combating the threat of cyber-insecurity

Choosing disintermediation by means of information technology, also involves multiplying the digital interfaces and data flows.

Although banking and insurance players are generally in compliance with the Internet security rules, not all look to anticipate the cyber-risk and yet 70% of banking industry leaders see cyber-insecurity as a real threat. Ensuring the cybersecurity of banking and insurance information applications and thus personal information and customer transactions will become not just a priority but also a competitive advantage for sector players.

Two new R&D programmes were launched in 2014 by the Group's R&D Division based on the themes of cybersecurity and Big Data.

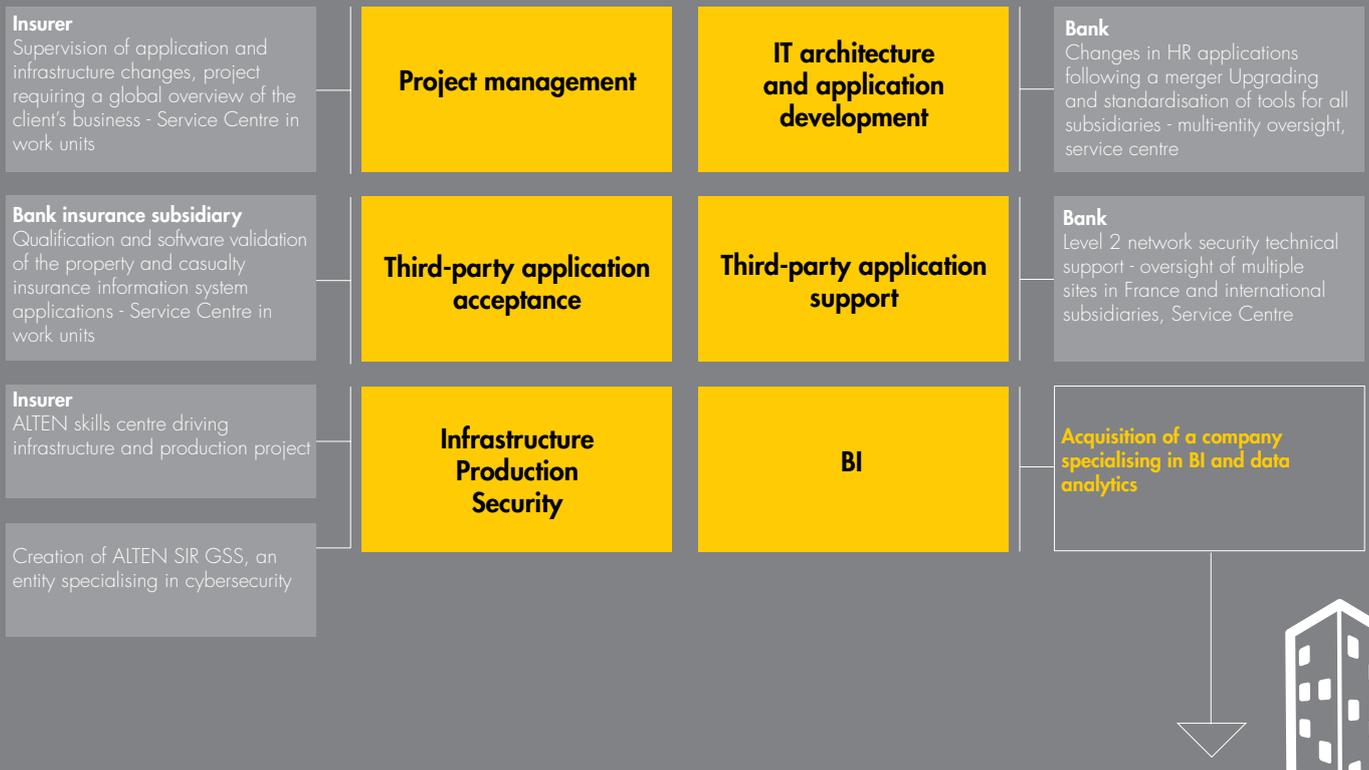
The BigData programme mainly focuses on issues relating to modelling user behaviour. For example, in 2014, R&D work was started on the processing of OpenData available in the Cloud relating to user behaviour.

Other work has also been carried out relating to smart vehicles, in particular to integrate Cloud data into collaborative driving devices. This work will continue in 2015, particularly to model and optimise the transportation of people in a multi-modal approach (walking, bicycle, car including car-share, bus, urban rail transport).

The Cybersecurity programme aims to take ethical issues into account, such as criteria for the design of system architectures processing personal data. The first projects launched in 2014 related to systems for the geolocation of people, specifically in the home. The initial results were promising and thus ALTEN will continue this work in 2015.



# Positioning and project examples



## How do we transform data and create value for the company?

**Damien,**  
Head of Data Development, ALTEN

"42% of all data will be machine-generated by 2020. By working with complex data on a large scale - in as close to real time as possible - to gain a competitive advantage, Big Data has become essential for banks, the major players in telecommunications, mass distribution and tourism, and the e-commerce sector.

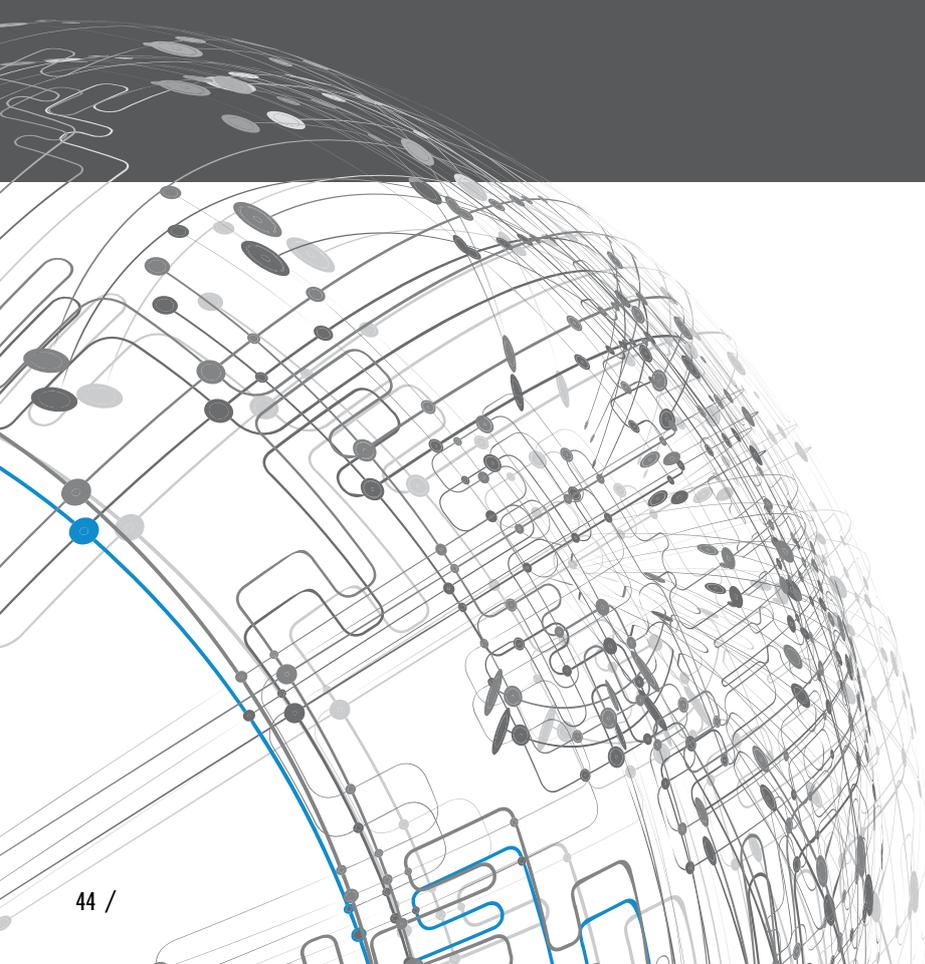
Faced with the challenges of Big Data, ALTEN has enriched its offering in Data Science services with the acquisition of Lincoln. This is a natural continuance of the Analytics and Data Mining activity undertaken over the last 20 years in banking, media and energy, to estimate, recommend, predict and anticipate churn and conversion rates, and to detect alerts.

Besides our technical expertise, our strength is the work we do with the Marketing, Risks, Fraud and R&D divisions, where we try to use the data business lines as much as possible to meet the challenges faced by operating officers, in order to transform data into new services and in particular to place data at the heart of innovation and business transformation.

The first observation that can be made is that Data Science exists independently of Big Data. It is a discipline that combines the different skills of Data Mining, Artificial Intelligence, Statistics and Machine Learning. Data Scientists have specific attributes in that they are very versatile and are able to split between data and business lines as

a result of their capacity to interrogate information systems - request, extract, transform data into knowledge, solve problems of predictive analysis - and translate all deliverables into opportunities and operational projects for the business departments."

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# 3

## Operational excellence and sustainable development



## Message from the Chairman and Chief Executive Officer

# Simon Azoulay

**“Our international development and our leading position in the Engineering and Technology Consulting market gives us a responsibility to all our stakeholders, be they employees, employee representative bodies, customers, shareholders, suppliers or partners.**

It is to meet stakeholders’ requirements, anticipate their needs and build lasting and trusting relationships with them that our Group has in recent years made sustainable development central to its growth strategy. ALTEN sees this approach as central to its commitment in favour of people and sustainable innovation.

Initiated in 2010 with the signing of the United Nations Global Compact, our commitment has been unceasingly expanded and strengthened since then. The internationalisation of our markets, swift change in technology and the growing demands of society in terms of responsibility have prompted us to take action.

Our corporate culture is shaped by core values shared by all of our employees, namely the development of human capital, engineering culture and the quest for profitable and sustainable growth. In 2014, we refocused our efforts on these core values. We also conducted a materiality analysis to identify as accurately as possible the expectations of our stakeholders and the challenges facing our business sector.

Our Group’s sustainable development approach accordingly addresses four major challenges:

**Be a responsible employer**, by promoting talent, skills development, career and mobility management, and personal development among our employees.

**Act as a corporate citizen**, to encourage the access of the engineers of tomorrow to employment, to promote the image and values of the engineering profession, and to support technological innovation.

**Take action for the environment**, by reducing our direct and indirect impacts.

**Position ourselves as a stimulator of innovation**, by assisting our customers, employees and students in the development of innovative and sustainable solutions.

In 2015, we will continue to rise to new challenges. As Chairman and Chief Executive Officer of ALTEN, I affirm my commitment to continuing the implementation of this approach in the Group’s various host countries in order to capitalise on individual initiatives, and to share our common values.

More than ever, we want to drive forward our sustainable development approach, measure our progress, submit to assessments and ensure we take a critical look at ourselves, to continually improve our practices in complete transparency.

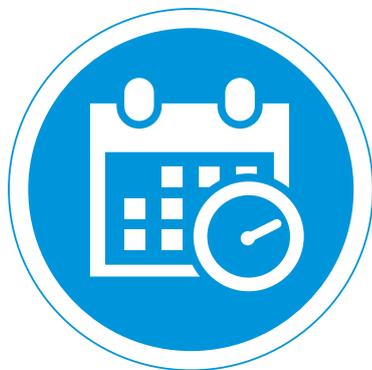
I am confident that ALTEN’s employees will take an active part in this process.”

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

# — Sustainable Development strategy

## Origins of our commitment

**ALTEN's sustainable development approach dates back to 2010, when we signed the United Nations Global Compact. Since then, a great deal of progress has been made in terms of our infrastructure, operational processes, management of human capital and support of social projects. The Group's sustainable development approach has grown, and been clarified and strengthened with the following key steps:**



### 2010

- Creation of a dedicated department
- Initial commitment to the United Nations Global Compact
- First Bilan Carbone® carbon footprint assessment
- Launch of the "Elles Bougent" partnership

### 2011

- Publication of the first Sustainable Development Report
- Distribution of the Sustainable Development Charter
- Distribution of the first Code of Ethics
- Mapping of the Group's stakeholders

### 2012

- Distribution of the Responsible Purchasing Charter
- First Top Employer® certification
- Winner of the National Grand Prix in Engineering
- Second Bilan Carbone® carbon footprint assessment

### 2013

- Launch of "Elles d'ALTEN"
- ISO 14001 certification
- Achievement of "Gold" status in the EcoVadis assessment

With its many achievements, ALTEN continued to reinforce its sustainable development approach in 2014, in two key ways: by aligning the strategy with the Group's values and deploying it within ALTEN units throughout the world.

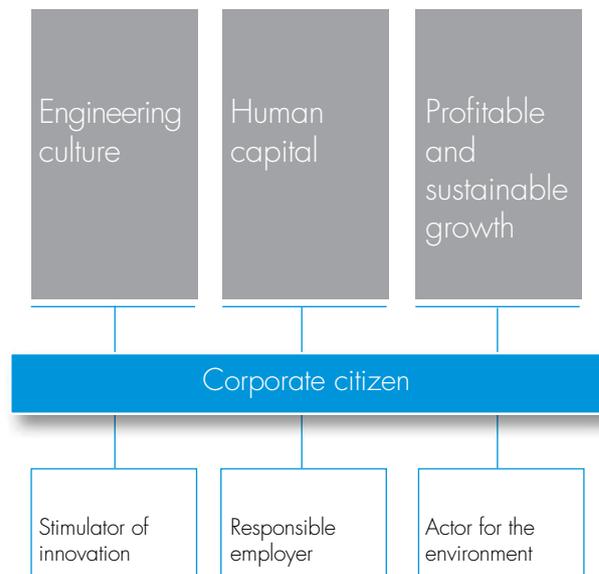
## Values, strategy and challenges

**The Group's corporate culture is shaped by core values shared by all our employees, namely the development of human capital, engineering culture and the quest for profitable and sustainable growth. The strategic thrusts of the Group's sustainable development approach have been aligned with these values, and are built on four pillars:**

- Responsible employer;
- Corporate citizen;
- Actor for the environment;
- Stimulator of innovation.

Moreover, to ensure the pertinence of its strategy, the ALTEN Group has elected to respect the materiality principle defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Issues are considered "material" for an entity if they can affect the company's short-term performance, determine its ability to achieve its strategic objectives, match best practice in its sector, alter the behaviour of stakeholders, shape change in the Group (new standards, new trends), etc. To identify its "material" issues, the Group mapped its stakeholders in 2011. In early 2014, it performed a materiality analysis based on an analysis of sector challenges, opportunities and stakeholder demands (see the section entitled "About this report").

Another highlight of 2014 was the deployment of the approach within ALTEN entities worldwide. The Group's aim is gradually to create a genuine network of sustainable development correspondents in its various host countries in order to capitalise on individual initiatives and innovations, and to share core values.



## Recognition

The ALTEN Group's sustainable development approach regularly obtains certifications, labels and ratings, demonstrating the Group's commitment and non-financial performance.



**Top Employer®:** for the fourth consecutive year, ALTEN received the Top Employer® label in France, awarded by the CRF Institute. This label highlights and rewards the Human Resources policy and investment in human capital made by the Group with a view to being a model employer.



**Ecovadis rating:** in late 2014, the ALTEN Group asked EcoVadis to assess, for the sixth consecutive year, the responsibility of its practices. The Group's sustainable development approach received a score of 72/100, allowing it to maintain its "Gold" level and ranking it among the top 2% of the companies rated by EcoVadis.



**Certification of the management system:** international standards are strategic tools and guidelines. The integration of the requirements arising from these standards in companies' management systems guarantees their optimum efficiency. ALTEN has obtained ISO 9001 and EN 9100 (aerospace sector) certification for its quality management system, and ISO 14001 certification for its environmental management performance.



**Health & Safety certification:** ALTEN has had MASE (manual for the improvement of company safety) certification since 2008 and CEFRI (certification for working in radioactive sites) certification since 2007, bearing witness to the efforts made and successes achieved thanks to its Health & Safety management system.



**Global Compact:** demonstrating the success of its sustainability commitments, in summer 2014, the ALTEN Group's Communication on Progress (COP), was classified in the "Advanced" level. ALTEN has been a signatory of the United Nations Global Compact since 2010.



**Trendence:** in 2014, ALTEN featured in the Trendence top 100 ranking of the favourite employers of students in engineering schools.

## Highlights of 2014

### Elles bougent

#### Simon Azoulay's chairmanship of the "Elles Bougent" association

Since 2009, the ALTEN Group has supported the "Elles Bougent" ("women on the move") association, which is committed to promoting the increased presence of women in high-level technical and scientific careers. In 2014, the Group's investment in the association increased significantly with the appointment of Simon Azoulay, Chairman and CEO of the ALTEN Group, as honorary chairman. Mr Azoulay will play a symbolic and very unique role, since this is the first time that the association, which encourages girls to aim for engineering and technical careers, has selected a representative of the Engineering and Technology Consulting sector to represent it alongside Marie-Sophie Pawlak, founding chairwoman of "Elles Bougent".



### Junior Entreprises Révélateurs d'esprit d'entreprise

#### Launch of the Open Mind Challenge

Building on its engineering culture and its premium partnership with the National Confederation of Junior Enterprises (CNJE), the ALTEN Group launched a major sustainable innovation challenge in 2014. The purpose of this competition is to reward innovative and sustainable projects by offering internships within ALTEN's R&D department to their graduate student advocates. In addition to the coaching, methods and management tools provided by the Group, students benefit from ALTEN's expertise in development and innovation, while retaining the intellectual property of their work when the project is completed.



**Performance of the second Bilan Carbone® carbon footprint assessment**

In 2014, the ALTEN Group performed its second Bilan Carbone® carbon footprint assessment, covering its operations in France. Since 2011, CO<sub>2</sub> emissions per employee have been cut by 7%. The main source of emissions is employee travel. Dating back to 2010, this determined approach has enabled the Group to identify its main impacts and implement targeted priority actions.

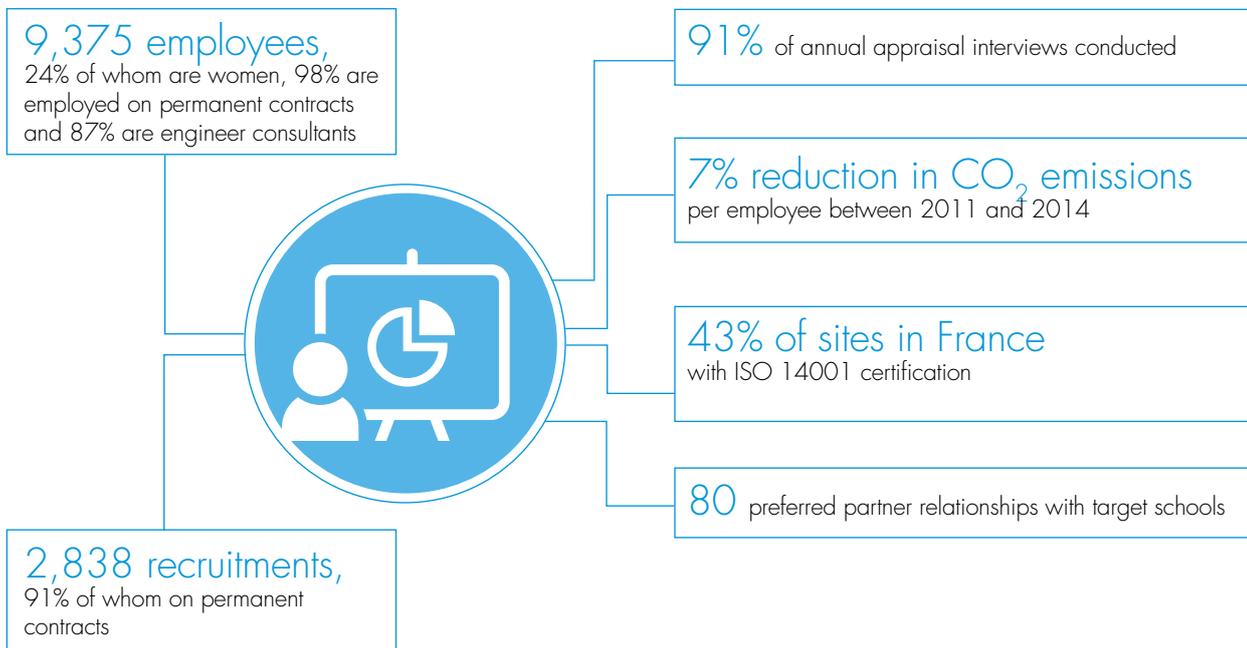
**Paperless payslips**

Since January 2015, the ALTEN Group has offered all of its employees in France the possibility of opting to receive their payslips in electronic format. Aimed at reducing the Group’s environmental footprint, and in particular its consumption of raw materials such as paper, the new approach serves to dematerialise and streamline the management of administrative records, while facilitating exchanges between the employer and employees.



**Key figures**

(Scope: legal entities in France)



# I. Responsible employer

The Group's people are the driving force behind its business.

ALTEN has implemented a dynamic human capital management policy focused on diversity and skills development. It aims to bring out and enhance know-how, and to encourage each and every talent to come to the fore.

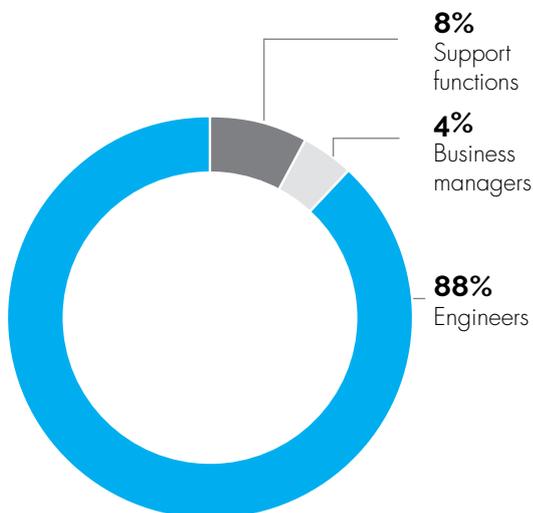
## 1.1 ALTEN, a major player in employment

### The Group's human profile

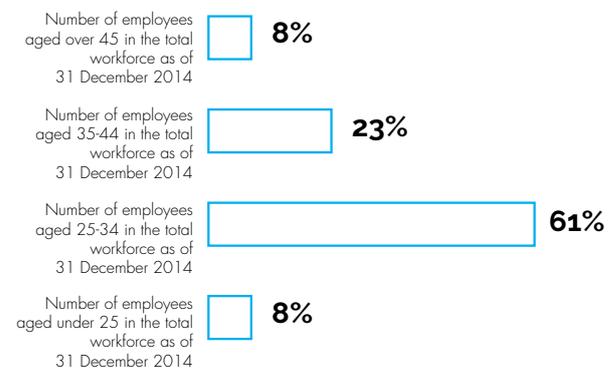
As of 31 December 2014, the ALTEN Group's workforce on the reporting scope under review\* totalled 13,899 employees.

	Number of female employees	Number of male employees	TOTAL	
France	2,250	7,125	9,375	67%
Germany	270	959	1,229	9%
Belgium	55	214	269	2%
Spain	352	921	1,273	9%
Italy	136	501	637	5%
Sweden	222	894	1,116	8%
	<b>24%</b>	<b>76%</b>	<b>13,899</b>	

Among them, 88% were engineer consultants and 94% were employed on permanent contracts in 2014.



On the reporting scope under review, almost 70% of employees were aged under 35. The average age in France was 32.



\*Reporting scope under review: see methodological note.

**Pro-active hiring activity**

In the context of a robust commitment, in which ALTEN's customers are becoming increasingly demanding in terms of quality and productivity, the ability to identify, hire, develop and promote the most talented people is of strategic importance.

ALTEN is a major player in the engineering job market in Europe. In 2014, the Group continued its active international recruitment policy, welcoming more than 4,500 engineers and high-potential employees into its teams on the reporting scope under review, of which 2,800 in France. Among them, 80% were hired on permanent contracts on the Group scope, and 91% were hired in France.

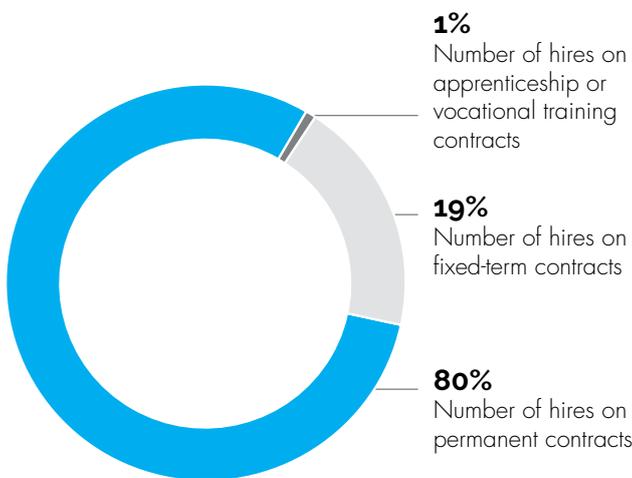
A genuine career springboard, ALTEN recruits many young graduates. The Group's teams of consultants work on the largest technology projects in the following sectors: Aerospace & Defence, Ground Transportation, Energy & Life Sciences, Telecom & Multimedia, Financial & Tertiary. They open up opportunities for development within sectors and geographical areas alike. This is why the Group requires its engineers to have life skills equipping them to adapt to rapidly changing environments, in addition to high-level technical skills and knowledge of the customer's industry.

To identify potential candidates as early as possible, ALTEN cultivates many ties with future graduates. Numerous events forging contacts with candidates are held each year:

- **The ALTEN Job Tour**, a veritable Tour de France of career opportunities, each year allows countless candidate engineers to meet ALTEN on its premises and to discover its activities. In 2014, over 450 candidates took part in the event in 10 cities.

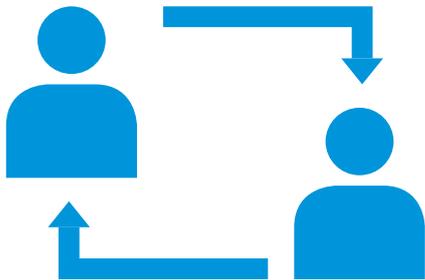


- The Group also takes part, in France and throughout the world, in numerous **job fairs and specialised recruitment forums**. These events are an opportunity for students and graduates to meet recruiters, to discover career opportunities and to benefit from a wealth of recruitment advice from professionals. In 2014, ALTEN participated in 80 fairs and forums in France. In Belgium, the Group has partnered with LSM Conseil, a junior enterprise, offering annual, technical and functional workshops for students of the Catholic University of Louvain La Neuve. In 2014, four workshops designed specifically to meet the junior enterprise's needs were held in the following areas: Introduction to Project Management; Team Leading; the Java Script community; and commercial prospection and Business Development. ALTEN's Senior Manager in Belgium also attends the Board meetings of LSM Conseil every year.



This recruitment trend is underpinned by an industrialised skills analysis process to identify and recruit high-level profiles. In 2014, ALTEN also ranked first in the "Challenges" Top 20 companies recruiting the most managers. The exclusive survey by "L'Usine Nouvelle", conducted at the very end of 2014, also placed the Group among the top 10 recruiters in 2015.

- In addition, the Group maintains **close partnership relations** with many engineering and business schools. In France, ALTEN has an active commitment alongside more than 80 target schools, and regularly organises both HR workshops (mock interviews, CV workshops, etc.), and trade and technical conferences (trade conferences, consultant testimonials, etc.). Thanks to the opportunities created by the Group's R&D work, support is offered every year to students preparing doctoral theses deemed to have a particularly high level of quality and technical content. In Germany as well, ALTEN GmbH has identified 40 strategic universities and takes part in numerous activities such as recruitment evenings, interviews, presentations, workshops, etc. Spain and Italy are also very active: partnerships have been forged with over 40 universities in each country.



- Lastly, 2014 saw the launch in France of the **"Backstage"** evening and the **Chat Live** online service. During this convivial and professional recruitment evening reserved for internships, 80 students were invited to the Group's headquarters to take a first-hand look at the Group, its business activities and internship opportunities on innovative projects. Two online Chat Live sessions, hosted by the Director of Engineer Recruiting, allowed participating students to ask questions about the Group's businesses, projects and opportunities.

Forging 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 promotion of job applications by employees. This system currently represents 12% of hires in France. 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. ALTEN is proud to see its employees share the Group's values in their networks.

Lastly, the Group is making itself increasingly visible on social media and the Internet. Highlighting initiatives, sharing links and relaying information, exchanges, profiles and interviews of consultants: ALTEN has active Facebook and Twitter accounts, as well as a dedicated YouTube channel. The Group also runs several information and opinion-sharing hubs on the Viadeo and LinkedIn professional social networks.

On the reporting scope under review, the number of departures, for all reasons combined, totalled 4,035, of which 2,743 in France.



## The ALTEN Innovation Centre

The ALTEN Innovation Centre has for several years welcomed engineering school students, allowing them to complete their internships in the most instructive environment possible.

This original approach implemented by ALTEN is built on four pillars:

- **Challenging subjects:** interns are responsible for the development of an innovation containing a sustainable development dimension (environmental or societal).
- **Accountability:** interns are responsible for both the implementation and the management of the work entrusted to them. This places them at the heart of three major phases that form the backbone of all innovative projects at ALTEN: framing, modelling and prototyping.
- **A rich methodological environment:** interns develop their project in accordance with the framework drafted by ALTEN for the development of innovation, and use ALTEN's Agile methodology for innovative projects.
- **Dedicated support:** trainees are placed under the responsibility of an ALTEN expert to advise and guide them in their approach to innovation. In this way, they are "coached" more than managed.

Complementing this approach, the ALTEN Innovation Centre organised the first edition of the ALTEN Open Mind Challenge in 2014. The competition is open to teams of engineering school students working on innovative and sustainable technology projects. The winning team is invited to work towards the realisation of its project through end-of-course internships within the ALTEN Innovation Centre.



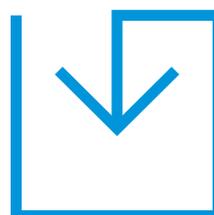
### Industrial relations and collective agreements

See parts "17.4 Collective agreements" and "17.5.5 Employee relations" of this document.

Data presented in this report relate solely to the Group's entities in France. However, ALTEN is in the process of identifying information on industrial relations in the other countries where it operates.

### Remuneration and profit-sharing

See parts "17.3 Agreement on employee profitsharing" and "17.5.7 Remuneration, mandatory and discretionary profit-sharing and savings plans" in this document.



## 1.2 Career management, internal mobility and training

### Enhancement of all talents

Being a responsible employer means making the development of human capital a priority. With a view to relying in the first place on its employees in its international expansion, ALTEN has also implemented tools to collect and organise requests for mobility.

A Top Employer© since 2012, ALTEN has implemented a dynamic HR management policy focused on diversity of career paths and skills development. This allows each employee to keep their skills up to date and enhance their employability, and the Group to secure its growth prospects by identifying the skills needed now and in the future.

The career management of engineer consultants is driven by internal processes implemented by business managers and the Engineering Careers Department: annual appraisal interviews (over 4,000 in 2014, or 93% of notional engineer interviews) serve to identify skills that have been acquired and those that must be developed, to take note of training requirements and to frame development plans. Career interviews are an opportunity to reflect on the direction taken by the career path. The integration of new employees is also the focus of special attention, with comprehensive customised paths combining e-learning, group training and on-site coaching.

At the same time, HR committees are in place to evaluate employee performance and skills consistently and fairly. They also provide a means of offering employees horizontal and vertical job development, or work in other geographical areas.

At the end of 2014, ALTEN also introduced a new platform for engineers, managers and recruitment staff to fine-tune the mapping of skills and optimise the search for profiles matching customer needs.

Through these various mechanisms, ALTEN encourages internal mobility, in France and internationally, for all employees. This mobility allows all employees to develop their skills, giving a boost to their careers and expanding their horizons through the discovery of new cultures. In 2014, for instance, 125 employees in France, and 150 in the reporting scope under review, were recruited by means of inter-company mobility.

The Group's subsidiaries also take care to deploy customised tools to identify and develop their talents. In Germany, for instance, ALTEN GmbH has developed two customised coaching programmes to support managers or consultants at every stage of their careers. In Italy and Belgium, all employees are offered annual interviews.



### Skills development and enhanced employability

ALTEN is at the heart of a constantly changing world. The Group's training policy takes into account these changes and prepares for the tomorrow's challenges, with the main objective of adapting the skills of its employees to the needs of the market and supporting them in their professional projects.



Each Group entity has its own specific training department, giving it greater proximity to employees. Moreover, the Group's internal university, the ALTEN Training Centre (ATC), an accredited training organisation, promotes internal training, and structures and diversifies training opportunities for all employees, regardless of their job. It is also a platform for dialogue and a source of role models, thereby generating genuine internal cohesion.

The ATC has three flagship programmes:

- **AMPLIFY:** designed to improve the performance and support the development of business managers.
- **ALTEN Way of Project Management:** designed for project managers and engineers, with the aim of deploying internal project management methodologies. Depending on the level of project management and the needs of consultants, joint training is also possible, covering both practical expertise and life skills, including: the fundamentals of project management, written and oral communication skills, cross-cutting management, work-package management, etc.

- **People management:** focused on the development of shared management practices, this management training programme for support functions was reinforced in 2014. A framework of managerial skills has been built to create a training programme tailored to each career path. This training programme has several components: classic face-to-face training, self-assessments, "rapid learning", co-development, etc.

In 2015, these courses will systematically be organised in conjunction with any job promotion with management.

More technical programmes are developed for specific jobs based on the capitalisation of the knowledge of our experts (HR, finance, nuclear, rail, etc.) and cross-cutting programmes related to security, sustainable development, etc.

The ATC offers a comprehensive range of courses using diverse and innovative teaching methods: face-to-face training, co-development, practical training workshops, e-learning and distance learning. The wealth of the training programmes offered by the ALTEN Training Centre is a means of continually enhancing the employability of our staff.

Offering its employees an educational and collaborative environment is a key means of equipping ALTEN to rise to the challenges of tomorrow.

**FOCUS ON E-LEARNING**

The development of new technologies has prompted ALTEN to take a new approach to training. E-learning platforms are now available. This solution offers modules tailored to the Group's businesses through "rapid learning" for the integration of newcomers, the support of management or the development of knowledge through technical resources provided by business experts. The "induction package" offers all newcomers a presentation of the Group and its commitments through a selection of e-learning modules on Jobs, Safety, Environment and Diversity.

- In 2014, in France, 91,000 hours of training were given on the reporting scope under review. A total of 3,400 employees attended at least one training session, or nearly 40% of employees.
- In Belgium, the ALTEN Associate Programme aims to stimulate the integration of high-potential young employees by offering training on skills development or project management. It also promotes exchanges between consultants during meetings and conferences. A similar programme, known as "AssPro", has also been deployed at Quasus, the ALTEN solution in Belgium. This course consists of a series of advanced technical training workshops spanning three weeks for newcomers.
- In Spain, an innovative solution known as "I Cloud" has been deployed to solve the difficulties in providing face-to-face training for employees. This effective and dynamic tool helps improve the knowledge of employees and promote their professional development, while at the same time improving ALTEN's customer service.
- In Sweden, many modules focused on employees' personal development are available: health and wellness, stress management and technical maintenance.
- At ALTEN Technology in Germany, English, German and French language courses are immensely popular. Over 7,000 hours of classes were taught, and 40% of employees attended at least one of these language courses.
- In Germany, Belgium, Spain, Italy and Sweden, more than 64,000 hours of training were provided, covering 62% of employees.



## 1.3 Diversity lies at the core of the Group's HR policy

**At ALTEN, diversity fosters the Group's values and its Human Resources policy. It wipes away traditional fixed ideas about engineering careers.**

### Engineering is multicultural

In every country where it operates, cultural diversity is very real for the ALTEN Group, a genuine melting pot of skills and employee profiles. Internal mobility, the Group's international growth and recruitment excellence underscore this diversity: Skills know no boundaries! In France, for example, the Group's headcount is made up of over 70 nationalities.

### Engineering careers are not reserved for men

While only 18% of graduates from ALTEN's targeted engineering schools were women in June 2013 (compared to 17% in 2012), women accounted for 24% of the ALTEN Group's workforce as of 31 December 2014. This figure has been growing gradually for several years: 23.2% in 2013, 22.7% in 2012.

ALTEN takes measures to promote gender equality. In 2014, regardless of function, 42% of women within the reporting scope under review benefitted from at least one training session during the year. Their development is managed by HR committees and annual assessments, using the same criteria as for their male colleagues. On the Board of Directors, they account for 38% of members.

Furthermore, in 2013 the Group formed the "Elles d'ALTEN" internal network composed of women engineers from the Group. The objective is to enable cross-sectoral exchange between women colleagues, promote gender balance and female leadership within the Group, and to facilitate the development of the recruitment of women engineers. Coaching workshops have been organised to tackle the issue of self-image which differs between women and men, and the stereotypes that are still firmly in place concerning the supposed difference between men and women concerning know-how and ability. Since the autumn of 2014, the introduction of a dedicated bimonthly newsletter has been keeping ALTEN's women engineers fully informed of network news, key figures, portraits, events not to be missed and a series of selected articles. This network also forms a pool of

potential female sponsors for the Group's actions with the "Elles Bougent" association.

### Engineering careers are compatible with disability

Both in France and abroad, ALTEN is tackling the problem of the shortage of disabled engineer candidates, confronted by a lack of infrastructure for higher education, and sometimes by preconceived ideas. The Group is gradually implementing a Disability Policy, with pragmatic responses to the issues involved in hiring disabled people, keeping disabled ALTEN employees in their jobs, and strengthening the Group's links with the sheltered employment sector. In 2013, the ALTEN Group in France developed a first e-learning module to facilitate the integration of disabled people into the company, under the name "Handicap en entreprise, tous concernés!". There is now a second module available concerning incapacitating diseases and working life. This approach, driven by the ALTEN Group Management, is relayed by internal communication campaigns.

See also section "17.5.3 Employment and integration of employees with disabilities" in the present report.

### ALTEN SPAIN IS FULLY COMMITTED TO EMPLOYMENT FOR THE DISABLED

With its ALTEN Plus programme, ALTEN Spain is actively engaged in the social and professional integration of people with disabilities. Over and above internal training and awareness programmes for employees, ALTEN Spain is promoting a host of projects in collaboration with a number of associations. For example:

#### Skills patronage

In Madrid and Barcelona, ALTEN Spain has introduced a skills patronage system for employees in between contracts, designed to support the fabric of Spanish associations that serve the disabled. Since 2013, more than ten committed volunteer consultants have made their technological knowledge and skills available to help eight associations.

#### The "Programa Unidos" project

In partnership with the Madrid Polytechnic (UPM), the Adecco Foundation and front-running Spanish engineering firms, ALTEN Spain has been a part of the "Programa Unidos" project since September 2013. With this programme, firms support and guide disabled students throughout their schooling so that they may acquire the skills and aptitudes



they need to further a successful career and their advancement in the business world.

In particular, the project has materialised in a mentoring programme through which ALTEN employees support an engineering and technology student for a minimum period of one year.

**Disability-friendly sports clubs**

For the third year running, ALTEN Spain has continued to support disabled children via an aid programme intended for disability-friendly sports clubs.

The project, aimed at social inclusion and improved quality of life for children, today benefits over 400 young Spaniards.

**Engineering has no age limits**

While the average age of ALTEN employees is relatively low (in France, the average age is 32 and within the reporting scope under review almost 70% of the Group's employees are younger than 35), the expertise of more experienced employees has helped to capitalize key knowledge and skills for the Group. The Group has a dedicated process for managing their career paths, comprising a "second half of career" interview and special access to training. At the same time, ALTEN ensures that their expertise is passed on to the Group's young graduates, interns and those on work-study placements.

The Group takes on many young people through internships, apprenticeships or work-study schemes, mostly in the support function areas that are better suited to this type of contract. Each young person is supervised by an ALTEN tutor, responsible for helping the new employee settle in and his or her satisfactory performance. The tutor passes on his or her knowledge to the student, ensuring that they gradually acquire new skills in accordance with the training programme and their future profession. 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 the best potential future employees.

**Some figures in 2014:**

- 237 internships completed
- 66 people hired on contracts of apprenticeship or vocational training

**ALTEN AND THE JOB CENTRE "PÔLE EMPLOI" PREPARE UNEMPLOYED YOUNG ENGINEERS FOR THE PROFESSION OF DEVELOPER.**

The shortage of developers in the job market today translates to over 10,000 engineers in France and the needs for occupational skills are growing.

Buoyed by a successful pilot scheme at one of its subsidiaries over the first half of 2014, ALTEN has again decided to launch a POE programme (Operational Planning for Employment) in partnership with "Pôle Emploi" to train young graduates who have no experience in the profession of developer.

Over the second half of 2014, 26 young people were given training in the following fields, with a permanent contract at the end:

- .NET and new technologies for digital markets and general consumer sites showing very high growth
- Network and security technologies
- Mainframe technologies, still very widely used these days

"These training programmes cover a very wide spectrum of professions, from system architecture to project management, and enable trainees to access levels of expertise that have very high market value. Our ability to roll out these training schemes with a greater number of young graduates in the future is a highly effective solution for growth and employment," says Jean-François Guyomar, Executive Vice President Responsible for the NTIS division at ALTEN.



## 1.4 Safety, Health and well-being in the Workplace

### Employee safety

The safety of our employees is a top priority. The Group is rolling out a comprehensive health and safety programme concerning its employees, with regard to the requirements of our customers, regulations and high standards set internally. This strategy is based on:

- Risk prevention, which consists in identifying all risks to which employees may be exposed, raising employee awareness of those risks and ways to reduce them, and dialogue and communication with the Health and Safety Committee. All the Group's subsidiaries reaching the relevant regulatory thresholds organise CHSCT meetings, convened as often as the law requires;
- Training, with a proactive approach to both regulatory and voluntary schemes. In 2014, almost 11,000 hours of training were dedicated to safety, and since 2011, 342 managers have attended stress management training sessions.
- Awareness training for employees regarding specific risks are regularly organised on site. The "Health, Safety & Environment" booklet, launched at the end of 2012 and circulated to all employees, is the reference document for awareness-raising;
- The provision of dedicated equipment, such as personal protective equipment. In addition, since 2012, all of ALTEN's sites have been equipped with defibrillators;
- Monitoring regulations and standards enabling ALTEN to respond to and anticipate safety regulations as early as possible.

Furthermore, ALTEN has had MASE (Manual for the Improvement of Company Safety) certification since 2008 and CEFRI (Certification for Working in Radioactive Sites) certification since 2007, bearing witness to the efforts made and the success achieved thanks to procedures and the manner in which the Health and Safety management system operates.

In 2014, 51 last-time accidents were reported in France (excluding commuting accidents). Rates of occurrence and severity stood at 3.6 and 0.03 respectively.

See also section "17.5.6 Health and safety" in this report.



### SAFETY, A TOP PRIORITY!

At ALTEN, safety awareness training is automatically provided to new employees. Depending on the positions, projects and needs, more specific technical training may be given.

The ALTEN e-Training Centre platform offers employees a number of modules focusing on the health and safety of employees within a company: awareness and information focusing on industrial risks, the Ebola virus, conditions of usage for hydrofluoric acid, stress management, etc. Consultants moving up to a role of project manager are given dedicated training in safety management under an e-learning programme, and are also supported by the department responsible for Quality, Safety and Sustainable Development. Furthermore, in September 2010, a new e-learning programme was launched focusing on the fundamentals of eco-driving. This training is an integral part of the safety policy for Group employees, given the fact that commuting accidents are still the main cause of all recorded work accidents.

### Organisation of working time and absenteeism

In 2014, the part-time workforce represented 2% of employees in France.

Within this same scope, 27,916 hours of overtime were worked.

Levels of absenteeism reflect the aggregate of days of absence through sick leave and work or commuting accidents. In 2014, it amounted to 1.70%, steady compared to the 2013 figure.

No occupational disease was reported within the ALTEN SA perimeter.

ALTEN,  
TOP EMPLOYER© 2015



For the fourth year in succession, ALTEN was named Top Employer© France 2015, which rewards companies for their HR policy deployed in 2014.

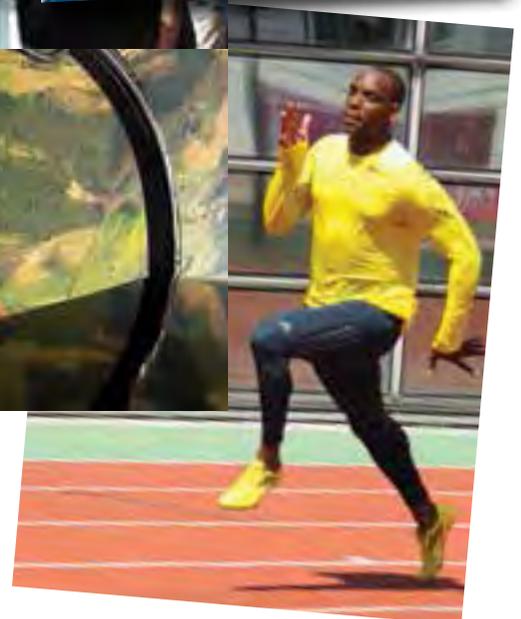
The awarding of this label is based on an internal audit built around a reference frame of 400 HR practices covering different aspects of human resources: training, development, career management, diversity, welfare policy, societal responsibility, communication, corporate culture, etc.

ALTEN stands out for its young talent management and development policy, its large-scale training agenda, and its role as a career springboard in particular for young graduates.

**Professional quality of life and employee development**

The ALTEN Group is committed to implementing concrete actions designed to promote the development of talent, quality of life at work and welfare in the workplace. As a result, a large number of recurring or one-off actions have been introduced in France and in the Group's subsidiaries abroad:

- Through the internal "Our personnel has talent" programme, for several years now ALTEN has been sponsoring different forms of action conducted by employees outside their business activities, either their own favourite pastimes or personal initiatives in the fields of sport, humanitarian action, science or culture. ALTEN encourages and promotes young talents acknowledging their diverse nature. In 2014, the Group sponsored J r my, an agency manager and endurance rider competing on the international racing circuit. ALTEN also enabled Marine, Key User ADV (Sales Administration), to realise her humanitarian project in India; and also Delphine and Antoine to compete in a season of aerobatics tournaments.



- ALTEN employees are the Group's finest ambassadors. This is why the Group uses employees' real experiences for in-house flyers, posters, the intranet and other communication media. For instance, the latest recruitment drive for ALTEN France highlights men and women from the Group who dedicate their energy and talent to innovation on a daily basis. In Germany too, a similar event was launched at the end of 2014.



- Lastly, to promote the everyday health and welfare of employees, the ALTEN Group encourages and supports numerous ad hoc actions all over the world. They include express weekly massage sessions for staff at the Group's registered office; the forming of ALTEN-sponsored running teams for races in France (in particular the Soli'Run and the Parisienne), in Belgium (the Brussels 20 km race and the Brussels Ecotrail), and in Germany (the Munich marathon and semi-marathon); and finally regular awareness campaigns for a healthier lifestyle or incentives for people to favour cycling over cars for commuters employed by ALTEN GmbH in Germany.

#### A SPECIAL SUSTAINABLE DEVELOPMENT EDITION FROM THE IN-HOUSE SPONSORSHIP PROGRAMME

In 2014, employees were proposed a special edition focused on sustainable development. Around ten consultants, support functions and even apprentices joined the challenge, thereby expressing their spirit of initiative, their creativity and their values. The ALTEN in-house sponsorship committee convened at the year's end to give their verdict on the proposed projects. Proposals were shortlisted and four were selected.

Focus on the top prize awarded:

Naïm, an ALTEN consultant, is a member of the Colombbus association. This association organises the Tangara workshops for 11 to 16 year-olds. These are a stepping-stone to the discovery of digital domains through a programming apprenticeship scheme. The goals of this association are manifold: to promote "active" use of computers, to raise awareness of digital domains, to promote success for all and equal opportunity, and to develop creativity and entrepreneurial spirit.

Through this special edition dedicated to Sustainable Development, the ALTEN Group is reasserting its determination to support the sustainable commitments and convictions of its employees. The award-winning projects were selected for their originality, their technical or associative nature, and the level of personal involvement from their promoters.

Naïm's project in particular swayed the jury on account of the very strong link with technologies, its pedagogical nature and its objective of promoting the professional integration of underprivileged sectors of the population.



## II. A corporate citizen

**Student entrepreneurship, awareness-raising initiatives for girls... ALTEN is committed to the outreach of engineering professions and careers in science and engineering. The Group is also very keen to maintain its relations of trust with all stakeholders. It is the framework within which pro-active processes for information security, ethical standards and responsible procurement are set up.**

### 2.1 Promoting engineering professions

Through privileged partnerships, the Group shares its skills and experience and prepares today's talented young individuals to meet the challenges of tomorrow. ALTEN also highlights initiatives and projects led by outstanding engineers by offering two trophies.

#### Confédération Nationale des Junior-Entreprises

After three years of active collaboration, in 2014 the ALTEN Group confirmed and renewed its premium partnership with the Confédération Nationale des Junior-Entreprises, which develops and promotes France's leading confederated student movement. Its mission is to coordinate, support and create exposure for 160 Junior Enterprises (JE), i.e. student associations located across France in Grandes Ecoles and universities.



A long-term venture, this partnership is based on a determination to promote and spread the entrepreneurial spirit among students through bridges to the business world. It also allows the Group to enjoy privileged ties with potential future candidates who show a distinct entrepreneurial leaning, people likely to be hired by the Group as business managers, in support functions or as high-potential project engineers.

In addition to financial support, ALTEN helps young entrepreneurs through skills-transfer sessions to develop their study subjects as a group and build their individual career plans. Accordingly, in 2014, the Group attended all the regional and national conventions organised by the CNJE. ALTEN employees have trained over 1,000 junior entrepreneurs by way of project management modules and intensive training in business prospection. Lastly, the Group coordinates development projects with a number of JEs. In particular, ALTEN annually audits the Junior Entreprises before awarding the "Prix d'Excellence" and "Label Ingénieur", which reward respectively the year's best Junior Enterprise and the best engineering study carried out by an engineering Junior Enterprise during the year. In 2014, the Prix d'Excellence was awarded to Junior Supélec Stratégie (J2S) and the "Label Ingénieur" to Junior ISEP. Another noteworthy item this year

was ALTEN's participation at the Challenge Junior Pérenne awards, in recognition of the JE best placed to maintain and develop its level of performance.

#### ALTEN'S PREMIUM PARTNERSHIP WITH THE CNJE:

A testimonial from Anina Munch, a student at HETIC and Chairwoman of the CNJE since the 1 July 2014

"The Junior Enterprises movement represents more than 17,600 students, who take action every day in the French Grandes Ecoles and universities so that students are able to develop new skills all over France. We have three Premium partners, including ALTEN, in attendance at our conventions, no fewer than 16 each year assembling 200 to 300 people. At each event we are delighted to welcome Managers and Recruitment Officers from ALTEN.

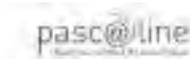
The purpose of these meetings, in particular, is to provide training for Junior Entrepreneurs in association management. To this end, we very much count on the experience of our partners and their willingness to share it. For its part, ALTEN is also involved with the theme of performance when faced with prospects at simulation workshops.

Junior Entrepreneurs are almost always very happy with the input provided by partners such as ALTEN. What is more, we have excellent quantified feedback from opinion polls. A whole day of work and exchange creates close ties between Juniors and ALTEN managers.

We also organise two national conventions each year, in May and November, during which a number of trophies are awarded for success stories, involvement and best practices. In May, ALTEN awards the Prix d'Excellence and the Label Ingénieur; in November it gives out the Prix du Challenge Pérenne, which rewards the JE with the most promising operations.

ALTEN also proposes training programmes. Here again, our partnership produces a large number of interviews and gives excellent results. We are proud when our Junior Entrepreneurs, who usually show a great capacity for initiative and responsibility, join ALTEN teams, people who appreciate profiles marked by independence and quality."

## Pasc@line



ALTEN also gives its backing to initiatives from the Pasc@line association to promote professions in the digital sector to junior and high-school students. The objectives are to raise awareness among young people, especially girls, of the professional issues at stake with the digital revolution, to help educational institutions communicate more effectively on the opportunities and professions available to young people from all backgrounds; to adapt teaching programmes to better prepare young people for the needs of businesses in an international environment and reassure them over employment prospects; and to work on understanding and anticipating the evolution of digital professions. ALTEN's presence on the Board of Directors and the Communication Commission allows the Group to exchange and cooperate with teaching establishments and other professionals in order to develop the diffusion of digital culture to all levels of teaching and, beyond that, to corporate executives.

2014 was an excellent year. Buoyed by his support for and growing involvement with the association, Stéphane Dahan, Director of Engineer Recruiting, was named co-chairman of the Communication Commission in order to further promote corporate actions during the financial year.

## "Elles Bougent"

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" ("women on the move") association sets great store in the value of meetings and testimonies from professionals to promote increased female take-up of high-level technical and scientific careers. Around 15 ALTEN women sponsors - managers and consultants - take part in events with the association to share how passionately they feel about their profession.

- In 2014, ALTEN's investment in "Elles Bougent" was considerably strengthened when Simon Azoulay, Chairman and Chief Executive Officer of the ALTEN Group, was named **honorary chairman** of the association.
- In partnership with the Préfecture de Paris et d'Ile de France, "Elles Bougent" and ALTEN attended the 2<sup>nd</sup> Forum of "Réseaux et Carrières au féminin", a unique gathering for all women students and young graduates preparing to join the employment market and eager to discover the professions of engineer and technician. The objective of the Forum is to provide them with the keys for a successful

start to their careers. Accordingly, almost 350 students were welcomed throughout the day by 20 partner firms.

- In October 2014, ALTEN also partnered the "Elles Bougent" association at the Paris Motor Show, (**Mondial de l'Automobile**), for an encounter around the theme of innovation. During the day, attendees tested their knowledge of the automotive industry. The event also allowed young women to meet with a large number of professionals from partner firms.
- Also noteworthy, in December 2014 ALTEN took part in the event entitled "**Elles innovent pour le Numérique**". Rolled out in Paris and in the provincial cities of Angers, Bordeaux, Lyon and Rouen, this nationwide operation to raise awareness of digital professions enabled 250 female students to discover the digital sector and related professions.

HONORARY CHAIRMANSHIP OF THE ASSOCIATION "ELLES BOUGENT",

by Simon Azoulay, Chairman and Chief Executive Officer of the ALTEN Group.

To my mind, engineers are one of the keys to economic development in France and in Europe. I have involved ALTEN with the association through real personal conviction. As a trained engineer and head of an Engineering and Technology Consulting firm, I feel I have every right to talk about the job of engineer and, importantly, of the necessity to promote a profession that opens every horizon. This is why I am happy to be honorary chairman of "Elles Bougent", because our objective, like that of the association, is to open up vocations for women and to increase their numbers in our workforce."





# ESIEE

## PARIS

DOMINIQUE PERRIN,  
General Manager of ESIEE Paris

### Could you tell us in a few words about ESIEE Paris?

ESIEE Paris, a technological innovation school, has developed a new approach to the profession of engineer: inventive through scientific and technical skills, reflective and responsible. Engineers from ESIEE Paris respond to the needs of companies. At the end of their course, they master a common base of skills in information and communication technologies, and in management. They are able to adjust to technological changes. They are trained in teamwork and project management. These skills are therefore the perfect preparation for working in a firm such as ALTEN.

### What is your current relationship with the corporate world?

We attach very special importance to the development of our relations with businesses. Our students complete eleven months of internship as part of the curriculum and work on projects commissioned by their companies. A quarter of all teaching is given by professionals. We have developed five teaching chairs entrusted to businesses, an opportunity for our students to address technological issues from a new angle that allows the creation of real-life situations. The width of ALTEN's spectrum of activities makes the group an exceptional partner for ESIEE Paris. Our students appreciate the quality of the assignments given to them.

### Could you describe your current synergies with ALTEN?

With ALTEN we share common concerns, such as increasing the number of young women opting for careers in engineering. Our involvement with the "Elles Bougent" association and our participation in other actions such as the Trophées des Femmes de l'Industrie have already helped to significantly increase the proportion of young women studying at ESIEE Paris (the number has doubled in five years). When it comes to recruitment, ALTEN attends our recruitment forum each year: the "Forum Descartes" proposes offers of employment and contracts of apprenticeship for our students. Today, 40 ESIEE Paris graduates work at ALTEN.

### And the future?

We fully intend to develop our relations with ALTEN and work on projects based on the Group's technical expertise, particularly in the areas of security, industrial project management and international development. Actions that for us are key in the training of our student engineers.

### Supporting student projects

On occasions, the ALTEN Group provides support for student associations or initiatives, whether in the fields of sport, technology, humanitarian action or culture. In 2014, of the 110 applications received in response to our project tender, twenty were short-listed and enjoyed the benefit of financial, technical or material support from the Group.

- **ISEP Voile:** for the 3<sup>rd</sup> year in a row, ALTEN lent its support to the ISEP Voile association, whose ambition is to allow as many students as possible to discover sailing and the emotions that go with it; it is a sport often considered as being reserved for a small minority.



- **Team EPSA:** ALTEN supports student engineers with their innovation projects. For the Trophée SIA (Automotive Engineering Company), ALTEN lent its support to the EPSA Automobile Team from the Ecole Centrale Lyon. A partnership that makes perfect sense through a joint determination to promote automotive innovation and entrepreneurial spirit, while taking full account of society's latest environmental issues. Additionally, it promotes exchange between students and ALTEN engineers. This competition was the opportunity for ALTEN to deliver expertise via technical leadership and team coaching given by an ALTEN aeronautics engineer.

- **ESEO Electric MotorSport:** The aim of the ESEO Electric MotorSport association is to design, assemble and promote electric vehicles. In 2014 with the support of ALTEN, students worked on the design of an electric go-kart, which was presented and entered into the French Electric Go-Karting Championships. The vehicle was also used as a learning medium for projects at the Ecole Supérieure d'Electronique de l'Ouest.
- **Teubreux Sans Frontières:** In 2014, the Group supported the humanitarian association "Teubreux Sans Frontières" by donating material. Each year, members deliver IT material to a number of schools in Senegal and also train teachers and students alike to make the very best use of their equipment.
- **Formula Student:** In Germany, ALTEN GmbH partners the Formula Student project, a global student competition to enhance the design of racing cars that are more environmentally friendly and fitted with internal combustion or electric engines. Four teams from well-known universities and schools were sponsored in 2014. In addition to financial support from the Group, ALTEN also helped to facilitate workshops and events related to the project.



## 2.2 Information security

Customer satisfaction and risk management are major priorities for the ALTEN Group. The changing face of consultancy, international business development and growth of information criticality have prompted the Group to undertake an ISO 27001 certification process.

ALTEN has built the ISO 27001 requirements into its quality, security and sustainable development policy. This standard lays down the measures to be implemented to ensure the security of information within an organisation and the functioning of the management system governing this information security. Covering the entire company, the project has several objectives:

- ensuring service continuity;
- guaranteeing control of intellectual capital;
- preserving the trust of our stakeholders by defending the confidentiality of information;
- building this approach into the company's management system, ensuring that the entire workforce assumes ownership of it.

It was with this approach that ALTEN Spain received ISO 27001 certification in 2013. This certification is just reward for a strategy and work started several years ago.

The ISO 27001 certification process is now in place in various countries where ALTEN operates. Germany and France have started similar approaches and are aiming to obtain certification in the coming months.



In addition to ensuring compliance with the ISO 27001 requirements, at the end of 2013 the ALTEN Group in France developed an e-learning training programme on personal data and customer data security, which will gradually become mandatory for all its employees. Comprising role-play and

assessments, the course aims to raise awareness of all the situations employees are liable to face. It also informs them about their rights and obligations. The Group has also set up an intranet portal on issues relating to Information System security, which is accessible to all employees. On it, employees can consult the IT Charter and the security policy, or access dedicated e-learning modules, the company organisation, best practice, incident reporting, etc.

### TECHNICAL CONFERENCES TO RAISE AWARENESS

Several times a year, technical conferences are organised for all of the ALTEN personnel. Expert speakers are invited to talk about their technological experiences and share their professional skills, enabling the Group's consultants to capitalise on their expertise.

Since 2013, three technical conferences have been organised by the Communication Division, the ALTEN Training Centre, heads of security and France's General Directorate for Internal Security (DGSI) in order to make employees more aware of the importance of Information System security. IT security is a subject of major importance for the ALTEN Group. For each project, ALTEN undertakes to comply with the standards and laws in force as well as its customers' security requirements. Each employee is responsible for the security of information systems. These conferences have resulted in an analysis of cyber-attacks witnessed throughout the world and the solutions implemented to counter them. Employees have been made aware of threats to the security of computers, files, and business information, and the means available for defending Information Systems against these threats.



In 2014, ALTEN also partnered with Akerva, an expert in IT security, to create a joint venture to promote wide-scale IT security for its customers. This demonstrates the ALTEN Group's determination to strengthen its operations in the IT and cyber security market.



JOSÉ GÓMEZ,  
HR Business Partner Director, ALTEN Spain

### ALTEN Spain, a mature company in IT security

"ISO 27001 is an international standard aimed at ensuring the security of a company's information or that of any other organisation. Companies operating in the Information and Communication Technology sector (ICT) must guarantee their commercial and internal processes, in terms of software as well as hardware. Similarly, measures to be taken in case of fault or uncontrolled situations must be precisely defined so that it is possible to continue day-to-day activity.

With the implementation of the standard within ALTEN Spain, procedures in many departments had to be revised to meet ISO quality standards. It was unarguably necessary to make great efforts and work hard to develop these new procedures, but once they had been deployed, a large number of recurring problems were solved, thereby improving our efficiency and optimising the productivity of our various departments.

The impact of our ISO 27001 certification has been considerable, both for us internally and for our customers. An increasing number of our customers now require their suppliers not only to comply with strict security rules, but also to seek certification by a third party. The implementation of the standard will allow us to meet a more exacting level of customer demand. For example, we are able to ensure the integrity, availability and confidence of all the information used in the projects of our customers.

This makes our ISO 27001 certification a differentiating asset. For our customers, choosing ALTEN Spain as a partner now comes with an additional guarantee in terms of quality and security.

This standard has also allowed us to access new customers and enter markets that had previously been closed.

The IT security process is set to improve continuously in terms of the ALTEN Group's performance and certification, with a view to assisting our customers in their international projects."

## 2.3 Responsible purchasing and supplier assessments

ALTEN is a world-class and committed principal which is demonstrated in its non-financial assessments.

### Responsible purchasing

In 2011, the Group initiated its policy of responsible purchasing with the drafting of a Responsible Purchasing Charter. Mainstreamed in tenders since 2012, it is also sent to the Group's leading suppliers for signature. This approach is a preferred means for ALTEN to promote its Sustainable Development requirements and the universal principles of the UN Global Compact within its sphere of influence. Through this document, the Group invites its suppliers and subcontractors to comply with the social, societal and environmental provisions of the Global Compact and the International Labour Organization.

ALTEN's responsible purchasing policy has been gradually reinforced by factoring social, societal and environmental factors into the process of referencing and assessing the Group's suppliers. Training buyers with regard to the principles of Responsible Purchasing started towards the end of 2012 and led to tangible results the following year.

CSR assessment and scoring is an essential part of the selection process of suppliers for main invitations to tender, and has the same degree of importance as the Quality, Cost and Lead-Time assessments. The assessment concerns both the supplier's internal Sustainable Development commitments and the social, societal and environmental benefits of the products or services offered. This allows the cost of buying a product or service to be seen as a whole, across the entire length of the value chain and life-cycle of the product or service, while minimising the environmental risks and maximising the positive social and societal impacts.

The ALTEN CSR requirements are also gradually being built into the ALTEN internal policies, in order to create a common base of commitment for the Group's different companies concerning the same type of purchasing. The aim now is to deploy these assessments to all of the ITTs and whenever suppliers are chosen. The prospective mapping of challenges and risks by purchase category will allow ALTEN to prioritise and better define its requirements in terms of responsible purchases, while at the same time forging equitable relationships that are a win-win proposition with suppliers.

Some subsidiaries also act independently to promote responsible purchasing. In Sweden, for instance, environmental requirements are becoming increasingly common in purchasing procedures and the supplier assessment process.



### EcoVadis

EcoVadis, an independent non-financial rating agency specialising in responsible purchasing, 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. Some of the ALTEN Group's largest customers make assessment by EcoVadis a condition of being listed as a supplier.

Since 2009, the Group has asked EcoVadis to assess the responsibility of its practices. In 2014, ALTEN's Sustainable Development approach received a score of 72/100, an improvement of 6 points compared with 2013. This rating allowed the Group to preserve its "Confirmed" level of commitment, obtained in 2013.

In 2014, the Group thereby reaffirmed its "Gold" supplier status. It now ranks in the top 2% of suppliers assessed in its category and in the overall ranking across all companies rated. This makes ALTEN a leader of the 20,000 suppliers assessed annually by EcoVadis.

**Environment:** ALTEN is in the **top 1%** of suppliers assessed in its category

**Social:** ALTEN is in the **top 1%** of suppliers assessed in its category

**Business ethics:** ALTEN is in the **top 13%** of suppliers assessed in its category

**Suppliers:** ALTEN is in the **top 4%** of suppliers assessed in its category

**Overall:** ALTEN is in the **top 2%** of suppliers assessed in its category

**Overall:** ALTEN is in the **top 2%** of suppliers assessed in all categories combined

In six years, ALTEN's scores have improved steadily. This continuous improvement reflects the growing commitment of the Group's societal responsibility and the structuring of its Sustainable Development strategy.

## 2.4 Ethics and governance



The ALTEN Group has built its growth on the fundamental principles of integrity and transparency implemented by its management and employees to create lasting relationships of trust with employees, shareholders, public and private sector customers, suppliers, competitors and all of its partners.

As such, the ALTEN Group complies with:

- the 10 principles of the UN Global Compact;
- the Universal Declaration of Human Rights of the United Nations;
- the various conventions of the International Labour Organization;
- the OECD Guidelines for Multinational Enterprises.

The Group's obligations to exercise and develop its activities in strict compliance with national and international laws and regulations are formalised in three founding documents, circulated internally and externally: the Ethics Code, the Sustainable Development Charter and the Responsible Purchasing Charter.

In late 2014, Group began redrafting its Code of Ethics. The initial version was dated 2011. The new edition aims, at Group level, to formalise new commitments and to strengthen or supplement the driving principles contained in the first version, notably in respect of the following issues: requirements placed on suppliers and subcontractors; environmental protection; protection of data and assets; occupational health and safety; and respect for the Group.

Some ALTEN subsidiaries also pay great attention to ethical issues, and make these concerns central to their strategy. This is notably the case in Italy:

"ALTEN Italia is growing fast. In just a few years, our revenue and headcount have tripled, thanks to organic growth and acquisitions. This has been achieved in a sustainable manner, consistent with our corporate social responsibility and business ethics.

The search for profitable and sustainable growth is a competitive advantage in the market, both with customers and job candidates, and has a positive impact on our business development.

In 2014, specific actions were taken, notably in respect of employee safety, but also in response to local regulatory requirements. These projects were carried out in cooperation with our internal and external stakeholders, including Human Resources, Finance, some suppliers and an independent third-party audit body. Emphasis was also placed on training and continuous improvement, exemplified by the establishment of a satisfaction questionnaire for our employees and customers. The feedback has been taken on board by our Quality Division so as to improve our processes in accordance with the Deming cycle principles. Lastly, ALTEN Italia also has its own internal Codes of Ethics and Conduct.

We are committed to continuing this continuous improvement approach in the years to come."

**GUALTIERO BAZZANA,**  
CEO and Managing Director, ALTEN Italia

ALTEN is also committed to the implementation of responsible practices alongside SYNTEC Ingénierie. The Group participates in the work of the SYNTEC Ingénierie (SYNTEC Engineering) and SYNTEC Numérique (SYNTEC Digital) federations, particularly on the sector's advances in sustainable development.

## 2.5 Patronage

**In France and throughout the world, the Group and its subsidiaries develop philanthropy initiatives in their host regions.**

ALTEN SWEDEN AND THE CWCN PROJECT IN NEPAL HAVE CELEBRATED THEIR 12<sup>TH</sup> ANNIVERSARY!

The Child Watabaran Center, Nepal (CWCN) was created more than 10 years ago, in 2002, under the impetus of two ALTEN Sweden employees. The school aims to enable young street children to attend school, and to facilitate their social and professional inclusion. Today, thanks to this project, 60 children from Kathmandu, aged from 7 to 18, are supported by a team of teachers and assistants. They learn to read, write and count, and receive an introduction to practical work in order to gain experience. Since the birth of the project, a shelter for young adults, a clinic and a mobile health van have been established. All of these facilities are accessible to the most underprivileged sectors of society. The objective is gradually to promote CWCN's autonomy. ALTEN Sweden employees have spent several months on site to advance the project.

In addition, during the festive season in France, ALTEN supported the association "Tout le monde chante contre le cancer" (Singing out against cancer), which organises the "100 hospitals 100 Christmases" operation nationwide. In 2014, the association provided more than 20,000 gifts, distributing 10 tonnes of equipment and organising 25 Christmas events.

A similar event organised by ALTEN Spain collected 30 toys and 400 kg of food for children and the underprivileged. In Germany, ALTEN GmbH and ALTEN Technology make an annual commitment to various charities. Employees have the opportunity of become personally involved in the process by choosing the beneficiary charities and making their own donations.



## III. Stimulator of innovation

**The ALTEN Group has made innovation its purpose, helping customers enhance their competitiveness by allowing them to benefit from best practice in terms of technology and development methodologies. This passion is also a strategic challenge. The technological innovation capability of a company or a country is the foundation of its development.**

**The ALTEN Group has positioned itself as a stimulator of innovation alongside its customers, employees and society by developing innovative and sustainable solutions and supporting talented engineers.**

### 3.1 R&D, a strategic activity

ALTEN helps streamline innovation between industry players, and since 2010 has implemented a self-funded R&D approach. The work done has been for the purpose of helping to develop new products, services and skills that we can use in future projects.

#### Applied multi-technology programmes

Reflecting the innovation projects that our clients assign to us, ALTEN's approach to R&D is fundamentally application-oriented.

Guided by its R&D Division, ALTEN on its own initiative carries out projects to design disruptive solutions to technological, organisational or methodological challenges similar to those experienced by our clients. These projects are bundled into thematically related research programmes to maximise our ability to make technology transfers from one industry to another.

ALTEN's R&D programmes are designed to support sustainability. They seek to bring together environmental and societal dimensions, and highly technological, innovative projects.

#### An activity with strategic stakes

R&D activity is run collaboratively. Within the company, this means using human resources operating on specialised platforms (programme leaders, project managers, engineers, technical experts, etc.) as well as doctoral candidates funded by the Group on so-called CIFRE contracts (a French acronym for an industrial employment arrangement for training through research).

Outside the company, it means making use of numerous partnerships, both industrial (innovative SMEs and large companies) and academic (government and private laboratories and university or engineering school laboratories).

As our R&D work is centred on the front end of the innovation cycle and unhitched from the Group's commercial activities, it is first and foremost a powerful way to build skills, accelerated and given structure by our industrial and academic partnerships.

The R&D division also has a mission to help develop our products and services, and to make them more competitive. It draws on the Group's technical departments to identify priority technology objectives, making the results of its work available to customer projects: presentation of demonstrators illustrating emerging expertise, references to new types of consultations, tighter control of the analysis of specifications, etc.

Lastly, enhancing R&D enhances the image of ALTEN. For clients, it shows that the Group can respond proactively to tech-heavy projects. For employees, it helps develop technical skills. For job candidates, it shows the Group's ability to get ahead of future technological issues.

Since 2010, ALTEN's R&D programmes have been based on four major interlocking themes:

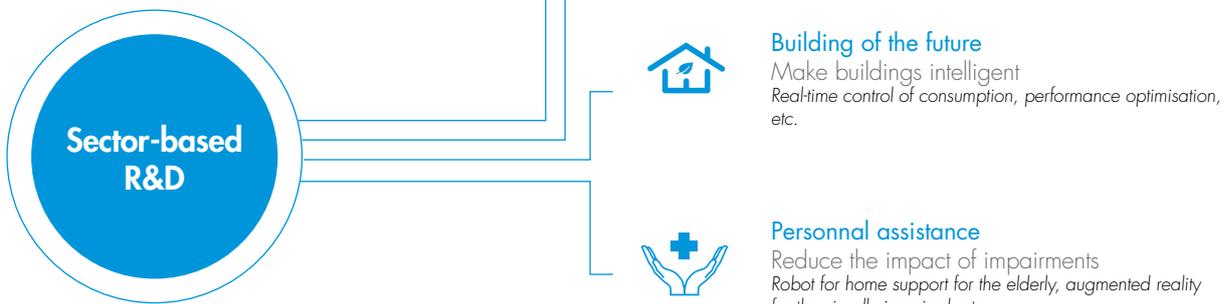
- global security and risk control;
- sustainable mobility;
- energy performance;
- quality of life and services to consumers.



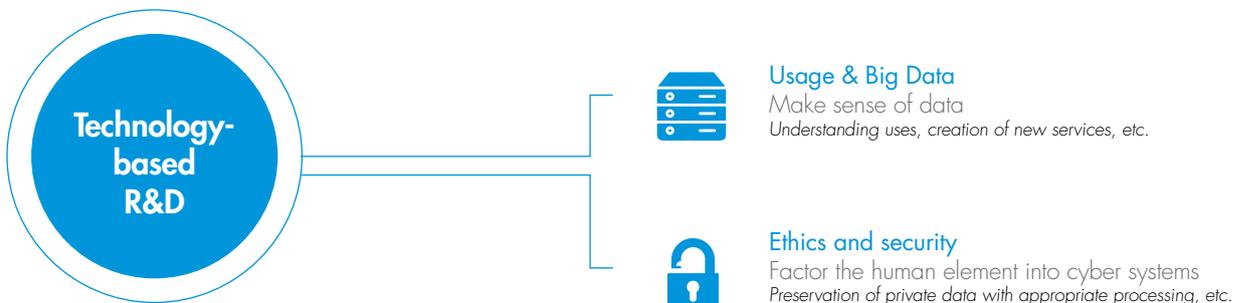
**2014: broader deployment of R&D programmes**

In 2014, the structure of the approach applied in major innovative and sustainable R&D programmes was further strengthened and expanded. Six R&D programmes were launched, furthered or continued. ALTEN's major technological challenges accordingly break down into four sector-based programmes and two technology-based programmes. These programmes are in turn generally broken down into sub-programmes before being split into R&D technology projects.

**Sector-based R&D programmes:**



**Technology-based R&D programmes:**



These programmes give ALTEN the opportunity of developing its core business skills (systems engineering, embedded systems, artificial intelligence, mechatronics, signal and image processing, mechanics, information systems, telecoms, big data, cyber security, etc.).



### Drone networks

Initiated in 2012 in collaboration with an innovative SME in the field, this programme for the design of an unmanned aerial vehicle intended to bring relief to victims of natural disasters continued in 2014.

The work focused on the further development of functionalities that would allow the aircraft to fly unpiloted and in swarms to the disaster area, to work together to find the victims, to report, to release emergency aid kits and to check that they were received. The work also introduced artificial intelligence features to set the optimal formation for the swarm's flight and to maximise the drones' on-board ability to scout the area and release their payload.

This work complements ALTEN's contribution to CORAC, the collaborative research programme for avionics of the future that brings together the major companies in the aerospace industry, which began work in 2014, although the programme had its official launch by the French government in 2013 as one of its "Investments in the Future".



### Autonomous vehicles

The 2014 work consisted firstly in continuing the "fog" sub-programme initiated in 2012 to develop a solution to improve vision in fog by means of image processing (focusing, obstacle detection, vision assistance for road signs).

This work was rounded out by the new "connected vehicle" sub-programme designed to model collaborative solutions integrated in the cloud in order to provide reliable identification of areas at risk of fog and information to the vehicles concerned.

2014 also saw the launch of a "drowsiness" sub-programme, which led ALTEN to address a significant risk for both automatic (supervised) and autonomous (unsupervised) driving, with the aim of developing solutions to measure driver alertness and consequently, driving capacity.



### Building of the future

This new programme initiated in 2014 is part of an R&D collaboration agreement signed in 2014 between ALTEN and Bouygues Energie et Service for the development of innovative solutions for the energy efficiency of buildings.

Three sub-programmes have been undertaken:

- **Telemetry:** development of an innovative telemetry solution for utility network consumption (water, electricity, gas) adapted to existing buildings;
- **Use measurement:** control of the building's energy efficiency by factoring in the behaviour of its users;
- **Weak signals:** detection of early signs of impending equipment failures by "listening" to utility networks (water, electricity, gas) or by means of specific instrumentation in buildings.

The "use measurement" and "weak signals" sub-programmes were launched in 2014. The aim is to roll them out more widely in 2015.



### Personal assistance

This programme was initiated in 2011 in partnership with renowned laboratories. Work continued on targeted projects in 2014.

First, work continued on the three **doctoral theses** focused on image processing for medical purposes, started in 2012. This work appeared in a number of publications.

Work on **HomDocBot**, the home care assistance robot for the elderly, developed in conjunction with the Institute of Intelligent Systems and Robotics (ISIR – Pierre and Marie Curie University), was extended to include solutions to control the energy autonomy of the model robot built in 2013.

Work on the robot was also supplemented by the modelling of a geolocation solution in the home of the robot or the elderly person by Zigbee networks. This work also supported the integration of the issue of the **cyber security** of private data, conducted as part of a dedicated programme.

## Usage & Big Data



This new programme, initiated in 2014, aims to give ALTEN experience in the management of the **contribution of Big Data** in the modelling of **user behaviour** (in services).

The initial work started in 2014 around the **Open Data** initiative and **associated architectural issues** for the use of structured cloud data in innovative services proposed to users.

Much work has also been conducted around Big Data issues through the **connected vehicle** project (as part of another programme). This has allowed the improvement of a collaborative arrangement for warning of the presence of fog by the inclusion of **Web data** (such as real-time meteorological information) and wide-scale **data archiving** of annual traffic conditions that the system intends to store in the cloud.

These projects were followed by early work on the **modelling and optimisation of the behaviour of transport users** (walking, car, including car pooling, bus, urban rail transport). Initiated at the end of 2014, these new projects will be expanded widely in 2015.

## Ethics and security



This new programme, also initiated in 2014, aims to give ALTEN experience in the control of the **“ethical” design principles** of systems managing **private data**.

The objective is to take into account, in the data storage and data processing architecture, and as such, in the resulting data stream, the strict **“need to share”**, with the aim of limiting as far as possible the exposure of the most sensitive data to the risk of theft, and thereby to commercial or malicious use.

The first application, launched in 2014, was focused on the problems of systems for the geolocation of people (conducted as part of another programme) with a view to incorporating the ethical and security dimension into the solution architecture. The early results are encouraging, and the work will be expanded widely in 2015.

## INNOVATION IS ALSO ORGANISATIONAL OR METHODOLOGICAL

AACFA (ALTEN Agile & Convergent Functional Analysis) resulted from one of our R&D projects. It has become an ALTEN solution for R&D project management using an agile and creative methodology for developing innovation. AACFA combines, in an original way, several approaches that had previously stood alone: a creativity technique, value analysis and an agile process. Deploying it on ALTEN’s R&D projects accelerates research on innovative solutions.

## An approach driven by subsidiaries

Group subsidiaries also invest in Research & Development.

In Belgium, the Innovation Labs, a Research and Development programme, were established more than a year ago. Its objective is to enable consultants to take part in innovative projects in parallel with their client work, and in that way to broaden their technical skills. Based on a voluntary commitment, the programme brings together consultants with varied skills: mechanics, electronics, software engineering, etc. Engineers meet in accordance with their availability, and a project manager organises monthly follow-up meetings. At the end of 2014, around 15 consultants were involved in this initiative.

In Spain, the R&D division gives work to consultants on downtime, allowing them to extend their skills by becoming involved in ALTEN or customer projects (application improvement or development, deployment of pilot projects, research on new technologies, etc.). This high value-added programme will not only increase the overall knowledge of the Group’s engineers, but will also encourage their secondment to new customer projects and reduce inter-contract downtime.

## 3.2 Supporting talent

### The Open Mind Challenge

The first edition of the ALTEN Open Mind Challenge was held in 2014, under the auspices of the ALTEN Innovation Centre. The competition, organised in partnership with the National Confederation of Junior Enterprises (CNJE), targets CNJE member schools through a call for projects addressed at students. Applicants submit to ALTEN, through a detailed technical file, a technology project that is both innovative and sustainable, and which can be conducted by a team of students during their end-of-course internship. ALTEN selects the winner among the most realistic, creative and innovative proposals, in which the sustainable development aspect appears to offer significant added value. The choice of the winner comes after a rigorous selection process including the identification of finalists who present their project before a panel constituted by ALTEN.

The winner receives a prize and the chance for their team to complete the project as part of end-of-course internships at ALTEN, overseen by ALTEN experts. Ownership of the work is ultimately transferred to the winner, who can use it as he or she wishes, to support an NGO or to create a start-up for instance.



At the end of 2014, ALTEN awarded the first Open Mind Challenge prize: it was given for the development of a UAV system contributing to the improvement of urban security by providing an alternative to a call to the emergency services in case of difficulties such as security issues or health problems.

The work is to be carried out by the winning team within the ALTEN Innovation Centre, starting in early 2015.

### The Engineers of the Year Awards

Since 2004, ALTEN has been a partner of the Engineers of the Year Award launched by French magazine L'Usine Nouvelle. The purpose of this prize is to reward exceptional engineers and to showcase professions that do not have a sufficiently high profile among the general public. Ten prizes are awarded by a panel of professionals to honour the work of French engineers.

### Women of Industry Trophy

For the third consecutive year, L'Usine Nouvelle has spotlighted female engineers, entrepreneurs and researchers, as well as other women who make a mark on French industry. On 17 September, prizes were awarded to 11 exceptional women in categories such as Woman Entrepreneur, Production Woman, Innovation Woman, etc. In 2014, Simon Azoulay, Chairman and CEO of ALTEN, presented the "Projects Women" prize to Elisabeth Lefort de Lesparda, construction manager at Technip and nicely described as a "builder to the four winds".



### Engineer of the Future Award

In October 2014, ALTEN also sat on the professional panel responsible for designating the Engineer of the Future Award at the 13th Meet.ING organised by SYNTEC Ingénierie. This competition promotes the projects of engineering school and university students or apprentices who have developed scientific and technological solutions to address tomorrow's challenges. The aim of the 2014 Engineer of the Future Award was to transform uses in areas such as energy, the environment and transport. The jury prize was awarded to "Rec'o", presented by students of Polytech Annecy-Chambery. The "Rec'o" project is a prototype, made in part with a 3D printer, of a mini-wind turbine intended to serve as an external back-up charger for handheld devices such as cameras and smartphones. It makes use of used PC fan blades coupled with a miniature planetary powershift transmission, which is mounted upside down in order to increase the rotational speed. It delivers directly usable current and voltage.

### The "48 hours of innovation" challenge

Also noteworthy is the Group's participation in the "48 hours of innovation to bring ideas to life" challenge in November 2014. This global event aims to stimulate students' creativity and entrepreneurship. Partner companies set out real and concrete challenges, on which teams of students have 48 hours to devise innovative solutions and uses. ALTEN supported this initiative by issuing a challenge relating to connected objects in public places to 60 students from INSA Rennes. 48 hours later, a local panel, of which ALTEN was a part, selected the three best innovations.



TESTIMONY  
OF STÉPHANE DAHAN,  
Director of Engineer Recruiting,  
member of the panel  
of the Engineer of the  
Future Award:

"This was the second time I had sat on this panel. In 2013, the quality of the profiles and the projects impressed me. I found them very creative. So I was very excited to be on the panel once again.

The choice of the word "Future" appeals to me a lot. It is a key concept in our business. Our vocation, in my opinion, is to project ourselves, to create perspectives and interactions in technical areas, in short, to set the technological future to music.

Lastly, the applications of the innovations presented are very often to be found in the fields of sustainability and new transformation solutions, which, in my opinion, underscores the 'human service' dimension of the engineering profession, the achievements and talent of which are showcased by this prize."



### 3.3 Innovative, sustainable and shared expertise

**As a European leader in engineering and technology consulting, ALTEN ensures that it uses its expertise and knowledge to create sustainable innovation. The Group is therefore involved with customers on a daily basis to develop projects designed to reduce the environmental impact of the sectors in which they operate.**

Many examples of innovative and sustainable projects on which our employees are working are featured in the chapter "Our Customers" of the present report:

- Automotive: see section "Sustainable Driving"
- Rail: see section "Digital Revolution"
- Aerospace: see section "Technological trends"
- Defence & Security: see section "Cyber Security"
- Nuclear and renewable energy: see section "Better integration of renewable energies"
- Health Pharmacy: see section "Critical challenges"
- Finance and Services see section "Combating the threat of cyber-insecurity"

Through its strategic R&D programme and the innovative projects developed in close and dedicated collaboration with customers, the Group continues to garner ever greater experience and expertise. ALTEN shares this knowledge with its stakeholders via the introduction of a knowledge management facility for employees, the transfer of best practices from one sector to another, the organisation of customer breakfasts and student conferences, and the drafting of white papers.

In 2014, ALTEN organised four technical conferences designed for customers in France, focusing on the following issues:

- Optimising the alignment of Testing and Business;
- Maximising the success of High-speed mobile broadband;
- Analytics & Big Data: How to transform data and create value for the Company;
- Cyber security: how do I optimise CS for my business?

More than a hundred customers took part in all these events. Further to these gatherings, two white papers were published on the themes of connected objects and cyber security. Furthermore, three of these conferences were adapted for our consultants and another for students.



## III IV. A player helping to protect the environment

**ALTEN is committed to reducing the direct environmental impact of its activities by implementing projects specific to its line of business. From employee travel arrangements to in-house IT solutions, from resource management to the opening of new sites, the Group takes concrete steps on a daily basis to help ensure greater respect for the environment.**

### 4.1 Management of the environment

ALTEN has made the eco-responsible management of activities one of its priorities, in keeping with the Group's culture and values. The ALTEN Group has, and encourages all of its entities worldwide to have, a proactive environmental management policy that is based on a recognised standard or benchmark. Furthermore, and aware of the fact that its activities and the sectors in which it operates indirectly engage its environmental responsibility with respect to customers, ALTEN is committed to developing innovative sustainable solutions (see chapter «Our Customers»).

#### Governance and management system

Day-to-day, the Quality and Performance department defines the Group's environmental policy and supports subsidiaries in the identification and implementation of concrete actions in the management of buildings, regulation of the carbon footprint and the sustainable utilisation of natural resources. As a provider of intellectual services, the ALTEN Group has only a limited direct impact on the environment.

Spurred on by the Group, many of its companies are also proactive in upgrading their environmental management policies to comply with the requirements of ISO 14001, based on the principle of continuous improvement of environmental performance through the control of impacts linked to the company's business. This was particularly the case of ALTEN Spain, ALTEN GmbH in Germany, ALTEN Sweden and ALTEN SA, ALTEN SO and ALTEN SIR in France, which have been certified over the course of the last two years. Within the scope of the present report, 46% of floor space was certified to ISO 14001 as of 31 December 2014.

#### Raising awareness among employees

In order to bring all employees on board for this process, emphasis is also placed on awareness and training regarding environmental impacts and, more broadly, the Group's corporate social responsibility. Throughout the year, ALTEN circulates the highlights of its sustainable development policy to employees so that adopting eco-friendly behaviours becomes the driving force behind the reduction in the Group's environmental impact (mobility week, waste-reduction week, sustainable development week, etc.). A dedicated page on the intranet, e-learning modules, articles in the in-house magazine and other events mean that each employee is informed, involved and participates in the Group's effort on a daily basis. Note that in 2014, a special "Sustainable Development" edition of the in-house sponsorship programme was organised, entitled "Nos salariés ont du talent". Over and above simple awareness, the event has helped to support and enhance the sustainable convictions and community involvement of Group employees.

Awareness of sustainable development transcends frontiers. In Sweden, for example, sustainable development is everyone's business. Volunteer consultants chose to get involved by joining the think-tank launched by the Company aimed at defining an internal CSR strategy and a procedure for the identification and analysis of environmental risks.



## 4.2 Managing buildings

In a demand context requiring an ever-increasing move towards services provided in the ALTEN offices, adapting the real estate assets in the very best conditions for employees is a major challenge.

The Group has elected to give preference, whenever possible, to eco-designed buildings possessing the highest possible environmental certification, with primary energy consumption (heating, air conditioning, ventilation) of less than 40 kWh/sq.m./yr for optimal economic performance. Since 2013, ALTEN has achieved its objective of almost 30% of its buildings certified to BBC (Low Consumption Building) and/or HQE (High Quality Environmental) norms in France, helped by over 400 ALTEN SO employees moving to a 6,000 sq.m. site.



This site, like the other sites of the facility in Toulouse, is equipped with the Gapéo® system (computer-aided active management of energy performance) developed by GA. The building's energy consumption is analysed and optimised thanks to high-performance equipment and IT centralised management depending on external conditions and user behaviour. Thanks to a simple Internet connection and the MyGapéo® application, users can adjust the temperature in their offices and optimise energy consumption for lighting and heating/air conditioning systems, etc.

This choice of using buildings that are energy efficient and environmentally-friendly is deployed in a large number of countries where the ALTEN Group operates. In Sweden, the "Swedish National Board of Housing, Building and Planning", a national public agency, conducted an energy efficiency audit on the Gothenburg site in 2009, valid for ten years. At ALTEN GmbH in Germany, the process began in 2002 with Passivhaus certification for the site at Ulm, awarded as soon as it opened. This German seal of approval for energy performance in buildings is based on low primary energy consumption but it also focuses on the sealing of the building, insulation, ventilation and the quality of the air inside it. It should be noted that this site is one of the world's largest office buildings with Passivhaus certification.

Although the quality and efficiency of infrastructures are essential factors with regard to energy efficiency, the Group's different entities are aware of the impact of human behaviour on achieving energy performance goals. As a result, awareness campaigns, special events and training, in particular those developed within the framework of ISO 14001 certification programmes, are regularly organised in order to promote eco-behaviour and make it easier to adopt it.

## 4.3 Carbon footprint regulation

ALTEN is a player in the fight against climate change with a commitment to limiting its direct carbon footprint.

### Energy consumption

Over and above a commitment to selecting eco-designed buildings whenever possible, ALTEN carefully monitors the reduction of energy consumption in offices and datacentres.

In France, Group employees are encouraged to adopt eco-behaviour. A "Life Charter" posted in all common areas and meeting rooms, along with a dedicated e-learning module, reminds people of good daily practices when it comes to respecting others and the environment.

In 2014, electricity consumption by ALTEN sites within the reporting scope under review but excluding datacentres, came to 8,300 kWh, an average of 133 kWh per sq.m.



	Gross consumption - 2014	Consumption per sq.m. - 2014
France	5,800 MWh	146 kWh / sq.m.
International	2,500 MWh	110 kWh / sq.m.
<b>TOTAL</b>	<b>8,300 MWh</b>	<b>133 kWh / sq.m.</b>

In France since the beginning of 2013, ALTEN has been meeting the security and performance requirements of its partners by upgrading its server infrastructure to a "Private Cloud Datacentre" solution. The datacentres chosen by ALTEN have the most stringent certifications with regard to information security, quality system management, environmental performance and health and safety in the workplace. ALTEN can now consume computing power on demand, to suit its needs at any given moment. Resources are pooled, streamlined and optimised by these datacentres, thus reducing ALTEN's environmental footprint whilst guaranteeing high-security systems that are available 24/7.

Abroad, the Group's subsidiaries are equally involved in the process, for example by promoting recourse to renewable energies. In Germany, particularly, the use of electricity from renewable energies is now widespread at the main sites of ALTEN Technology and ALTEN GmbH. The latter is turning to geothermal power on its sites at Ulm and Nuremberg, and to solar energy at the Ulm facility. Moreover, since 2003, two photovoltaic complexes have been installed on roofs with power ratings of 15 and 135 kWh able to produce almost 140,000 kWh annually.

### Business travel

ALTEN's employees travel many miles every day - mostly by car - to reach their place of work or visit customers' premises. According to the first Bilan Carbone® (carbon footprint assessment) conducted by the Group in 2014, these journeys account for 75% of ALTEN's greenhouse gas emissions. ALTEN is particularly watchful in this respect and proposes innovative alternatives to company teams.

Since 2011, ALTEN has deployed a solution in France to organise audio and web conferences from a computer, interacting with people via webcams whilst sharing documents, screenshots and files securely and interactively. For audio interactions, the international conference-call bridge infrastructure provided by the supplier guarantees each participant a local number and optimal sound quality. This application avoids employees having to travel to meetings with interlocutors located far away. Today, this solution has been rolled out for employees in eight countries: France, Belgium, Germany, Italy, Sweden, Spain, Romania and India. In 2014, 38,061 hours of audio, video or web conferencing were recorded within this scope, 1,583 accounts were opened and 17,756 conferences organised.

Business travel made by Group employees in France is overseen by a new Travel Policy, which is also intended to be more responsible. It was updated in 2014. This document reminds employees that preference should be given to alternatives to travel, such as conference calls and videoconferencing. It also spells out very precise rules for transport and lays down the conditions under which business journeys may be made: rail travel is compulsory for every journey of under two and a half hours; domestic and medium-haul flights are in economy class; preference is given to "green" taxis, etc.

At the same time, at the end of 2014 ALTEN tightened its "Car Plan" requirements governing the characteristics of company cars in the Group's vehicle fleet. Since 1 January 2015, the list of permitted vehicles has been restricted to 15 or so models with CO<sub>2</sub> emissions of under 120 grams per kilometre. Four hybrid vehicles are now also available. As of the end of December 2014, the average CO<sub>2</sub> emission figure for the Group's vehicle fleet was 125 grams of CO<sub>2</sub> per km, and 52% of vehicles were beneath the 120 gram mark.

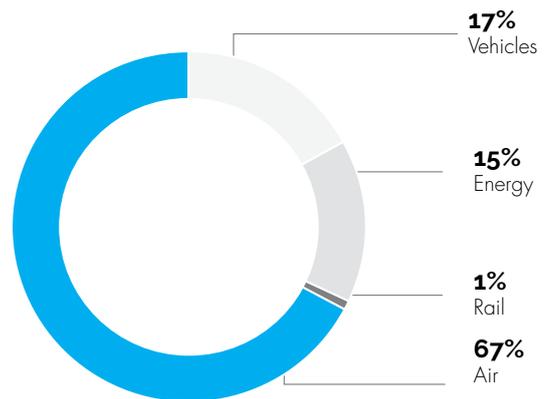


Furthermore, ALTEN is keen to raise employee awareness regarding best practices for safety and protection of the environment. Since September 2014, all ALTEN employees have had access to an e-learning module that teaches the fundamentals of eco-driving. Under the new Car Plan, members are also required to take part in training for Eco-Driving or the Prevention of Driving Risks within 12 months from joining the scheme.

The same requirements also apply in the Group's subsidiaries abroad. In Italy, for instance, 65% of ALTEN's vehicle fleet have CO<sub>2</sub> emissions of under 110 grams per km. In addition, over 90% of fleet vehicles comply with the European Euro V emission standard. In Germany and France alike, measures are being taken to meet the cost - in full or in part - of public transport season tickets for employees. In every Group country, a significant number of initiatives are being considered: company bicycles, charging stations for electric vehicles in car parks, etc.

**CO<sub>2</sub> emissions**

In 2014 and within the scope of the present report, the Group's CO<sub>2</sub> emissions relating to energy consumption, business travel and mileage recorded by company cars broke down as follows:



**Group scope**

NB: This data concerns only the scope of the present report, with the exception of rail and air travel (See note on methodology).

**Report on greenhouse gas emissions (BEGES)**

In 2014, ALTEN conducted its third Bilan Carbone® (carbon footprint assessment) covering all the Group's facilities in France. The Group's commitment goes beyond the regulatory requirements to which it is bound and measures emissions relative to three scopes of greenhouse gas emissions defined by the GHG Protocol:

- Scope 1: direct emissions caused primarily by the use of combustibles on site, the leakage of refrigerant fluids and fuel combustion by the vehicle fleet;
- Scope 2: indirect emissions caused by the purchase or production of electricity and steam;
- Scope 3: all other indirect emissions, for example business travel, employee meals, procurement and services, and also fixed assets.

In 2014, total emissions for the Group came to 47,158 TqCO<sub>2</sub>. Two items are responsible for nearly 75% of these emissions: commuter journeys and business travel by employees. Given that this ranking showed no change since the last assessment, in 2011 ALTEN was able to introduce a specific action plan to reduce these emissions at source. These endeavours have paid off because, per employee, the Group's emissions have fallen by 7% when compared with the previous Bilan Carbone®.

Performance of the Bilan Carbone®	TeqCO <sub>2</sub> per employee	Change
2010	5.8	
2011	5.4	- 7%
2014	5.0	- 7%

While emissions related to air travel have fallen by 35% per employee, those related to the use of cars for commuter travel have risen by 10% per employee. As a result, in 2015, the Group's priority actions will continue to focus on these two items.

## 4.4 Sustainable utilisation of natural resources

**In its line of business, ALTEN consumes few raw materials. However, the Group strives to restrict its environmental footprint by giving preference, whenever possible, to the sustainable use of natural resources and promoting the recycling of waste.**

### Paper consumption and management

ALTEN uses paper essentially for purposes of office work and communication. In 2014, the Group's internal consumption in France and abroad came to 53 metric tons, i.e. an average of 14 kg per employee. In France, this ratio fell by 8% in comparison with 2013.

This improvement reflects the efforts made by ALTEN to reduce paper consumption and develop a paper-free environment. The Group regularly takes initiatives to increase employee awareness on this issue and encourages them, in particular, to limit printing, to use double-sided printing and to recycle paper used for drafts. Furthermore, since January 2015, ALTEN has offered all of its employees in France the possibility of opting for an electronic payslip. This operation has been a success: two months after it was launched, over 60% of the Group's employees in France had already activated their account.

ALTEN consequently strives to consume not only less, but also more efficiently. When buying paper, the Group chooses either recycled or Ecolabel paper. In France, 72% of the paper used in 2014 was recycled and/or certified. At ALTEN GmbH in Germany and ALTEN Sweden, the rate is 100%. Additionally, 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.

At the same time, the Group pays special attention to the resource's end-of-life, which accounts for 80% of waste. As a result, a sorting and recycling system has been introduced in France and in many of the Group's facilities, particularly in Germany, Sweden, Italy, Belgium and Spain, with 86% of sites covered over all of this scope.



Lastly, the Group continues to support assisted natural regeneration in Peru, begun in 2010. ALTEN has funded the protection of over 15,000 trees in the José Ignacio Távora area, with Reforest'Action as its partner. The Group supports related projects such as raising awareness in schools and also with the farming community which can obtain extra income through forestry related to protected trees. Since 2014, ALTEN has also mobilised its resources in France in the major business regions where the Group operates. 4,000 trees have been planted in French forests in order to restore forestry areas damaged further to natural disasters, fires and disease, or to replant unused farmland and industrial brownfield areas.

### IT resources

The Group is also working on the continuous improvement of its IT equipment management. From May 2015 onwards, IT energy will be produced on so-called hyper-convergent hardware. This change will facilitate the reduction in levels of equipment in offices by pooling and optimising needs based around high-performance datacentres. Likewise, printing policy has been reviewed in order to implement a common base, for all the Group's entities, in terms of technical, financial and environmental requirements for printing resources. This policy also presents conduct that should be adopted. Furthermore, the emphasis has been put on increasing information security, in accordance with the expectations of the Group's users in connection with the business.

With regard to printing and IT equipment, ALTEN now focuses on optimised solutions that are more environmentally-friendly through the lower consumption of energy and materials as well as the recycling potential of their components. Seals of approval representing an environmental benefit concerning consumables and equipment, such as Energy Star are seen as essential. From a social and societal viewpoint, the equipment must also be user-friendly for disabled employees. Lastly, securing printing means via triggering printing by a secure mode, is essential in order to limit the quantity of printing and ensure information security.

These processes of streamlining, optimisation and enhancement of IT hardware and consumables are ongoing at ALTEN in Germany, Sweden, Spain and Italy; Belgium completed a first stage in 2013 and will finalise the process in 2015.

### D3E management

Electric and electronic equipment waste (D3E), waste batteries and waste ink cartridges produced by the Group are very closely monitored. In 2014, almost 4.5 metric tons of waste from ALTEN and the Group's solutions in France were collected by a provider specialising in the processing of this type of waste.

Furthermore, in 2013, ALTEN created a department for aid to associations (D2A) to offer IT hardware and development tools free of charge to charitable or public interest associations. This process allows the recycling of all end-of-life computers used by the Group's employees nationwide in France. After remastering by D2A, these machines are given a second lease of life and put to use by various associations working to help children or people trying to return to the work environment or to help professional integration. In 2014, almost 1,000 desktop or laptop computers and screens were distributed to some 15 partner associations. The ALTEN Group thus commits to reducing its environmental footprint through the recycling of these waste materials while also lending its support to associations.

### Water consumption

In 2014, the Group's water consumption on the reporting scope under review came to 24,000 m<sup>3</sup>, i.e. 6.4 m<sup>3</sup> per employee.



# ≡ About this report

## Our values

### Values written in the Group's DNA

ALTEN combines human values, a culture of excellence and expertise in assisting the performance of its clients. Our corporate culture is based on key values shared by all our employees.



### Engineering culture

Engineers and engineering are what the Group is all about. Technical teams cultivate this same feeling of belonging to a technological environment based on creativity, innovation and trouble-shooting.

ALTEN is a major employer of engineers in France and Europe, and works on a daily basis to support and promote the engineering profession and furthers the study of science among young people and women.

ALTEN is an innovative company that conducts its own research and development with the aim of balancing the economic, environmental and social dimensions within technology projects.

The quality of its management, its staff and its rigorous management are the cornerstones of ALTEN's results and robustness.



### Profitable and sustainable growth

ALTEN is a financially sound company that year after year meets its objectives in terms of profitable growth. Since its inception, it has remained true to its commitments in the areas of education and design, and to its support for the engineering profession.

We make acquisitions, and invest continuously in comprehensive project infrastructure and R&D projects that advance the development of new skills for future projects.

ALTEN has for over 25 years been involved in all key projects in terms of technological challenges by collaborating on the R&D strategy of its clients to support their performance and provide assistance for their local, national and international projects.



### Human capital development

ALTEN is committed to reconciling performance and sustainable development.

The women and men who make up the Group are the driving force of its business. ALTEN aims to promote diversity and employability, and to develop talents in accordance with the fundamental principles of integrity, fairness, transparency and humility. Diversity, whether cultural, sexual, age- or career-related, nurtures our values.

Cultivating talents, enabling individual development, developing expertise and providing a springboard for the future are among our core commitments.

ALTEN offers everyone an environment and pathway tailored to the cultivation of skills, projects and, ultimately, the Company.

## Map of stakeholders



**As a leading Engineering and Technology Consulting company, ALTEN is committed to meeting its stakeholders' expectations and anticipating their requirements whilst ensuring that its activities reconcile performance with Sustainable Development.**

### ASSOCIATIONS FOR PROMOTING SCIENTIFIC OCCUPATIONS: REVEALING TOMORROW'S POTENTIAL

- Support of actions that promote the engineering profession, particularly among women, through the "ALTEN Fund for Engineering"
- Support of entrepreneurial initiatives by students
- Support and creation of events that promote scientific occupations: contests, exhibitions, etc.
- Providing training in project management and motivational career workshops

Elles bougent

junior **Entreprises**  
innovateurs d'esprit d'entreprise



### STUDENTS AND RECENT GRADUATES: FUTURE EMPLOYEES WITH A HIGH ADDED VALUE

- Meetups, training workshops at student fairs, school forums, open-door seminars, lectures, competitions
- Partnerships with schools and student associations
- Taking in interns, trainees and apprentices
- Significant hiring of young people with a master's degree diploma

### THE PUBLIC AUTHORITIES: GENERATING SUSTAINABILITY

- Compliance with legal obligations as a Euronext company
- Commitment to establish responsible practices together with SYNTEC Ingénierie
- Anticipation of regulations whenever possible
- Participation in national surveys and studies



### SHAREHOLDERS: SUPPORTING OUR DEVELOPMENT

- Financial results in keeping with the objectives set
- Producing sustainable growth

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

- Monitoring projects by competing companies in terms of Sustainable Development
- Researching the performance and emulation of ALTEN employees

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

- Compliance with the principles of the ILO and the Global Compact
- Dissemination of ALTEN's advances in Sustainable Development
- Use of the GRI principles
- Watching for the emergence of new standards and new initiatives that ALTEN might apply



CLIENTS: VECTORS OF OUR INNOVATION RESEARCH

- Development of innovative projects and quality service
- Guidance in developing environmentally friendly solutions
- Commitment of assets and earnings toward operating excellence
- CSR criteria to observe
- Attention to clients' expectations

SUPPLIERS AND SUBCONTRACTORS: PARTNERS IN OUR SUCCESS

- Building sustainable partnerships
- Creating awareness by ALTEN purchasers and managers of ethics and Sustainable Development
- Jointly signing the Responsible Purchasing Charter



EMPLOYEE REPRESENTATIVES: FURTHERING THE SUSTAINABLE DEVELOPMENT PROGRAMME

- Awareness of, participation in and dissemination of ALTEN's Sustainable Development projects and advances
- Assurance for employees that they will be heard and defended



EMPLOYEES: ALTEN'S AMBASSADORS

- Training and skills acquisition
- Career management and possible transfers within the company, guarantee of safe, healthy and stimulating working conditions
- Awareness and training about Sustainable Development, ethics and stress management
- Non-discrimination in recruitment and career management
- Support of projects undertaken by employees consistent with the Group's values
- Attention to employees' expectations

CIVIL SOCIETY: INSPIRING RESPONSIBILITY INITIATIVES



- Participation in a healthier, long-lasting environment due to low-consumption buildings, waste sorting, etc.
- Participation in local life by hiring employees and through partnerships with suppliers
- Development of partnerships with enterprises for the disabled
- Development of innovative solutions favouring respect for the environment and social development: sustainable mobility, energy efficient buildings, etc.

PROFESSIONAL ORGANISATIONS: DEFENDERS OF THE SECTOR'S INTERESTS

- Participation in the work done by the federations SYNTEC Ingénierie (SYNTEC Engineering) and SYNTEC Numérique (SYNTEC Digital), particularly on the sector's advances in Sustainable Development.



# Materiality Matrix

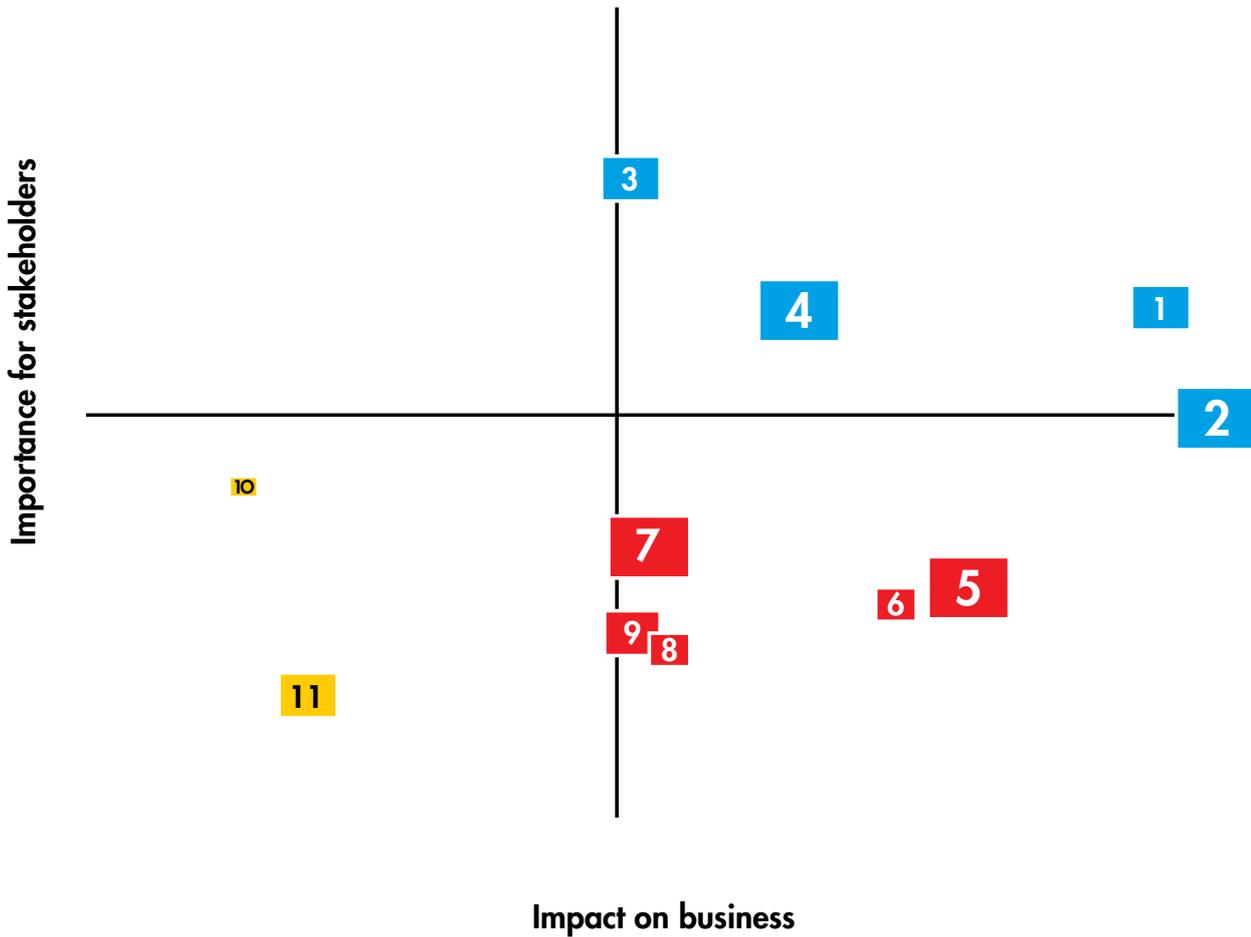
## Challenges and outlook

Challenges are considered “material” for an entity if they can affect the company’s short-term performance, determine its capacity to achieve its strategic objectives or match best practice in its sector, alter the behaviour of stakeholders, or shape change in the Group (new standards, new trends, etc.) To identify its “material” challenges, namely those relating to its activities and the expectations of its stakeholders, the Group carried out a materiality test in early 2014, based on an analysis of sector challenges, opportunities and stakeholder demands.

## Methodology

The challenges of the engineering sector are identified through leading sector-based studies, newspaper articles, discussions in SYNTEC, etc. Stakeholder expectations (see stakeholder mapping) in respect of these challenges are analysed and scored. If expectations are identified that do not correspond to an issue, they are taken into consideration nonetheless. The impact of these expectations and issues on ALTEN’s business is also scored. The determination of their importance to the stakeholders and the impact on the business allows us to prioritise challenges in accordance with their materiality. The graphical representation factors in the maturity and mastery that ALTEN has acquired in these issues.





- Challenge addressed:** ALTEN is mature on this challenge and/or has developed numerous initiatives in the area in response to the expectations of stakeholders. The challenge is part of the company strategy.
- Challenge partially addressed:** ALTEN is developing critical initiatives in this area. The challenge is gradually being incorporated into the company strategy.
- Challenge incompletely addressed:** ALTEN has recognised the challenge, but for the moment it is not part of the company strategy.
- Challenge not addressed:** the challenge has been identified but requires an action plan before it can be considered addressed.
- High priority challenge
- Average priority challenge
- Low priority challenge

# Materiality of Sustainable Development issues

ALTEN VALUES	SUPER-CESSION	RELATED ISSUES	COMMITMENTS IN THE SUSTAINABLE DEVELOPMENT CHARTER AND ADVANCES	OBJECTIVES FOR 2014/2016
Governance		Governance: make sustainable development a strategic, cross-functional tool to improve Group performance, meeting the expectations of stakeholders	The ALTEN Group has been gradually incorporating its various international entities into its CSR reporting. The sustainable development working themes are incorporated into ALTEN's company strategy.	<ul style="list-style-type: none"> <li>- Create a special committee to ensure that the ALTEN Group's sustainable development strategy is executed</li> <li>- Create a network of sustainable development correspondents (in France and internationally, with the objective of one correspondent for each major entity of the Group) to pool best practice and improve CSR performance</li> <li>- Define performance indicators covering sustainable development governance</li> </ul>
	1	Reduce the overall risks (safety of people, data and Information, ethics, etc.) to which the Group is exposed in order to maximise the conditions for sustainability	The various quality, safety/security and environmental certifications obtained by the Group's international subsidiaries demonstrate that they are gradually recognising and addressing risks: security of data and information, people, the environment, etc.	<ul style="list-style-type: none"> <li>- Obtain ISO 27001 certification in France</li> <li>- Enhance the HR risk management policy via the career management processes in place</li> <li>- Develop risk training courses (human, IT, environmental, ethical risks, etc.) for each new employee in France, including sales people</li> <li>- Produce CSR risk mapping by category of purchases as part of the responsible purchasing policy</li> </ul>
Profitable and sustainable growth	4	Make the Group's international dimension and multicultural wealth fertile soil for stability and growth, respecting and supporting local populations	The ALTEN Group encourages geographic and functional mobility for its employees, and develops exchange programmes to foster a multicultural company spirit. The cultural diversity to be found in the Group, with numerous nationalities represented in the workforce, enriches the Group's operations and performance.	<ul style="list-style-type: none"> <li>- Make the network of CSR correspondents a vector of synergy and performance among ALTEN entities around the world</li> <li>- Increase the positive impact of ALTEN entities in the localities and countries where they operate: jobs, environment, local development, respect of populations, etc.</li> </ul>
	5	Be a major force in the economy, creating jobs for engineers and high-potential employees	Through these hiring processes and methods, particularly the ALTEN Job Tour in France, and its participation in exhibits, forums and social networks, the ALTEN Group attracted and recruited nearly 3,000 new employees in France and around the world in 2013. The Group ranks among the top recruiters in France.	<ul style="list-style-type: none"> <li>- Hire 2,800 new employees in 2014</li> <li>- Intensify use of social networks to recruit the best talents</li> <li>- Forge closer partnerships with prominent schools and universities around the world, to encourage bridges between student life and the world of work</li> </ul>
	10	Encourage co-development and win-win relationships with partners (suppliers, clients, associations, etc.): technology transfers, sponsorship of skills, responsible purchasing, etc.	By creating the Responsible Purchasing Charter and adopting social, societal and environmental criteria in the Group's purchasing, ALTEN has created equitable, win-win relationships with its suppliers. ALTEN employees give their time and skills to help students along, by hosting work-study arrangements, trainees and social projects. Lastly, as part of its internal R&D projects, the ALTEN Group in France shares knowledge and technologies with its partners.	<ul style="list-style-type: none"> <li>- Reinforce the responsible purchasing policy in all subsidiaries by performing CSR risk mapping by category of purchase</li> <li>- Circulate the Responsible Purchasing Charter to all subsidiaries and obtain compliance from suppliers representing 80% of the total volume of purchases</li> <li>- Add to the projects of the Group's Research and Development division to help meet social issues in a spirit of shared knowledge</li> </ul>
	11	Take concrete steps to reduce the environmental footprint of our activities	Managing environmental performance is central to a continual improvement effort based on pragmatic solutions tailored to engineering work. The Group has identified the chief environmental impacts of its activities. German, French, Spanish and Swedish entities of the Group have ISO 14001 certification, and have developed environmental training courses for their employees.	<ul style="list-style-type: none"> <li>- Improve the management of the environmental performance of our work by using a greater number of indicators</li> <li>- Increase the use of buildings with high environmental certification among the offices of the Group's international entities, and encourage eco-friendly actions by employees</li> <li>- Reduce carbon emissions associated with travel (10% reduction in average CO<sub>2</sub> emissions/km of vehicles in ALTEN fleets over three years compared with 2013) and paper usage for printing (15% reduction in paper consumed in printers over 3 years compared with 2013)</li> </ul>

ALTEN VALUES	SUPER-SESSION	RELATED ISSUES	COMMITMENTS IN THE SUSTAINABLE DEVELOPMENT CHARTER AND ADVANCES	OBJECTIVES FOR 2014/2016
Development of Human Capital	2	Nurture and value talent, encourage every kind of expertise to emerge through dynamic and equitable career management, not forgetting diversity	In France, the ALTEN Group provides HR assistance that enables the best talents to emerge and flourish thanks to career management processes and the strengthening of in-house training. Respect for diversity and combating discrimination are principles integrated into the Group's operations and the Sustainable Development Charter.	<ul style="list-style-type: none"> <li>- Achieve and maintain Top Employer status or equivalent, in France and in the Group's international entities</li> <li>- Reinforce shared values and the development of each person through training courses, notably in the areas of ethics and diversity</li> </ul>
	6	Manage employees by taking into account the balance between personal and work life, allowing everyone to flourish, especially through internal sponsorship	<ul style="list-style-type: none"> <li>- In all its entities, the ALTEN Group supports the personal projects of its employees, be they cultural, sporting or humanitarian, always in connection with the Group's values.</li> <li>- The different entities of the ALTEN Group have adopted HR management policies that are effective, dynamic and equitable, including processes specifically designed and adapted for the employee's profile, to allow each person to master his or her job and to open up to fresh perspectives</li> </ul>	<ul style="list-style-type: none"> <li>- Make internal sponsorship permanent through the "Our employees have talent" programme</li> <li>- Encourage synergy with employee representation for better management of the work/life balance</li> </ul>
	8	Guarantee employees optimal, appropriate working conditions, including an equitable compensation policy and management of potential		<ul style="list-style-type: none"> <li>- Keep the rate of employees receiving annual performance reviews in France above 90%</li> <li>- Develop tracking indicators on internal transfers and skills mapping</li> <li>- Pool best practice among the international entities in terms of career management and remuneration</li> </ul>
Engineering culture	3	Put the Group's innovation and operational excellence to work for clients and civil society, building innovative and sustainable solutions	ALTEN takes an active role alongside its clients and within its own R&D division, promoting projects in keeping with CSR issues: energy-efficient buildings, dependency of people with reduced mobility, connected mobility, etc. ALTEN has adopted internal processes for operational excellence, recognised by well-known certifications, in most of the Group's entities.	<ul style="list-style-type: none"> <li>- Retain the safety, quality and sustainable development certifications already obtained in the different entities</li> <li>- Obtain ISO 27001 certification and an EcoVadis score of 70/100 for the French entities</li> <li>- Intensify dialogue among the different entities for pooling CSR best practice</li> </ul>
	7	Encourage the spread of engineering occupations and build bridges between the student world and the company to encourage vocations in young people and students	The ALTEN Group is committed to promoting the engineering profession, particularly among students and young women, by developing strong partnerships (including the National Confederation of Junior Enterprises, Pasc@line and Elles Bougent in France, Formula Student Germany challenge in Germany, etc.). Every year, ALTEN awards the Engineer of the Year prize and the Women in Industry trophy.	<ul style="list-style-type: none"> <li>- Strengthen partnerships with associations, student and otherwise, participating in the promotion of the engineering profession, especially through national engineers' day (IESF) in France and Simon Azoulay's honorary chairmanship of Elles Bougent</li> <li>- Ensure that 75% of Group entities worldwide have partnered with at least one association to promote the engineering profession</li> </ul>
	9	Be a good corporate citizen by providing support to strong societal initiatives that are meaningful to employees and stakeholders	In France, the Research and Development Division develops innovative projects to provide solutions to the major challenges facing society: mobility, energy efficiency, dependency of people with reduced mobility, etc. In France and elsewhere, ALTEN supports its employees' societal initiatives in line with the Group's values.	<ul style="list-style-type: none"> <li>- Emphasise the orientation of R&amp;D projects in favour of programmes meeting the major challenges faced by society: putting the skills of ALTEN employees to work in the service of the public interest</li> <li>- Participation in national research and development programmes, in France and throughout the world</li> </ul>

# Note on Methodology

## Period and geographic scopes

- The period used for the data comprising the different indicators was from 1 January 2014 to 31 December 2014. Exceptions: the environmental data concerning ALTEN GmbH in Germany relates to the 2013 financial year; the electricity consumption figures in Spain cover the period from 1 December 2013 to 30 November 2014.
- The scope of the present report covers the legal entities of ALTEN and its solutions located in France: ALTEN SA, ALTEN SIR, ALTEN SO, Atexis, APTECH, Anotech Energy, IdApps, Eliys, Pegase, MIGSO, Avenir Conseil Formation, Aprova, G-FIT, GECl; together with international entities: ALTEN Spain, ALTEN Technology GmbH and ALTEN GmbH in Germany, ALTEN Sweden, ALTEN Italia and ALTEN Belgium.
- Except when specifically stated within the scope, the information presented herein and the words "ALTEN", "the Group" and "The ALTEN Group" refer to the legal entities of the ALTEN Group in France only.
- Entities acquired during the financial year are included in the reporting process at the latest after one full year of business within the Group, when revenues in 2014 are other than zero and when headcount is other than zero as of 31 December 2014.

## Rate of coverage

- The performance indicators reported for France and internationally concern a workforce representing 76% of the Group's total headcount as of 31 December 2014, and 75% of revenues.
- More specifically, for the French entities, these indicators refer to the entire workforce of ALTEN Group entities in question (ALTEN and solutions), and to the entire floor space occupied by one or more ALTEN Group entities in France. For international entities, they refer to the number of employees and floor space occupied by each ALTEN entity in the country concerned.

## Guidelines

- The performance indicators and the text of this report were prepared in compliance with the requirements of Article 225 of the French Commercial Code. The G4 Global Reporting Initiative guidelines and recommendations have also been taken into account.
- The guidelines for calculating and establishing performance indicators are available upon request by email: [alten.csr@alten.fr](mailto:alten.csr@alten.fr)

## Exceptions and limitations

The reporting tools currently used within the Group have not enabled us to establish comparable elements meeting the requirements of the Grenelle 2 Law for the other legal entities of the ALTEN Group operating internationally and within the given timeframe. However, the ALTEN Group endeavours each year to expand the scope of its reporting activity by integrating new entities.

## Origin and compilation of the data

### Employee-related indicators

- The data relating to the workforce, nationalities represented in the Company, hirings and terminations, work-study placements, total payroll, compensation, employee turnover, work schedules, and frequency and severity of workplace accidents were taken from the employee-related reports and the payroll software of the ALTEN Group companies in France and the international entities reported. The data relating to annual performance reviews, training and internal mobility were taken from the reports from departments in charge of those matters in the Group's various entities.
- Note that the total number of training hours and the number of employees trained take account of training undertaken by apprentices and employees on vocational training contracts. The three entities Aprova, GECl and G-FIT are not included in the training indicators. The data for hours of training at ALTEN Spain represents the theoretical hours of training paid for employees by the firm.
- The calculation for absenteeism does not include the G-FIT entity.

- Employee turnover is calculated using the following definition:  $(\text{Departures} / ((\text{Workforce N-1} + \text{Workforce N}) / 2))$ . Departures taken into account exclude trial periods, mobility and other reasons. The GECL and Aprova entities are not included in the calculation (no N-1 data).
- Data relating to collective agreements and discussions with social partners and employee representative bodies concerns France only and was provided by the representatives of each of these entities.
- For all the sites where data for energy, water and consumables is unavailable, extrapolations based on ratios per weighted square metre (energy) or per employee (water and consumables) have been made in order to cover the full reporting scope under review. The level of coverage for the indicators given herein is therefore 100%. Exceptions: data for rail/air travel cover the following entities: ALTEN SA, ALTEN SIR, APTECH, PEGASE, ID.APPS, ALTEN SO, ALTEN LTD, ANOTECH, ALTEN Spain, ALTEN Technology GmbH and ALTEN GmbH in Germany, and ALTEN Italy. Data for waste relates only to the Group's legal entities in France.

#### Environmental indicators

- Data related to floor space is taken from the lease documents. Data is collected and then consolidated annually per building. It is then split according to the floor space occupied by each legal entity of the ALTEN Group in France and for international entities within the scope of the report in the said buildings. Note that the indicators for the consumption of cups and surface areas covered by selective sorting do not cover the Atexis leasehold buildings.
- Data relating to consumables, water and energy is taken from the invoices and statements provided by suppliers and service providers.
- In France, energy consumption indicators have been divided by the number of weighted square metres. For international entities, actual sq.m., as of 31 December 2014, are used. In France and internationally, the indicators for water consumption and consumables are divided by the number of employees present on site as of 31 December 2014.
- Annual mileage recorded by company cars has been estimated on the basis of the average mileage per month or per year, according to data available from providers.
- CO<sup>2</sup> emissions related to energy consumption and travel have been calculated based on raw data (kWh, km) using the corresponding emission factors from the method given in the Bilan Carbone® V7.1. Exceptions: emissions relative to air travel in France and by air and rail for ALTEN GmbH, were supplied by the provider and used unmodified, given that the emission factors are consistent with those proposed by the Bilan Carbone® method.

#### Social indicators

- The data relating to projects supported as part of the Group's promotion of the engineering professions comes from the partnerships for which financial support was given.

# Our social performance indicators at 31 December 2014

ALTEN INDICATOR No	INDICATOR	UNITS	GROUP FRANCE 2014	GROUP FRANCE 2013	GROUP 2014
<b>HEADCOUNT AND DIVERSITY</b>					
SOC 1	Total workforce as of 31/12/2014	Number of employees	9,375	8,786	13,899
SOC 2	Breakdown of employees by gender	% men	76%	77%	76%
		% women	24%	23%	24%
SOC 3	Breakdown of workforce by age grouping	% of employees under 25 years old	10%	9%	8%
		% of employees between 25 and 35 years old	64%	65%	61%
		% of employees between 35 and 45 years old	20%	20%	23%
		% of employees over 45 years old	6%	6%	8%
SOC 5	Breakdown of headcount by type of job	% of employees who are engineers	87%	86%	88%
		% of employees who are managers	4%	4%	4%
		% of employees who are support staff	9%	10%	8%
SOC 6	Number of unique nationalities represented	Number of unique nationalities	71	70	NC
<b>HIRES AND TERMINATIONS</b>					
SOC 7	Total number of hires	Number of hires	2,838	2,422	4,519
	Employees hired on permanent contracts	Number of hires	2,576	2,250	3,591
	incl. number of permanent hires under 25 years of age	Number of hires	933	538	1,044
	Employees hired on fixed-term contracts	Number of hires	196	137	862
	Number of hires on apprenticeship or vocational training contracts	Number of hires	66	35	66
SOC 8	Total number of terminations	Number of terminations	2,743	2,452	4,035
	Number of departures from permanent contracts	Number of terminations	2,514	2,301	3,522
	of which resignations	Number of terminations	1,439	1,285	2,237
	of which redundancies	Number of terminations	432	407	552
	Number of departures from fixed-term contracts	Number of terminations	178	98	462
SOC 17	Net jobs created	Number of jobs created	95	-30	484
<b>TYPE OF EMPLOYMENT CONTRACT</b>					
SOC 18	Breakdown of headcount by type of contract	% of permanent employees	98%	98%	94%
		% of temporary employees	1%	1%	5%
		% of employees on apprenticeship or vocational training contracts	1%	1%	1%
<b>REMUNERATION</b>					
SOC 19	Annual payroll/Average headcount	in € Managers	38,813	38,787	NC
		in € Non-managers	25,358	24,380	NC
<b>MANAGEMENT</b>					
SOC 21	% of employees having had an annual performance appraisal	% of employees	91%	95%	NC
SOC 22	Average rate of absenteeism (for sickness, work- or commute-related accident)	%	1.70%	1.70%	NC
SOC 23	ALTEN employee turnover	%	19.44%	19.68%	NC
<b>ORGANISATION OF WORKING TIME</b>					
SOC 24	Percentage of employees working full-time	% of employees	98%	98%	97%
SOC 25	Percentage of employees working part-time	% of employees	2%	2%	3%
<b>EMPLOYEE RELATIONS</b>					
SOC 26	% of employees covered by a collective agreement	% of employees	100%	100%	NC
<b>TRAINING</b>					
SOC 27	Training expenditure	euros	8,347,546	8,032,249	9,313,452
SOC 28	Training expenditure as a % of payroll	%	2.43%	2.45%	2%
SOC 29	Training expenditure as a % of revenue	%	1.16%	1.15%	1%
SOC 30	Total number of training hours	h	91,003	104,096	155,504
SOC 31.a	Percentage of people receiving training during the year, by gender	% of men having received training	35%	38%	38%
		% of women having received training	39%	33%	42%
SOC 31.b	Percentage of employees trained during the year	Number of employees	37.5%	35.7%	45.8%
SOC 33	Number of elearning courses taken	no.	4,372	4,370	6,512

ALTEN INDICATOR No	INDICATOR	UNITS	GROUP FRANCE 2014	GROUP FRANCE 2013	GROUP 2014
<b>WORK AND SAFETY CONDITIONS</b>					
SOC 34	Frequency of work-related accidents with time off ratio	rate	3.60	3.76	NC
SOC 35	Severity rate of work-related accidents ratio	rate	0.03	0.02	NC
SOC 36	Number of hours of safety training	h	10,927	11,003	NC
SOC 38	Number of workplace illnesses reported	no.	0	nd	NC

## Our societal performance indicators at 31 December 2014

ALTEN INDICATOR No	INDICATOR	UNITS	GROUP FRANCE 2014	GROUP FRANCE 2013	GROUP 2014
<b>RELATIONS WITH STAKEHOLDERS</b>					
Societal 1	Number of partnerships for the promotion of engineering occupations (CNJE, Elles Bougent, etc.)	Number of partnerships	23	15	48
Societal 5	Total number of partnerships forged with higher education institutions in the current year	no.	80	nd	205
Societal 4	Total number of partnerships forged with NGOs or similar associations in the current year	no.	2	nd	11
<b>RELATIONS WITH STAKEHOLDERS</b>					
Societal 3	Percentage of women on the Board of Directors	%	38%	40%	38%

## Our environmental performance indicators at 31 December 2014

ALTEN INDICATOR No	INDICATOR	UNITS	GROUP FRANCE 2014	GROUP FRANCE 2013	GROUP 2014
<b>CONSUMPTION OF NATURAL RESOURCES</b>					
Enviro 2	Water consumption per employee	m <sup>3</sup> /emp	6.4	5.5	6.5
	Water consumption	m <sup>3</sup>	17,288	6,74	24,140
Enviro 4	Quantity of paper used per employee	kg/emp	15	17	14
	Total quantity of paper used	kg	40,590	38,146	53,007
Enviro 5	% of recycled or certified paper	%	72%	84%	69%
Enviro 6	Quantity of opaque and translucent drinking cups per on-site employee	number of cups/emp	357	555	NC
Enviro 7	% drinks taken without cup	%	12%	23%	NC
Enviro 8.a	Total energy consumption	kWh	5,799,140	3,803,745	8,247,676
Enviro 8.b	Total energy consumption per sq.m.	kWh/sq.m./year	146	110	133
Enviro 1	CO <sub>2</sub> emissions linked to buildings' energy consumption between 01/01/2014 and 31/12/2014	kg eq. CO <sub>2</sub>	278,359	156,271	895,079
<b>BUSINESS TRAVEL</b>					
Enviro 14	Number of kg eq. CO <sub>2</sub> for business travel by train per employee	kg eq. CO <sub>2</sub> /emp	1.98	1.98	3.89
Enviro 16	Number of kg eq. CO <sub>2</sub> for business travel by plane per employee	kg eq. CO <sub>2</sub> /emp	470	822	378
Enviro 17	Number of hours of audio, video or web conferencing	h	38,061	33,761	38,061
Enviro 17.c	Number of videoconferences organised	no.	17,756	14,617	17,756
Enviro 21	Average CO <sub>2</sub> emissions per km from company vehicle fleet	g CO <sub>2</sub> / km	125	nd	NC
Enviro 23a	Number of kg eq. CO <sub>2</sub> from kilometres driven by company vehicles	kg eq. CO <sub>2</sub>	195,910	nd	1 065,190
<b>EXTERNAL CERTIFICATIONS AND ASSESSMENTS</b>					
Enviro 10	% of occupied sq.m. that is certified (BBC, HQE)	%	26%	27%	31%
Enviro 18	EcoVadis score out of 100	note	72	66	72
<b>WASTE</b>					
Enviro 25	Total quantity of D3E removed by an external company	metric tons	4.4	nd	NC
Enviro 11	% of sites covered by a waste sorting scheme	%	92%	92%	86%

NB: The 2013 and 2014 indicators are not always comparable, due to changes in scope and the extrapolation in 2014 to all the Group's sites.

NC = not consolidated  
nd = not requested

# Compliance matrix

GRENELLE 2	PRINCIPLES OF THE GLOBAL COMPACT	GRI	CHAPTER 3 - 2014 REGISTRATION DOCUMENT
<b>EMPLOYEE-RELATED INFORMATION</b>			
<b>EMPLOYMENT</b>			
Total workforce and breakdown of employees by gender, age and geographical region		LA1	1.1
Recruitments and redundancies		LA2	1.1
Remuneration and remuneration increases		EC1, EC5	1.1 Annual Report - Chap. 17.3 and 17.5
<b>WORK ORGANISATION</b>			
Organisation of working time		LA	1.4
Absenteeism		LA7	1.4
<b>EMPLOYEE RELATIONS</b>			
Organisation of dialogue with employees, such as procedures for informing, consulting and negotiating with employees	3. Respect of freedom of association and the right to collective bargaining	LA4	1.1 Annual Report - Chap. 17.5
List of collective agreements			1.1 Annual Report - Chap. 17.4
<b>HEALTH &amp; SAFETY</b>			
Occupational health and safety conditions		LA6, LA8	1.4
List of agreements signed with unions and staff representative bodies pertaining to occupational health and safety	4. Elimination of all forms of forced or compulsory labour 5. Effective abolition of child labour	LA9	No health and safety agreements were signed during the financial year.
Work-related accidents, particularly their frequency and severity, together with occupational illnesses		LA7	1.4
<b>TRAINING</b>			
Policies implemented regarding training		LA11	1.2
Number of training hours		LA10	1.2
<b>EQUAL OPPORTUNITIES</b>			
Measures taken to promote gender equality		LA14	1.3
Measures taken to promote the employment and integration of disabled persons		LA13	1.3 Annual Report - Chap. 17.5
The anti-discrimination policy		LA13	1.3
<b>PROMOTION OF AND COMPLIANCE WITH THE CORE CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION ON</b>			
Respect for freedom of association and the right to collective bargaining	3. Respect for freedom of association and recognition of the right to collective bargaining	HR5, LA13, LA14	2.4
The elimination of discrimination in respect of employment and occupation	6. Elimination of discrimination in respect of employment and occupation	HR4, LA13, LA14	1.3 2.4
The elimination of forced or compulsory labour	4. Elimination of all forms of forced or compulsory labour	HR6, HR7	2.4
The effective abolition of child labour	5. Effective abolition of child labour	HR6	2.4
<b>ENVIRONMENTAL INFORMATION</b>			
<b>GENERAL POLICY IN ENVIRONMENTAL MATTERS</b>			
The company's organisational structure for taking into account environmental issues and, where applicable, environmental assessment and certification procedures			4.1
Training and information for employees on environmental protection matters	7. Taking a conservative approach to dealing with environmental matters		4.1
Resources devoted to preventing environmental hazards and pollution	8. Promoting greater responsibility in environmental matters 9. Developing and disseminating environmentally friendly technologies	EN 30	ALTEN provides intellectual services. By their nature, these activities present little environmental risk and do not generate significant pollution.
The amount of accounting provisions and guarantees for environmental risks, provided that this information is not likely to cause the company serious prejudice in an ongoing lawsuit		EN28, EC2	ALTEN has no provisions or guarantees for environmental risks in France. The environmental management (ISO 14001 certified) that we apply to buildings does reduce environmental hazards.

GRENELLE 2	PRINCIPLES OF THE GLOBAL COMPACT	GRI	CHAPTER 3 - 2014 REGISTRATION DOCUMENT
<b>POLLUTION AND WASTE MANAGEMENT</b>			
Measures to prevent, reduce and compensate for emissions into the atmosphere, soil and water that severely affect the environment		EN22 to EN24	ALLEN provides intellectual services. By their nature, these activities have little direct environmental impact and do not seriously affect it; emissions into the air are limited in normal situations to greenhouse gas emissions.
Measures to prevent, recycle and eliminate waste	7. Taking a conservative approach to dealing with environmental matters	EN 22	4.4
Taking into account noise pollution and all other forms of pollution specific to an activity	8. Promoting greater responsibility in environmental matters 9. Developing and disseminating environmentally friendly technologies	EN 25	The ALLEN Group provides intellectual services. By their nature, these activities have little impact on the environment, generate little pollution and do not cause noise pollution. However, measures are taken to ensure the smooth integration of buildings in residential areas into their neighbourhoods (BBC/HQE, ISO 14001, etc.)
<b>SUSTAINABLE USE OF RESOURCES</b>			
Consumption and supply of water in accordance with local constraints		EN8, EN9, EN21	4.4
Consumption of raw materials and measures taken to use them more efficiently	7. Taking a conservative approach to dealing with environmental matters	EN1, EN10	4.4
Energy consumption, measures taken to improve energy efficiency and use of renewable energy	8. Promoting greater responsibility in environmental matters	EN3 to EN7	4.2 4.3
Land use	9. Developing and disseminating environmentally friendly technologies		Given ALLEN's services business of engineering and technology consulting, the Group has no activity that involves land use.
<b>CLIMATE CHANGE</b>			
Greenhouse gas emissions		EN16, EN17, EN19, EN20	4.3
Adapting to the consequences of climate change	7. Taking a conservative approach to dealing with environmental matters 8. Promoting greater responsibility in environmental matters 9. Developing and disseminating environmentally friendly technologies	EN18, EC2	ALLEN provides intellectual services. Adapting to the consequences of climate change is not a direct issue for the Group. However, indirectly, ALLEN is committed to developing innovative and lasting solutions for its customers.
<b>PROTECTING BIODIVERSITY: MEASURES TAKEN TO PRESERVE OR IMPROVE BIODIVERSITY</b>		EN11 to 15, EN20	4.4
<b>INFORMATION ON CORPORATE SOCIAL RESPONSIBILITY COMMITMENTS PROMOTING SUSTAINABLE DEVELOPMENT</b>			
<b>LOCAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITY</b>			
In terms of employment and regional development		EC8, EC9	1.1
On neighbouring and local populations		EC1, EC6	ALLEN is present in employment hotspots and works closely with its customers. Its impact on neighbouring and local populations is thus limited and not significant.
<b>RELATIONS WITH THE PEOPLE OR ORGANISATIONS RELATED TO OR AFFECTED BY THE COMPANY'S ACTIVITY, PARTICULARLY LABOUR-MARKET INCLUSION ASSOCIATIONS, EDUCATIONAL INSTITUTIONS, ENVIRONMENTAL PROTECTION ASSOCIATIONS, CONSUMER ASSOCIATIONS AND LOCAL POPULATIONS</b>			
Conditions conducive to dialogue with such people or organisations			Values, strategy and challenges Map of stakeholders
Partnership and sponsorship initiatives		EC1	1.3 2.1 2.5 3.2 4.4
<b>SUB-CONTRACTING AND SUPPLIERS</b>			
Taking social and environmental issues into account in the purchasing policy		EC6, HR2, HR 5 to 7	2.3
The importance of sub-contracting and taking their social and environmental responsibility into account in relations with suppliers and sub-contractors	1. Promoting and respecting international human rights law protection in the sphere of influence 2. Guarding against complicity in human rights violations		Annual Report - Chap. 17.5
<b>FAIR COMMERCIAL PRACTICES</b>			
Initiatives undertaken to prevent corruption		SO2 to SO4, SO7, SO8	2.4
Measures taken to promote the health and safety of consumers	10. Acting against corruption in all its forms, including extortion and bribery	PR1, PR2	2.2
<b>OTHER ACTIONS TAKEN TO PROMOTE HUMAN RIGHTS</b>	1. Promoting and respecting international human rights law protection in the sphere of influence 2. Guarding against complicity in human rights violations	HR	2.3 2.4

# Report by one of the Statutory Auditors, appointed as an independent third-party body on the consolidated employee, environmental and societal information in the management report

## Report by one of the Statutory Auditors, appointed as an independent third-party body, on the consolidated employee, environmental and societal information in the management report.

ALTEN S.A.  
Financial year ended 31 December 2014

### To the shareholders,

As Statutory Auditors of the Company ALTEN S.A. appointed as an independent third-party body, accredited by the COFRAC under number 3-1080<sup>1</sup>, we hereby present our report on the consolidated employee, environmental and societal information for the financial year ended 31 December 2014, presented in the management report (hereafter the "CSR information"), pursuant to Article L. 225-102-1 of the French Commercial Code.

### Corporate Responsibility

It is the duty of the Board of Directors to prepare a management report including the CSR Information mentioned in Article R. 225-105-1 of the French Commercial Code and to do so in accordance with the CSR reporting guidelines used by the Company (hereinafter, the "Guidelines"), a summary of which appears in the management report and is available on request from the company's head office.

### Independence and quality control

Our independence is defined by regulatory language, our professional code of ethics and the provisions in Article L. 822-11 of the French Commercial Code. Furthermore, we have adopted a quality control system that includes documented policies and procedures for compliance with ethical rules, professional practical standards and the applicable legal and regulatory texts.

### Responsibility of the Statutory Auditors

It is our responsibility, based on our findings:

- to attest that the CSR information required is present in the management report or, if omitted, that an explanation is provided pursuant to paragraph three of Article R. 225-105 of the French Commercial Code ("Attestation of the presence of the CSR information");

- to express a conclusion of moderate assurance that the CSR information taken as a whole is presented honestly and fairly in all material respects in accordance with the Guidelines (opinion, stating reasons, as to the honesty and fairness of the CSR information).

Our work was done by a team of four persons over a period of three weeks between November 2013 and March 2014. To assist us in our work we called upon our experts in CSR.

We conducted the work described hereinafter in accordance with the standards of professional practice applicable in France and with the decree of 13 May 2013 determining the ways in which the third-party independent organisation is to conduct the assignment and, with respect to the opinion stating reasons as to honesty and fairness, with international standard ISAE 3000<sup>2</sup>.

### 1. Attestation of the presence of the CSR Information

Based on interviews with the managers of the departments concerned, we have familiarised ourselves with the statement of goals in regard to Sustainable Development, in light of the employee-related and environmental consequences of the company's business activities and its social commitments and the actions or programs, if any, that result from that statement.

We compared the CSR information presented in the management report with the list contemplated in Article R. 225-105-1 of the French Commercial Code.

When certain consolidated information was lacking, we made certain that explanations were provided in accordance with Article R. 225-105 paragraph 3 of the French Commercial Code.

We checked that the CSR information covered the consolidated scope, i.e., the Company as well as 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, within the limits specified in the note on methodology presented in part III of the management report.

Based on this work and given the above-mentioned limitations, we attest to the presence in the management report of the required CSR information.

## 2. Opinion stating reasons on the honesty and fairness of the CSR information

### Nature and extent of our work

We conducted two interviews with the persons responsible for preparing the CSR information in the departments in charge of the process of gathering the information and, when necessary, those responsible for the internal control and risk management procedures, so as to:

- assess the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and comprehensibility, taking into consideration any best practices in the sector; and
- verify the operation of a process for gathering, compiling, processing and tracking information that would provide thorough and internally consistent CSR information, and become acquainted with the internal control and risk management procedures used to prepare the CSR information.

We suited the nature and extent of our tests and audits to the nature and importance of the CSR information with respect to the characteristics of the company, the employee-related and environmental issues of its activities, its goals in terms of Sustainable Development and sectoral best practices.

With regard to the CSR Information that we deemed the most important<sup>3</sup>:

- for the consolidating entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (as to organisation, policies, actions), employed analytical procedures on the quantitative information, and checked, through sampling, the calculations and the consolidation of the data, checking them for consistency

and agreement with the other information given in the management report;

- for the representative sample we chose based on their activity<sup>4</sup>, contribution to the consolidated indicators, their physical location and a risk analysis, we conducted interviews to verify that procedures were correctly applied and to identify any omissions, and we carried out detailed tests on the samples, consisting of checking the calculations made and comparing the data in the supporting documents. The sample selected in this way represented 49% of the workforce and between 55% and 86% of the quantitative environmental information.

With regard to the other consolidated CSR information, we judged its consistency in relation to our knowledge of the Company.

Finally, we judged the validity of any explanations given as to the total or partial absence of certain information.

It is our belief that the sampling methods and sample sizes we used in exercising our professional judgement allow us to draw a conclusion of moderate assurance. A higher level of assurance would have necessitated more extensive investigation. Due to the use of sampling techniques as well as to the limitations inherent in the operation of any information and internal control system, the risk of not detecting a material irregularity in the CSR information cannot be totally ruled out.

### Conclusion

On the basis of our work, we did not find any material irregularity that might indicate that the CSR information taken as a whole is not honestly and fairly presented in accordance with the Guidelines.

Paris, 20 April 2015

One of the Statutory Auditors  
Grant Thornton  
French member of Grant Thornton International

Vincent Frambourt  
Associate

<sup>1</sup> Scope available on [www.cofrac.fr](http://www.cofrac.fr)

<sup>2</sup> ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

<sup>3</sup> Quantitative employee indicators: total workforce at 31 December and breakdown by gender, age, geographical area and contract type; hirings and departures; average absenteeism rate; employee turnover; number of training hours.

Quantitative environmental indicators energy consumption by floor space; paper consumption and proportion of recycled paper; total floor space of certified buildings (BBC/HQE); kms travelled by train, plane and company vehicle; CO2 emissions from the buildings' energy consumption and business trips.

Qualitative information relating to ISO 27001 and data security, promotion of engineering occupations, career management, internal mobility and training, indirect impacts.

<sup>4</sup> For employee-related information: Alten S.A.; Alten Spain; Alten Italia.  
For environmental information: the Alten Group in France excluding Atexis; Alten Spain; Alten Italia.



# Shareholder information

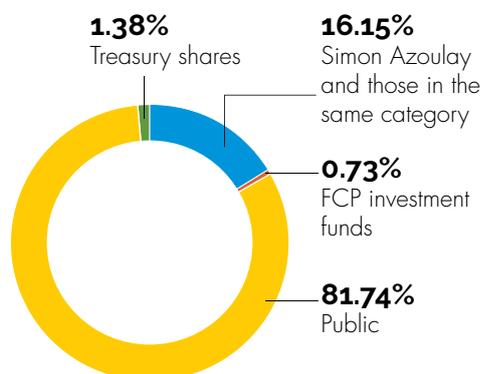
## Investor information

Company name	ALTEN
Purpose	Engineering and Technology Consulting
Activity Code (APE)	6202A
Trade and Companies Register	348 607 417 Nanterre
Registered office address	40, avenue André Morizet 92513 Boulogne-Billancourt
Start date	1988
Nationality	French
Capital social	€34,170,892.28
Number of shares representing ALTEN's capital	33,619,560 shares
Legal form	French public limited company with Board of Directors
Financial year	1 January to 31 December
Market	ALTEN is listed in Compartment A of Euronext Paris
Stock market indices including ALTEN shares	SBF 120, SBF 250, IT CAC 50, CACMID 100
ISIN code	FR 0000071946

## Financial analysts

Aurel BGC  
Bryan Garnier  
Cheuvreux Kepler  
CIC Securities  
Exane BNP Paribas  
Gilbert Dupont  
Natixis  
Oddo Securities  
Société Générale

## Shareholder structure (at 09/04/2015)



## Corporate events calendar

4 <sup>th</sup> quarter 2014 revenue	29 January 2015
2014 results	25 February 2015
1 <sup>st</sup> quarter 2015 revenue	28 April 2015
General Meeting of Shareholders	18 June 2015
1 <sup>st</sup> half 2015 revenue	29 July 2015
1 <sup>st</sup> half 2015 results	22 September 2015
3 <sup>rd</sup> quarter 2015 revenue	28 October 2015

## Stock market performance

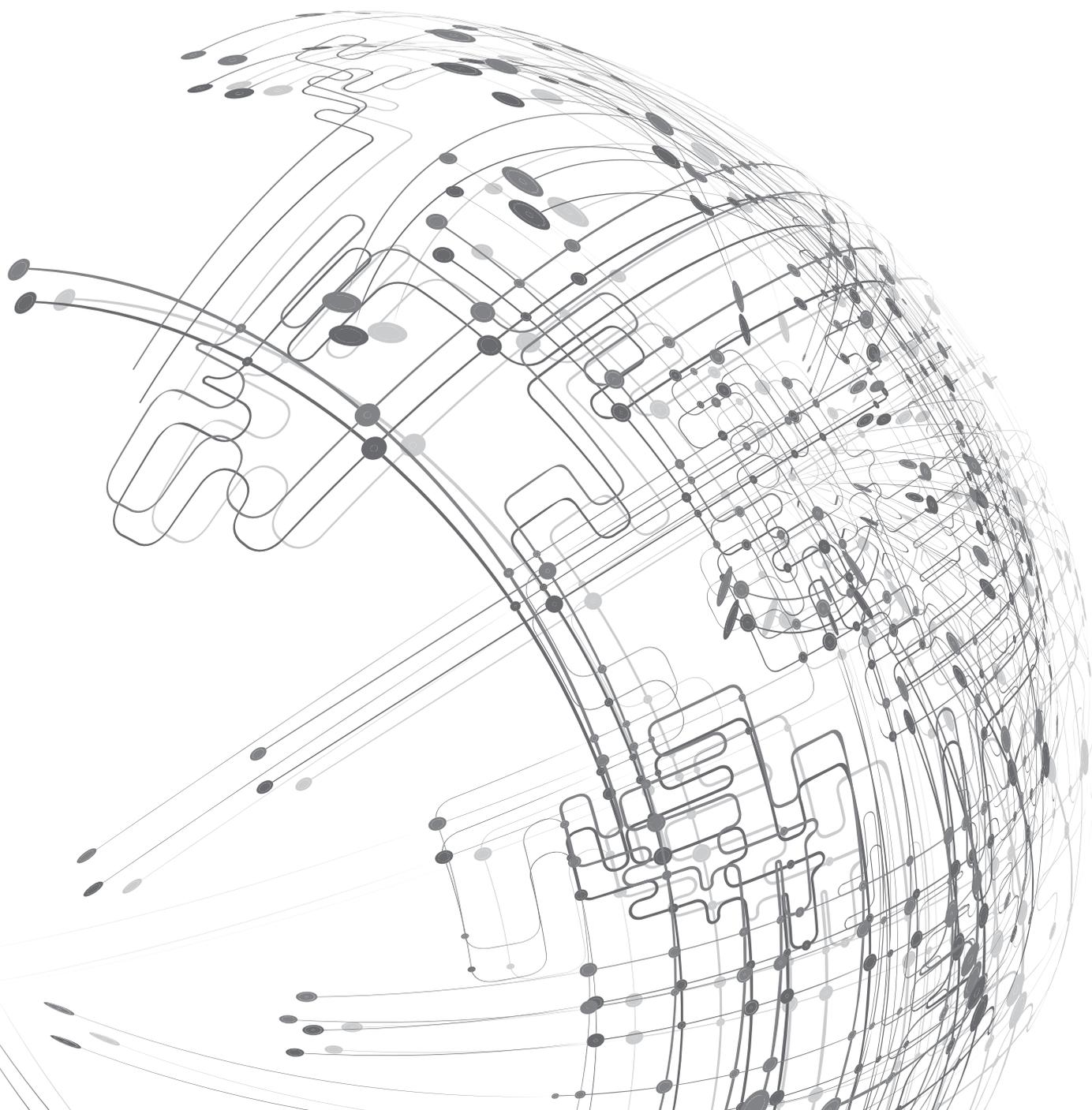
DATE	MONTHLY VOLUME	MONTHLY VOLUME IN EUROS	HIGH	LOW	AVERAGE PRICE	AVERAGE DAILY TRADING VOLUME	AVERAGE DAILY TRADING IN EUROS
March-15	958,398	€40,201,920.9060	€43.50	€39.40	€41.9470	43,564	€1,827,360.0412
Feb-15	542,892	€20,729,245.2360	€40.07	€36.07	€38.1830	27,145	€1,036,462.2618
Jan-15	454,980	€16,263,715.0800	€37.55	€33.66	€35.7460	20,681	€739,259.7764
Dec-14	380,098	€12,993,650.1300	€36.13	€32.95	€34.1850	18,100	€618,745.2443
Nov-14	354,508	€12,325,534.1440	€35.70	€33.59	€34.7680	17,725	€616,276.7072
Oct-14	703,909	€22,982,628.8500	€34.16	€30.87	€32.6500	30,605	€999,244.7326
Sept-14	553,824	€19,003,916.7360	€35.42	€33.09	€34.3140	25,174	€863,814.3971
Aug-14	426,466	€14,446,109.2840	€36.31	€31.50	€33.8740	20,308	€687,909.9659
Jul-14	680,939	€23,863,507.2550	€36.41	€34.01	€35.0450	28,372	€994,312.8023
June-14	687,962	€25,134,691.6700	€38.26	€34.33	€36.5350	32,760	€1,196,890.0795
May-14	715,260	€25,400,313.1200	€37.67	€33.60	€35.5120	34,060	€1,209,538.7200
Apr-14	663,051	€24,867,727.7550	€38.93	€36.20	€37.5050	33,153	€1,243,386.3878
March-14	1,228,193	€46,671,334.0000	€39.29	€35.71	€38.0000	61,410	€2,333,566.7000
Feb-14	660,788	€23,555,109.8360	€38.75	€32.02	€35.6470	34,778	€1,239,742.6229
Jan-14	727,123	€24,806,528.2680	€36.01	€32.78	€34.1160	33,051	€1,127,569.4667



2014

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 RESPONSIBLE FOR 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 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 269) 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. The Statutory Auditors' report on the Company financial statements for the year ended 31 December 2013, appearing in paragraph 20.4.2 of the 2013 Registration Document (No. D. 14-0408) contains one comment."*

*Signed at Boulogne-Billancourt on 27 April 2015.*

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

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### 2.1.1 PRINCIPAL 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.

Term of office expires on: the date of the Ordinary General Meeting in 2015 called to approve the financial statements for the year ended 31 December 2014.

#### Grant Thornton

Represented by Mr Vincent Frambourt – 100, rue de Courcelles, 75017 Paris.

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

Term of office expires on: the date of the Ordinary General Meeting in 2015 called to approve the financial statements for the year ended 31 December 2014.

### 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.

Term of office expires on: the date of the Ordinary General Meeting in 2015 called to approve the financial statements for the year ended 31 December 2014.

#### 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.

Term of office expires on: the date of the Ordinary General Meeting in 2015 called to approve the financial statements for the year ended 31 December 2014.

# 2

## STATUTORY AUDITORS

### POSSIBLE CHANGE

## 2.2 POSSIBLE CHANGE

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The Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2014, scheduled for 18 June 2015, will vote on the:

- re-appointment of Grant Thornton as principal co-Statutory Auditor,
- re-appointment of IGEC as alternate co-Statutory Auditor,
- nomination of KPMG Audit IS to replace Dauge et Associés as principal co-Statutory Auditor,
- nomination of SALUSTRO REYDEL to replace Didier Kling et Associés as alternate co-Statutory Auditor,

for a period of six financial years, that is, until the close of the annual Ordinary General Meeting to be held in 2021 called to approve the financial statements for the year ended 31 December 2020.

## 2.3 STATUTORY AUDITORS' FEES

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The table relating to Statutory Auditors' fees is shown in paragraph 20.3.1, Note 4.6 of this Registration Document.

# SELECTED FINANCIAL INFORMATION

# 3

## 3.1 HISTORICAL FINANCIAL INFORMATION

### KEY FIGURES FOR THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION

<i>(in million of euros)</i>	2014	2013	2012
Revenue	1,373.2	1,216.2	1,198.0
France	55.5%	61.7%	63.2%
International	44.5%	38.3%	36.8%
Operating profit on activity	132.2	117.6	120.6
Operating profit on activity <i>(as % of revenue)</i>	9.6%	9.7%	10.1%
Operating profit	117.5	110.8	116.4
Net income, Group share	79.5	73.8	78.2
Workforce	18,400	16,000	15,950

# 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

---

### 4.1.1 INTEREST RATE RISK

The Group's interest rate risk relates to the Club Deal contract signed on 21 December 2012 and indexed to the Euribor for the corresponding period. It incurs an exchange rate risk based on changes in the reference index.

Due to low debt levels and interest rate changes, the Group did not consider it necessary to arrange interest rate hedging, especially since its financing is short term. The Group's exposure remains limited.

At 31 December 2014, financial debt at variable rate amounted to €37 million.

On 20 March 2015, ALTEN SA renewed its medium-term financing by signing a new Club Deal contract for a maximum term of seven years.

### 4.1.2 FOREIGN EXCHANGE RISK

#### Operating foreign exchange risk

Although the Group has broad international presence, the currency flows linked to its activity are limited to each subsidiary's internal market and primarily converted into local currencies.

#### Foreign exchange risk

The financing needs of subsidiaries outside the eurozone and some of the Group's financing transactions expose certain entities to a foreign exchange risk (risk linked to the change in value of debts or receivables in currencies other than the operating currency of the lending or borrowing entity). In general, the Group's external financing is denominated in euros. However, certain external growth transactions may have resulted in refinancing by the Group in foreign currencies but remain limited and are completely or partially covered by bank loans in foreign currencies.

During 2014, exchange rates had a positive impact of €2,918,000 on the Group's net earnings. The Group's exposure to operating and financial foreign exchange risk is thus limited. See also paragraph 20.3.1, Note 2.3 "Financial risk factors".

#### Risk of translation change

Some of the Group's subsidiaries are located outside the eurozone, in particular the USA and Sweden. The financial statements of these subsidiaries are subject to certain volatility when translated into the consolidation currency linked to changes in the local currency compared to the euro. The risk of translation change constitutes the Group's main exposure to foreign exchange risk.

### 4.1.3 EQUITY RISK

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 1.37% of its share capital at 31 December 2014.

Securities giving future access to capital represent only 0.5% of ALTEN's share capital at 31 December 2014.

ALTEN also holds 420,653 ordinary shares in AUSY (listed on the Euronext Paris Compartment C) representing 9.25% of this company's share capital at 31 December 2014.

## 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 ensures that it always has sufficient liquidity to meet its commitments, in particular to take advantage of investment opportunities.

At 31 December 2014, the Group has:

- centralised cash management when local legislation permits;
- internal procedures to optimise debt recovery;
- credit lines set up for €150 million as part of the Club Deal contract and short-term unconfirmed credit lines for €21.5 million, renewable annually.

At 31 December 2014, the ratios under the Club Deal contract signed on 21 December 2012 had been met, namely:

- ratio 1 – “Consolidated net financial debt/Consolidated operating profit on activity”. This ratio is less than 2.1;

- ratio 2 – “Consolidated net financial debt/Increased equity”. This ratio is less than 0.7.

Additional information on the Club Deal contract is set out in paragraph 20.3.1, Note 2.3 “Financial risk factors”.

In order to extend its financing, the Group signed a new Club Deal credit agreement in March 2015 for €160 million for a maximum term of seven years. This agreement replaces the Club Deal contract signed on 21 December 2012.

This new line of credit will also be subject to the fulfilment of financial ratios with thresholds close to those in force at 31 December 2014, namely:

- ratio 1 – “Consolidated net financial debt/Consolidated operating profit on activity”. This ratio is less than 2.5;
- ratio 2 – “Consolidated net financial debt/Increased equity”. This ratio is less than 0.7.

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 time frames. 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 ALTEN Group derives 37.1% of its sales from approximately ten customers, with its largest customer representing 11.1% of Group sales within various entities in several countries.

### MAJOR ACCOUNTS' SHARE

<i>(as % of revenue)</i>	2014	2013	2012
First	11.1	11.3	9.7
Top five	25.9	29.6	27.2
Top ten	37.1	42.1	39.7

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

The ALTEN Group has also established internal procedures to assess the risk of customer insolvency during the pre-sales process and subsequently to efficiently collect these receivables.

The ALTEN Group's customers are among the largest European accounts: close to 90% of revenue is generated by this type of customer thus limiting the risk of insolvency. Its credit risk is therefore limited. Customer account collection periods were 98.5 days in 2014 (95 days in 2013).

# 4

## RISK FACTORS

### RISKS CONNECTED WITH INTANGIBLE ASSETS

#### 4.4 RISKS CONNECTED WITH INTANGIBLE ASSETS

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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.

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 paragraph 20.3.1, notes to the financial statements, paragraphs 2.2.5.3 and 2.2.5.6).

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 paragraph 20.3.1, Consolidated financial statements, Note 3.1.

#### 4.5 LEGAL RISKS

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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 work packages, was certified CMMI<sup>®(1)</sup> level 3 in December 2012 for three years. 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 paragraph 20.3.1, Consolidated financial statements, Note 3.11).

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.

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(1) CMMI is registered in the US Patent and Trademark Office by Carnegie Mellon University.

## 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-2014, ALTEN was confirmed as a preferred supplier for all of its customers in the Aeronautical, Automotive, Energy, Telecoms and other sectors.

If ALTEN were to lose its preferred supplier status with a major account (two customers each representing more than 5% of revenue), its activity ratio and, as a result, its profitability could be affected.

In view of the rationalisation of supplier panels and changing demand among project owners, ALTEN assists its customers by implementing a work package offer that delivers productivity gains and which can be combined 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 nearshore and offshore organisations in Romania, Poland, India and Morocco.

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

Close to 90% of ALTEN's employees are engineers whose profiles are much sought after in a very tight labour market.

With almost 4,500 new hires in 2014, 4,000 of them engineers and 30% of them young graduates, ALTEN has an active recruitment policy. The Group reaches out to prospective employees by attending some 100 recruitment fairs and forums each year, by arranging networking

events such as the ALTEN Job Tour, which visits 10 French cities, and by forming partnerships with engineering schools and with the French Confederation of Junior Enterprises.

In 2014, ALTEN received Top Employer certification in France for the fourth year running in recognition of the Group's investment in people and its training and talent development schemes.

# 4

## RISK FACTORS

### INDUSTRIAL RISKS RELATED TO THE ENVIRONMENT

## 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;
- damage incurred by customers and third parties.

# 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 its inception, ALTEN has developed in two strategic directions: geographical proximity to its customers (in France and abroad) and continued enhancement of its offer by developing new expertise

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 with ALTEN Sud-Ouest, ALTEN Industrie (fixed price integration in the rail sector) and GIST, and abroad with 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.

## 2001-2013

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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: Reinforcement of its international position, which at end 2003 represents 20% of ALTEN Group revenue, particularly following implementation in Italy (acquisition of DEC Informatica) and 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 customers for work package<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 work package 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 top five 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: ALTEN continues its strategy of organic growth and growth through acquisitions. ALTEN acquires four international companies: in Sweden (250 consultants), China (50 consultants), Germany (30 consultants) and Poland (40 consultants).
- 2013: To strengthen and accelerate its development in new markets, ALTEN acquires six new companies: one in France and five abroad in the USA, the UK, Germany and Belgium.

## 2014

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ALTEN continues its international expansion and acquires eight new companies of which seven abroad. ALTEN reinforces its presence in Germany, with almost 2,000 employees.

---

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

(2) Services used in France and carried out abroad (either in close countries, i.e. nearshore, or in countries that are far or very far away, i.e. offshore).

(3) Study carried out by Pierre Audoin Conseil.

## 5.2 INVESTMENTS

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### 5.2.1 PRINCIPAL INVESTMENTS DURING 2014

During 2014, ALTEN made the following principal investments:

- fittings and fixtures, furniture, equipment and IT infrastructure for €1.3 million and intangible assets for €1.2 million;
- net financial assets, equity investments and earn-outs worth €17.1 million.

These investments were self-financed.

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

Apart from the acquisitions mentioned in paragraphs 9.1.1.1 and 9.1.1.2 of this document, no financial or equity investments have been made or committed since year-end.

### 5.2.3 PRINCIPAL 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 €18.4 million at 31 December 2014, is posted in other current and non-current liabilities.

# OVERVIEW OF THE BUSINESS AND STRATEGY

# 6

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# 6

## OVERVIEW OF THE BUSINESS AND STRATEGY

### MAIN ACTIVITIES

## 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 "Our customers". The tables below supplement this information.

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

	2014	2013	2012
Aerospace	17.5%	18.5%	16.9%
Defence & Security	5.3%	5.8%	5.1%
Automotive	17.8%	14.5%	15.9%
Rail & Naval	3.9%	4.5%	4.2%
Multimedia & Electronics	5.3%	5.9%	6.8%
Telecoms	10.4%	12.5%	13.3%
Finance & Services	15.0%	14.5%	16.0%
Energy & Life Sciences	20.5%	20.2%	17.9%
Other industries	4.3%	3.6%	3.9%

Breakdown of consolidated revenue and engineer workforce by main geographical regions for the period covered by the historical financial information:

		2014	2013	2012
<b>France</b>	<b>Revenue</b>	<b>€761.5 million</b>	<b>€751 million</b>	<b>€757.7 million</b>
	<i>Proportion of consolidated revenue</i>	55.5%	61.7%	63.2%
	Engineers	8,228	7,917	8,150
<b>Germany</b>	<b>Revenue</b>	<b>€145.2 million</b>	<b>€108.6 million</b>	<b>€95.3 million</b>
	<i>Proportion of consolidated revenue</i>	10.6%	8.9%	8%
	Engineers	1,580	1,128	1,043
<b>Sweden</b>	<b>Revenue</b>	<b>€100.8 million</b>	<b>€101.7 million</b>	<b>€110.6 million</b>
	<i>Proportion of consolidated revenue</i>	7.3%	8.4%	9.2%
	Engineers	914	894	923
<b>UK</b>	<b>Revenue</b>	<b>€73.2 million</b>	<b>€47.3 million</b>	<b>€43.4 million</b>
	<i>Proportion of consolidated revenue</i>	5.3%	3.9%	3.6%
	Engineers	564	446	411
<b>Spain</b>	<b>Revenue</b>	<b>€60.6 million</b>	<b>€57.6 million</b>	<b>€65.7 million</b>
	<i>Proportion of consolidated revenue</i>	4.4%	4.7%	5.5%
	Engineers	1,296	1,124	1,322
<b>USA</b>	<b>Revenue</b>	<b>€51 million</b>	<b>€25.3 million</b>	<b>€21.3 million</b>
	<i>Proportion of consolidated revenue</i>	3.7%	2.1%	1.8%
	Engineers	291	139	91
<b>Italy</b>	<b>Revenue</b>	<b>€47.4 million</b>	<b>€32.2 million</b>	<b>€28.8 million</b>
	<i>Proportion of consolidated revenue</i>	3.4%	2.6%	2.4%
	Engineers	710	479	411
<b>Belgium</b>	<b>Revenue</b>	<b>€46.5 million</b>	<b>€37 million</b>	<b>€31.7 million</b>
	<i>Proportion of consolidated revenue</i>	3.4%	3.0%	2.6%
	Engineers	421	341	255
<b>The Netherlands</b>	<b>Revenue</b>	<b>€37.1 million</b>	<b>€33.7 million</b>	<b>€34 million</b>
	<i>Proportion of consolidated revenue</i>	2.7%	2.8%	2.8%
	Engineers	413	398	401
<b>Finland</b>	<b>Revenue</b>	<b>€13 million</b>	<b>0</b>	<b>0</b>
	<i>Proportion of consolidated revenue</i>	0.9%	0	0
	Engineers	303	0	0
<b>Other countries</b>	<b>Revenue</b>	<b>€37 million</b>	<b>€21.8 million</b>	<b>€9.7 million</b>
	<i>Proportion of consolidated revenue</i>	2.7%	1.8%	0.8%
	Engineers	1,526	1,238	1,095

## 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", section of the business report.

## 6.2 MAIN MARKETS

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A presentation of the ALTEN Group's principal markets is given in the Chapter of the business report entitled "Our customers".

## 6.3 EXCEPTIONAL EVENTS

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None.

## 6.4 ISSUER'S DEPENDENCY ON PATENTS OR LICENCES, 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 six market players in the engineering and technology consulting field have a European presence; they are all French.

*(Source: Pierre Audoin Consultants 2015)*

# 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-subsidiary 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.);
- communication and marketing;
- management and strategy consultancy.

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 2014, the ALTEN Group was composed of 104 subsidiaries located in Europe, North America, India and Asia.

## 7.2 LIST OF MAJOR SUBSIDIARIES

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The list of major 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.

Despite a slight dip in growth at the end of 2013, ALTEN achieved organic growth of 2.75% in 2014.

The last quarter of 2014 saw organic growth return to positive territory in France and exceed 10% abroad.

Operating margin was more or less stable despite the consolidation of less profitable acquisitions which accounted for around 11% of revenue. It stood at 8.5% of revenue in the first half before rising strongly to reach 10.8% of revenue in the second half. It stood at 9.6% of revenue across the year on average.

Operating margin at constant scope was higher than in 2013 and exceeded 10% of revenue.

Sector performance was mixed. Growth was led by the Automotive (French manufacturers showed strong growth), Energy & Life Sciences and Aerospace sectors.

At the end of December, ALTEN had 18,400 employees, 88% of them are engineers.

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

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

- on 31 January 2014, ALTEN GmbH finalised its acquisition of Matis Deutschland (Germany), now Aventon GmbH (total revenue of €17 million, 190 consultants);
- on 7 March 2014, ALTEN Europe acquired Geci GmbH and DO-PRO (Germany), Geci Ingenieria (Spain) and Geci Engineering Services (Romania) (2014 revenue of €29 million, 420 engineers);

- on 18 March 2014, ALTEN Europe acquired Positech (Italy), a technology consultancy with particular expertise in embedded systems (2014 revenue of €8 million, 80 engineers);
- on 21 March 2014, Calsoft Labs acquired SACC (USA), an IT consultancy (2014 revenue of €9 million, 110 engineers);
- on 23 April 2014, ALTEN Europe acquired a group of companies in Finland specialising in mechanical engineering, industrial design and industrial automation (2014 revenue of €24 million, 310 engineers);
- on 31 July 2014, ALTEN GmbH acquired Wotech GmbH (Germany), a company specialising in mechanical, electrical and electronic engineering, chiefly in the automotive sector (2014 revenue of €8 million, 100 engineers);
- on 9 October 2014, ALTEN GmbH acquired ICT GmbH (Germany), now Aventon Technology GmbH, a company specialising in the automotive sector (2014 revenue of €7 million, 80 engineers);
- on 9 December 2014, Calsoft Labs acquired CPRIME (USA), a company specialising in project management and agile consulting (2014 revenue of \$21 million, 100 consultants).

The acquisitions made by ALTEN SA are described in paragraph 9.1.1.2.

On 15 December 2014, ALTEN Europe dissolved its Belgian subsidiary VCTH Sprl by means of a cross-border merger.

#### Events after year end

Since 31 December 2014, ALTEN made the following acquisitions, either directly or through its subsidiaries:

- on 26 January 2015, ALTEN Nederland acquired four companies (the Netherlands) that were part of the ECLIPSE Group (revenue of €11 million, 95 consultants);
- on 13 March 2015, ALTEN Canada acquired Experco Inc. (Canada) (revenue of €7 million, 70 consultants);
- on 12 February 2015, ALTEN SA, through Abilene, acquired the Lincoln group (France), which specialises in decision-making information and clinical studies (2013 revenue of €21 million, 230 consultants).

Moreover, on 20 March 2015, ALTEN SA signed a Club Deal credit agreement of up to €160,000,000 for a maximum term of seven years in order to secure the financial resources necessary for the ALTEN Group to fund its operating requirements, investments and acquisitions.

A tax audit of a French entity began in February 2015.

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

In economic terms, 2014 continued to be a difficult year in France, where project owners continually sought productivity gains.

This year, the Aeronautics market contracted due to the end of large development programmes for the Airbus A380 and A350. However, ALTEN did manage to limit the slowdown in the sector with the implementation of its manufacturing engineering offer, and the added work packages related to the A330 NEO.

The Telecoms market was also negatively affected by the arrival of the fourth mobile operator on the French market. However, the Automotive market saw a strong increase in activity in France for both manufacturers and suppliers, and ALTEN knew how to benefit from this. Lastly, the Energy sector remained dynamic, especially in Oil & Gas.

#### Key events

ALTEN SA carried out the following transactions in the 2014 financial year:

- on 7 March 2014, it acquired GECl Systèmes, a group of companies specialising in airframe construction, mechanical and electrical systems integration and manufacturing engineering;

## 9.1.2 REVENUE GROWTH

### 9.1.2.1 ALTEN Group

The ALTEN Group's consolidated revenue comes to €1,373.2 million, up 12.9% from 2013. International markets now account for 44.5% of revenue compared to 38.3% in 2013.

Organic growth was at 8.7% in international markets but remained varied from country to country. Organic growth was at 11.2% during the last quarter.

In France, organic growth dipped to -1% but rebounded to +1.9% in the last quarter.

it then sold its shares in GECl Systèmes to its wholly-owned subsidiary ALTEN Sud-Ouest on 28 November 2014;

- on 18 April 2014, it liquidated its Romanian subsidiary B2I Ingenierie et Technologies;
- on 26 March 2014, it formed HPA sarl, a holding company;
- on 26 November 2014, it formed, in partnership with Akerva, the joint-venture company ALTEN SIR Global Security Services (ALTEN SIR GSS) specialising in computer security. ALTEN SIR GSS's share capital is held 51% by ALTEN and 49% by AKERVA;
- on 28 November 2014, it acquired 49% of the share capital of ALTEN SIR Global Testing Services (ALTEN SIR GTS) from its partner Groupe Critères; at the time, ALTEN SA already held 51% of ALTEN SIR GTS's share capital, and is now the sole shareholder;
- on 17 December 2014, it formed Aptech OP2, an engineering, technical research, network architecture and systems consultancy;
- on 19 December 2014, it acquired the entire share capital of Program Planning Professionals Ltd, an English company previously held by Program Planning Professionals Inc, an American company held in turn by ALTEN since 27 December 2013;
- during the last quarter of 2014, it subscribed for 29.99% of the share capital of CTL Participations, a company incorporated in Luxembourg which holds three operating subsidiaries in France, Belgium and Luxembourg;

#### Events after year end

It should be noted that:

- On 12 February 2015, ALTEN SA, through Abilene, acquired the Lincoln group (France), which specialises in decision-making information and clinical studies (2013 revenue of €21 million, 230 consultants);
- On 20 March 2015, ALTEN SA signed a Club Deal credit agreement of up to €160,000,000 for a maximum term of seven years in order to secure the financial resources necessary for the ALTEN Group to fund its operating requirements, investments and acquisitions.

Growth in activity at constant scope and exchange rates was at 2.75% overall (-1% in France and +8.7% in international markets).

### 9.1.2.2 ALTEN SA

ALTEN SA posted revenue of €434,762,000, down 1.66% on the previous year.

This includes direct invoicing for services rendered by some Group subsidiaries to customers for whom ALTEN SA is the only preferred supplier.

Other income, for the most part made up of fees re-billed to subsidiaries, amounted to €7,745,000, (not including ongoing management income) a decrease of €995,000 on the €8,740,000 (not including ongoing management income) at 31 December 2013.

Other external purchases and costs totalled €146,788,000, versus €148,616,000 at 31 December 2013. These represent 33.8% of revenue.

Employee expenses stood at €256,090,000, versus €265,699,000 in 2013.

## 9.1.3 EARNINGS TRENDS

### 9.1.3.1 ALTEN Group

At 31 December 2014, operating profit from activity amounted to €132.2 million and 9.6% of revenue (€117.6 million or 9.7% of revenue in 2013), up 12.4% from 31 December 2013.

Non-recurring profit amounted to a loss of €15.5 million. It is made up mainly of URSSAF audit expenses amounting to €9.7 million, and restructuring costs mainly tied to acquisitions, amounting to €3.1 million.

After taking these factors and a capital gain of €800,000 from the disposal of assets into account, operating profit amounted to

€117.5 million and 8.6% of revenue, up 6% on the previous year (€110.8 million and 9.1% of revenue in 2013).

Net financial income came to €3.9 million, most of it from net foreign exchange gains of €2.9 million.

Income tax expenses came to €42.2 million and earnings of equity-accounted companies came to €400,000.

Net income, Group share amounted to €79.5 million and 5.8% of revenue, up 7.7% from 2013.

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

	2014		2013		Change
	(in € million)	%	(in € million)	%	%
Revenue	1,373.2		1,216.2		12.9
Operating profit on activity	132.2	9.6	117.6	9.7	12.4
Cost of stock options	0		(0.3)		
Non-recurring profit	(15.5)		(1.5)		
Impairment of goodwill	0		(5)		
Profit/loss from divestment	0.8		0		
Operating profit	117.5	8.6	110.8	9.1	6
Net financial income	3.9		(2.8)		
Taxes	(42.2)		(36.2)		
Equity-accounted companies	0.4		2.3		
Net income, Group share	79.5	5.8	73.8	6.1	7.7

### 9.1.3.2 ALTEN SA

Operating profit stood at €24,060,000 against €21,508,000 at 31 December 2013, or 5.5% of revenue.

Net financial income stood at €7,997,000 in 2014, versus €52,066,000 in 2013. This is primarily made up of dividends of €21,560,000 paid by Alten subsidiaries. In 2014, Alten received €21,560,000 in dividends from its subsidiaries, €20,540,000 less than in 2013. There was also a considerable capital loss on the sale of Geci Systèmes shares to Alten Sud Ouest.

Non-recurring profit amounted to €948,000 in 2014, compared to a loss of €565,000 at 31 December 2013.

After taking employee profit-sharing of €61,000 and income tax of €616,000 into account, net profit came to €32,327,000, or 7.4% of revenue.

Non-current financial assets of €201,100,000 mainly consist of investment securities.

At 31 December 2014, ALTEN SA's net cash position (including financial current accounts) was €6,218,000.

## 9.2 OPERATING PROFIT

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### 9.2.1 SIGNIFICANT 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 “Our customers” chapter of the business report.

### 9.2.2 MATERIAL CHANGES

None.

### 9.2.3 EXTERNAL EVENTS

None.

## 9.3 ALLOCATION OF EARNINGS

---

The General Meeting of Shareholders will be asked to approve the financial statements for the year ended 31 December 2014, which closed with a profit of €32,327,332.18.

#### Source:

• Earnings for the financial year:	€32,327,332.18
• Retained earnings:	€133,869,964.52
• Earnings to be allocated:	€166,197,296.70

#### Allocation:

• Legal reserve:	€44,342.23
• Dividends: 33,619,560 shares at €1	€33,619,560.00
• Retained earnings:	€132,533,394.47

The dividend payment date is set for 25 June 2015.

The ex-dividend date is set for 23 June 2015.

## 9.4 NON-DEDUCTIBLE CHARGES

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The amount of sumptuary expenses and other non-deductible charges referred to in Article 39–4 of the French General Tax Code came to €68,026 for the 2014 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 2014, the Company's accounts payable totalled €31,476,000.

<i>(In thousands of euros)</i>	Total trade payables		Due payables on closure		Total debt not yet due		Including due dates less than 30 days		Including due dates between 30 and 60 days		Including due dates more than 60 days	
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13
<b>Trade payables</b>												
Operating suppliers	5,732	7,108	2,084	2,347	3,648	4,761	2,948	3,899	700	755	0	108
Group suppliers	18,159	16,945	278	322	17,881	16,623	8,057	7,397	9,823	9,226	0	0
Total Workforce suppliers	23,891	24,053	2,362	2,669	21,529	21,384	11,005	11,296	10,523	9,980	0	108
Accounts payable not received	7,585	7,909										
<b>TOTAL TRADE PAYABLES</b>	<b>31,476</b>	<b>31,962</b>										

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

<b>Financial table</b> <i>(In thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
<b>Share capital</b>	34,140	33,618	32,953	32,801	32,491
Number of ordinary shares	33,589,610	33,075,301	32,421,753	32,271,677	31,966,790
Maximum number of future shares to be created:					
• by convertible bonds	-	-	-	-	-
• by exercising subscription rights	170,687	694,606	1,425,534	1,154,700	1,681,053
Revenue (net of tax)	434,762	442,091	452,616	433,257	375,601
EBITDA	38,410	64,842	43,756	46,340	32,287
Income tax	616	2,164	7,053	7,465	8,785
Employee profit-sharing	61	229	3,262	1,889	2,614
Net earnings	32,327	70,615	27,725	35,511	20,483
Distributed earnings	33,013	32,262	31,823	34,996	28,284
Earnings per share after tax and before depreciation and provisions	1.12	1.89	1.03	1.15	0.65
Earnings per share after tax, depreciation and provisions	0.96	2.13	0.86	1.10	0.64
Dividend per share	1.00	1.00	1.00	1.10	0.90
Average workforce during the financial year	4,738	4,812	4,895	4,673	4,152
Total payroll	176,462	179,523	180,661	172,672	148,882
Total payroll and employee benefits	79,532	86,093	88,562	86,638	67,287

# CASH AND CAPITAL

# 10

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## 10.1 INFORMATION ON CAPITAL

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Information regarding capital is presented in Note 3.5.9 of the Separate financial statements under paragraph 20.3.2.

## 10.2 CASH FLOW

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The ALTEN Group generated gross cash flow of €132 million, or 9.6% of revenue, up from 2013 (€124.6 million or 10.2% of revenue).

Net cash flow from operating activities stood at €48.3 million. It amounted to 3.5% of revenue against 7.7% in 2013. It was weighed down by a four-day increase in DSO to 98.5 days, by working capital requirements tied to organic growth, and by non-recurring elements.

Investments amounting to €47.1 million corresponded for the most part to the acquisition of subsidiaries for €40.3 million and operating investments of €6.8 million.

Net cash flow from financing activities amounted to -€28.4 million, made up mostly of dividends of -€33 million paid to shareholders, capital increases of €8.5 million and changes in financial liabilities of -€3 million.

As a result, the IFRS change in net cash position of the Group was -€26.5 million in 2014.

At the end of 2014, the ALTEN Group had a net cash position of €25.9 million against €74.4 million at the end of 2013.

The cash flow tables are to be found in paragraph 20.3.1 of the consolidated financial statements on page 195.

## 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

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

# 10 CASH AND CAPITAL

# RESEARCH AND DEVELOPMENT PATENTS AND LICENCES

# 11

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

Moreover, ALTEN participates in research and development projects for its clients and also carries out research and development on its own behalf. ALTEN pursues an equity-financed research and development policy.

## 11.1 EQUITY-FINANCED RESEARCH AND DEVELOPMENT

### 11.1.1 AIM

Significant efforts are devoted to equity-financed research and innovation to reinforce the ALTEN Group's position:

- by developing qualitative and quantitative expertise; and

- by promoting the Group's image to existing and prospective clients and to existing and prospective employees.

### 11.1.2 APPROACH

This activity is structured around four major themes:

- global security and risk control;
- sustainable mobility;

- energy performance;
- quality of life and consumer services.

### 11.1.3 STRUCTURE

These themes guide ALTEN's investment in major R&D programmes that combine innovative and sustainable development to design modern and effective solutions to present and future problems.

In 2014, research and development was divided along four industry lines (Drone Networks, Autonomous Vehicles, Buildings of the Future, Home Care) and two technology lines (Data Usage & Big Data, Ethics & Security).

More detailed information on the programmes carried out in 2014 is presented in Chapter 1 of the business report, "ALTEN, technology partner".

Whenever possible, R&D programmes are carried out with academic partners, such as research foundations or big laboratories, and/or industrial partners, such as start-ups or multinationals, in order to accelerate the development of ALTEN's expertise.

### 11.1.4 METHODOLOGY

R&D programmes are broken down into technology projects with the dual objective of developing an innovative solution (modelling) and testing it through experimentation (prototyping). ALTEN's know-how in innovative development has enabled it to perfect this methodology

by combining applied research and experimental development to increase the scope of development of its expertise (applied research) and ground the skills thus developed in areas of interest to its clients (experimental testing prototyping).

### 11.1.5 OVERSIGHT

The management of innovative development also rests on dedicated methods and tools elaborated by ALTEN to stimulate the emergence of new and effective concepts. These methods integrate, among other things, an agile approach that lays stress on the thoroughness and

flexibility needed to manage R&D projects. In 2014, these methods integrated the standards pertaining to the Group's CMMI level 3 for services.

## 11.2 PUBLICATIONS

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The year 2014 saw the publication of equity-financed research and development conducted in partnership with the ISIR (Institute for Intelligent Systems and Robotics – CNRS Laboratory at the Université Pierre et Marie Curie).

The concepts underlying the development of a robot to assist elderly dependent people in the home were published, endorsed by international scientific bodies and presented on 4 March 2014 at HEALTHINF 2014, the International Conference on Health Informatics,

part of BIOSTEC, the International Joint Conference on Biomedical Engineering Systems and Technologies<sup>(1)</sup>.

A solution to assist in sizing dedicated image-processing hardware architecture in the development of augmented-reality glasses to compensate for age-related macular degeneration (AMD) was published, endorsed by international scientific bodies and presented on 5 November 2014 at ISOT 2014 (International Symposium on Optomechatronic Technologies)<sup>(2)</sup>.

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(1) "Smart Moving Nightstand, For Medical Assistance of Elderly People: an Open Project", 7<sup>th</sup> International Conference on Health Informatics: HEALTHINF 2014.

(2) Performance prediction of visual algorithms on different hardware architectures", International Symposium on Optomechatronic Technologies: ISOT 2014.

# 11

## RESEARCH AND DEVELOPMENT PATENTS AND LICENCES

# INFORMATION ON TRENDS

# 12

## 12.1 MAIN TRENDS

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ALTEN remains a preferred supplier for all of its existing customers in France and abroad. The end of 2014 showed positive organic growth. If economic conditions continue this trend, ALTEN should see positive organic growth in 2015.

After funding the acquisitions made in 2014, the Group still has sufficient cash flows and financing sources to pursue its dynamic external growth, organic development and dividend policies.

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

---

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 OFFICERS

### 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 founding partner in 1993. He is currently a director and Deputy Chief Executive Officer in charge of Business Development, Integrated Projects and International Markets (Zone 2).

Mr Bruno Benoliel (ESC Reims 1985) joined the ALTEN Group in 1997; he has been a director since 22 June 2011 and is currently Deputy Chief Executive Officer in charge of the Finance, Information Systems and Legal divisions.

Mr Pierre Marcel joined the ALTEN Group on 17 April 2000. He has occupied various Operational Director functions within the Group. He is currently Deputy Chief Executive Officer in charge of Alten Technologies France and the subsidiaries of the Solutions Division. Mr Pierre Marcel is not a member of the Board of Directors.

Ms Emily Azoulay worked for the Alten Group since ALTEN SA was formed in 1988. Among other positions, she was Sales Manager and Head of Administration and Finance. Her involvement with the ALTEN Group no longer extends beyond her capacity as a director.

Mr Marc Eisenberg began his career as a management consultant. In 1986, he formed a cost-reduction consultancy in France which

has since become a European leader in its field and of which he was Operating Manager until 2012. He remains a major shareholder to this day. He also sat on the Nanterre Employment Tribunal from 1995 to 1999 and on the Bobigny Commercial Court from 2000 to 2001.

Ms Jane Seroussi is a businesswoman with her own successful brand. She has been her company's Managing and Financial Director since its inception. The company is expanding in France and abroad through an exclusive network of branded boutiques.

Miss Anaëlle Azoulay is the daughter of Mr Simon Azoulay, Alten's Chairman and Chief Executive Officer. She graduated from Paris Dauphine with a Master's in Economics and Finance. She acquired a solid international experience at Regent's Business School London and the Havas Group in New York.

Mr Jérôme Valat has worked for ALTEN SA since June 1999 and is a director representing the Company's employees. He joined ALTEN after a nine-year stint in software development and network & telecoms administration when the fixed-line Internet was taking shape. In his 11 years as an ALTEN consultant, he worked with the R&D division of a telecoms equipment manufacturer on the design of 2G and 3G mobile internet before managing successive projects at the three French telecoms operators. In 2010, he became Project Manager in the Technical Telecoms Unit of the Integrated Projects Division where he oversaw major service contracts for telecoms operators.

### 14.1.3 OFFICES AND POSITIONS HELD BY CORPORATE OFFICERS

#### SIMON AZOULAY

*Chairman and Chief Executive Officer and Board member*

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

**Date appointment last renewed:** 19 June 2013 (Board member and Chairman and Chief Executive Officer)

**Expiry of term of office:** General Meeting to be held in 2017 to approve the financial statements for the last financial year (Board member and Chairman and Chief Executive Officer)

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

##### Current mandates:

- Permanent representative of ALTEN SA, legal entity, Chairman of:
  - ALTEN SIR SAS (since 2002)
- Permanent representative of ALTEN Europe SARL, legal entity, Secretary (UK) of:
  - Anotech Energy Ltd (since 2006)
- Managing Director of:
  - ALTEN Training Center SARL (previously Abilog) (since 1996)
  - ALTEN Europe SARL (since 2004)
- Permanent representative of SGTI SAS, legal entity, *Consejero* (Spain) of:
  - ALTEN SOLUCIONES PRODUCTOS AUDITORÍA E INGENIERÍA (2013)
- Permanent representative of SGTI SAS, legal entity, Director (UK) of:
  - ALTEN 2 LTD (previously ALTEN LTD) (2013)

##### Expired mandates:

- Director of:
  - Avenir Conseil Formation SA (2010-2011)
  - ALTEN LTD (1989-2013)

- Managing Director of:
  - ALTEN Cash Management SARL (2004-2011)
- *Consejero* (Spain) of:
  - ALTEN SOLUCIONES PRODUCTOS AUDITORÍA E INGENIERÍA (2009-2013)
- *Consejero Delegado* (Spain) of:
  - ALTEN SOLUCIONES PRODUCTOS AUDITORÍA E INGENIERÍA (2010-2013)
- Managing Director (Belgium) of:
  - ALTEN Benelux Sprl (1999-2010)
  - Axen Sprl (2005-2010)
  - ALTEN Belgium Sprl (2005-2010)
- Permanent representative of ALTEN, legal entity, Chairman of:
  - ALTEN SUD OUEST SAS (since 2002-2014)

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

##### Current mandates:

- Managing Director of:
  - Avenir Montmorency SCI
  - Simalep SC
  - Cakciv SC
  - SEV 56 SC
  - ALT1 SC
- Chairman of:
  - SGTI SAS (since 1998)
  - SGTI 2 SAS (since 2012)

##### Expired mandates:

- Director of Des Systèmes et des hommes SA

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**GÉRALD ATTIA**

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*Deputy Chief Executive Officer and Board member*

**Date of first appointment:** 23 January 1998 (Board member) – 21 December 1998 (Deputy Chief Executive Officer)

**Date appointment last renewed:** 21 June 2010 (Board member) – 19 June 2013 (Deputy Chief Executive Officer)

**Expiry of term of office:** General Meeting to be held in 2017 to approve the financial statements for the last financial year (Deputy Chief Executive Officer) and the General Meeting to be held in 2018 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**

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**Current mandates:**

- Chairman of:
  - Avenir Conseil Formation SAS (since 2010)
  - ID APPS SAS (since 2011)
  - APTECH SAS (since 2011)
  - APTECH OP2 SAS (since 2014)
- *Consejero del consejo de Administración* (Spain) of:
  - ALTEN Soluciones, Productos, Auditoría e Ingeniería SAU (since 2009)
- *Consejero – Vocal* (Spain) of:
  - ALTEN Soluciones, Productos, Auditoría e Ingeniería SAU (since 2013)
- Director (Sweden) of:
  - Alten Sverige AB (Publ) (previously XDin AB (Publ)) (since 2009)
  - Recoverrest AB (since 2009)
- Director (India) of:
  - ALTEN India Private LTD (since 2010)
  - Calsoft Labs (India) Private LTD (since 2011)
  - Sesame Consulting Private LTD (since 2013)
- Chairman and member of the Management Board (Poland) of:
  - Itekna Polska SP ZOO (since 2013)
- Member of the Management Board (Poland) of:
  - IMP Engineering Poland SP ZOO (since 2014)
- Managing Director (Romania) of:
  - Alten SI Techno Romania SRL (since 2012)
  - GECL Engineering Services SRL (since 2014)
- Chairman (Canada) of:
  - Alten Canada Inc. (since 2012)
- Sole director (Canada) of:
  - Alten Canada Inc. (since 2012)
- Secretary (Canada) of:
  - Alten Canada Inc. (since 2012)

- Director (USA) of:
  - Calsoft Labs Inc. (since 2011)
  - Alten USA Inc. (since 2013)
  - Alten Technology USA Inc. (since 2013)
  - Cprime (since 2014)
- President (USA) of:
  - Alten USA Inc. (since 2013)
  - Alten Technology USA Inc. (since 2013)
- Chairman of the Board of Directors (USA) of:
  - Calsoft Labs Inc. (since 2011)
  - Alten USA Inc. (since 2013)
  - Cprime (since 2014)
  - Alten Technology USA Inc. (since 2013)
- Sole Director (China/Hong Kong) of:
  - Sesame Beijing Co. Ltd. (since 2014)
  - Sesame Group Ltd (since 2014)

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**Expired mandates:**

- Director of:
  - ALTEN SIR GTS SAS (2010-2015)
- Director (Sweden) of:
  - HRH Consulting AB (2009-2013)
  - XDIN Francisco AB (2009-2013)
  - XDIN Systems AB (2009-2013)
- Director (UK) of:
  - SD Partners LTD (2001-2014)
- Director (UK) of:
  - SD Partners LTD (2001-2014)

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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, member of the Supervisory Board of:
  - X Ange Capital SA
  - X Ange Capital 2 SA
- Managing Director of:
  - ASA SC
  - GMA SC

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**Expired mandates:**

- Managing Director of:
  - Proxym SARL
- Permanent representative of ALTEN SA, director of:
  - Smart Trade Technologies SA

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**BRUNO BENOLIEL**

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*Deputy Chief Executive Officer and Board member*

**Date of first appointment:** 22 June 2011 (Board member), 27 September 2011 (Deputy Chief Executive Officer)

**Date appointment last renewed:** 19 June 2013 (Deputy Chief Executive Officer)

**Expiry of term of office:** General Meeting to be held in 2015 to approve the financial statements for the last financial year (Board member) and General Meeting to be held in 2017 to approve the financial statements for the last financial year (Deputy Chief Executive Officer). The Ordinary General Meeting of Shareholders held to approve the financial statements for the year ended 31 December 2014, scheduled for 18 June 2015, will be asked to renew the term of office of Mr Bruno Benoliel as Director.

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**

---

**Current mandates:**

- Managing Director of:
    - ALTEN Cash Management SARL (since 2011)
  - Director of:
    - ALTEN SIR Global Security Services SAS (since 2014)
  - *Consejero del consejo de Administración* (Spain) of:
    - ALTEN Soluciones, Productos, Auditoría e Ingeniería SAU (since 2009)
  - *Consigliere* (Italy) of:
    - ALTEN Italia SPA (since 2012)
  - Vice President (Italy) of:
    - ALTEN Italia SPA (since 2012)
  - Director (the Netherlands) of:
    - ALTEN Nederland BV (since 2005)
    - ALTEN DDA BV (since 2006)
    - ORION Engineering BV (since 2012)
    - EclipseIT BIS BV (since 2015)
    - EclipseIT MN BV (since 2015)
    - EclipseIT Services BV (since 2015)
    - EclipseIT TS BV (since 2015)
  - Director (Sweden) of:
    - Alten Sverige AB (Publ) (previously XDin AB (Publ)) (since 2009)
    - Recoverrest AB (since 2009)
  - President of the Management Board (Poland) of:
    - IMP Engineering Poland SP ZOO (since 2004)
  - Member of the Management Board (Poland) of:
    - Itekna Polska SP ZOO (since 2013)
  - Director (India) of:
    - Alten India Private LTD (since 2012)
    - Calsoft Labs (India) Private LTD (since 2012)
    - Sesame Consulting Private LTD (since 2013)
  - Director (UK) of:
    - Alten LTD (previously ALTEN Technology LTD) (since 2013)
    - XDIN Consulting LTD (since 2013)
    - Alten 2 LTD (previously ALTEN LTD) (since 2014)
  - Director (USA) of:
    - Calsoft Labs Inc. (since 2011)
    - Alten USA Inc. (since 2013)
    - Alten Technology USA Inc. (since 2013)
    - Anotech Energy USA Inc. (since 2013)
    - Cprime Inc. (since 2014)
- 
- Expired mandates:**
- Permanent representative of Cisia Investissements, legal entity, Chairman of:
    - Cisia Exaterm SAS (2007-2010)
  - Director of:
    - Avenir Conseil Formation SA (2006-2011)
    - Cisia Ingénierie SA (2006-2010)
  - Managing Director (Poland) of:
    - IMP Poland SP ZOO (2004-2011)
  - *Consigliere* (Italy) of:
    - Onion SPA (2009-2011)
  - Managing Director (Belgium) of:
    - Axen SPRL (2008-2010)
  - Sole director (Romania) of:
    - ALTEN SI Techno Romania SRL (2009-2012)
  - Permanent representative of the Idestyle Group, legal entity, Chairman of:
    - Idestyle Technologies SAS (2009-2013)
  - Director (Sweden) of:
    - HRH Consulting AB (2009-2013)
    - XDIN Francisco AB (2009-2013)
    - XDIN Systems AB (2009-2013)
  - Sole director (Romania) of:
    - B2I Ingénierie et Technologies SRL (2012-2014)
- 
- 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
    - SEV 56 SC

**EMILY AZOULAY***Board member*

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

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

**Term of office expires:** General Meeting to be held in 2015 to approve the financial statements for the last financial year. The Ordinary General Meeting of Shareholders held to approve the financial statements for the year ended 31 December 2014, scheduled for 18 June 2015, will be asked to renew the term of office of Ms Emily Azoulay as Director.

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

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

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

**Current mandates:**

None.

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

**Current mandates:**

- Managing Director of:
  - Sicogex SC

**PIERRE MARCEL***Deputy Chief Executive Officer*

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

**Date appointment last renewed:** 19 June 2013 (Deputy Chief Executive Officer)

**Term of office expires:** General Meeting to be held in 2017 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:**

- Chairman of:
  - Elitys Consulting SAS (since 2009)
  - Atexis France SAS (since 2010)
  - Anotech Energy SAS (since 2014)
  - Alten Sud-Ouest SAS (since 2014)
- Director (UK) of:
  - Anotech Energy LTD (since 2006)
  - Alten LTD (previously Alten Technology LTD) (since 2013)
  - Alten 2 LTD (previously Alten LTD) (since 2014)
- Director (Nigeria) of:
  - Anotech Energy Nigeria Ltd (since 2011)
- Director (USA) of:
  - Anotech Energy USA Inc. (since 2013)
- Chairman of the Board of Directors (USA) of:
  - Anotech Energy USA Inc. (since 2013)
- President (Chief Executive Officer) (USA) of:
  - Anotech Energy USA Inc. (since 2014)
- Chairman (Norway) of:
  - Anotech Energy Norge AS (since 2013)

- *Administrador Único* (Spain) of:

- Geci Ingenieria SL (since 2014)

**Expired mandates:**

- Permanent representative of ALTEN SA, legal entity, Chairman of:
  - Anotech Energy SAS (2008-2014)
- Chairman of:
  - Assistance Générale Ingénierie Réalisation (AGIR) SAS (2014)
  - Géci Systèmes SASU (2014)
  - Géci Services SAS (2014)
- Managing Director of:
  - HPA SARL
- Director (Germany) of:
  - Aerotec Engineering (2011-2012)
- *Administrator Unic* (Romania) of:
  - Geci Engineering Services SRL (2014)
- Managing Director (Switzerland) of:
  - Alten Switzerland SARL (2008-2013)
  - Alten Consulting SARL (2011-2013)
- Director (Switzerland) of:
  - Elitys SA (2011-2013)

**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

## ANAËLLE AZOULAY

### *Board member*

**Date of first appointment:** 18 June 2014 (Board member)

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

**Term of office expires:** General Meeting to be held in 2018 to approve the financial statements for the last financial year

Born on 31 October 1990 in Paris, French national

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

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

**Current mandates:**

None.

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

**Current mandates:**

None.

## JANE SEROUSSI

### *Board member*

**Date of first appointment:** 18 June 2014 (Board member)

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

**Term of office expires:** General Meeting to be held in 2018 to approve the financial statements for the last financial year

Born on 5 February 1966 in Paris, French national

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

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

**Current mandates:**

None.

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

**Current mandates:**

- Managing Director of Cécile et Jeanne SARL

## MARC EISENBERG

### *Board member*

**Date of first appointment:** 18 June 2014 (Board member)

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

**Term of office expires:** General Meeting to be held in 2018 to approve the financial statements for the last financial year

Born on 9 April 1955 in Paris, French national

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

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

**Current mandates:**

None.

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

**Current mandates:**

- Managing Director of:
  - Almanagers SC
  - Almalabar SC
  - Alice SC
  - Société Civile Allifond SC
- Chairman of:
  - Almarkup SAS

## JÉRÔME VALAT

### *Board member*

**Date of first appointment:** 23 October 2014 (Board member)

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

**Term of office expires:** 22 October 2018

Born on 19 June 1969 in Rodez, French national

**Main position held within the Group:** Project Manager

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

**Current mandates:**

None.

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

**Current mandates:**

None.

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**CATHERINE BEHAR**

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*Director (term of office expired)*

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

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

**Term of office expires:** 18 June 2014 (term of office expired)

Born on 18/11/1958 in Paris (14<sup>th</sup> arrondissement) (France), French national

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

---

**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

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

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

To the Company's knowledge, at the time this document was prepared and during the last five (5) years: (i) no conviction for fraud has been pronounced against a member of the Board or the General Management, (ii) no member of the Board or General Management has been disqualified by a court from acting as a member of an administrative, management 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.

#### 14.1.5 SPECIFIC INFORMATION REGARDING CORPORATE OFFICERS

Ms Emily Azoulay is the sister of Mr Simon Azoulay.

Miss Anaëlle Azoulay is the daughter of Mr Simon Azoulay.

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.

### Transactions in the Company's securities by executive officers during the 2014 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 the shares of executive officers):

Name of executive officer and/or the person cited in Article L. 621-18-2 of the French Monetary and Financial Code	Duties performed at ALTEN	Type of transaction	Total amount of transactions (in euros)
<b>Bruno Benoliel</b>	Deputy Chief Executive Officer	Exercise of share warrants	951,000
<b>GMA</b> Legal entity linked to Gérald Attia (Deputy Chief Executive Officer)	None	Exercise of share warrants	1,188,750
<b>Fabrice Pecqueur</b>	Head of acquisitions	Acquisition	20,810
<b>Pierre Marcel</b>	Deputy Chief Executive Officer	Exercise of share warrants	1,188,750
<b>Natural person connected with Pierre Marcel</b> (Deputy Chief Executive Officer)	None	Disposal	35,085
			35,118
			57,458
			1,408
			1,408
			13,086
			44,700
			13,086
			44,700
			67,202
			67,202
			1,510
			1,510
			50,931
			50,931
<b>SGTI</b> Legal entity connected with Simon Azoulay (Chairman and Chief Executive Officer)	None	Disposal	3,989,970
			2,722,518
			1,253,706
			691,647
			959,364
			567,424
			527,316
			323,813
			191,850
			429,400
			1,500,000
			750,000
			289,238
			75,000
			153,200
			385,750
			1,191,098
			194,300
			193,100
			325,125
			319,123

# 14

## ADMINISTRATIVE AND MANAGEMENT BODIES CONFLICTS OF INTEREST

Name of executive officer and/or the person cited in Article L. 621-18-2 of the French Monetary and Financial Code	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	189,500 760,800 1,125,00
<b>SGTI</b> Legal entity connected with Simon Azoulay (Chairman and Chief Executive Officer)	None	Exercise of share warrants	2,377,500
<b>SGTI</b> Legal entity connected with Simon Azoulay (Chairman and Chief Executive Officer)	None	Acquisition	127,479

### 14.2 CONFLICTS OF INTEREST

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.

# REMUNERATION AND BENEFITS

# 15

**15.1 REMUNERATIONS PAID AND BENEFITS  
IN KIND** **156**

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**15.2 PROVISIONS FOR PENSIONS  
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## 15.1 REMUNERATIONS PAID AND BENEFITS IN KIND

TABLE 1: REMUNERATION PAID AND OPTIONS AND SHARES AWARDED TO EACH CORPORATE OFFICER

<i>Simon Azoulay</i> <i>Chairman and Chief Executive Officer</i>	2014	2013
Remuneration due for the financial year	€125,811	€100,630
Value of options awarded during the financial year	None	None
Value of multi-year variable remuneration awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€125,811</b>	<b>€100,630</b>
<i>Gérald Attia</i> <i>Deputy Chief Executive Officer</i>	2014	2013
Remuneration due for the financial year	€266,097	€266,097
Value of options awarded during the financial year	None	None
Value of multi-year variable remuneration 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>€266,097</b>
<i>Bruno Benoliel</i> <i>Deputy Chief Executive Officer</i>	2014	2013
Remuneration due for the financial year	€249,141	€159,141
Value of options awarded during the financial year	None	None
Value of multi-year variable remuneration awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€249,141</b>	<b>€159,141</b>
<i>Pierre Marcel</i> <i>Deputy Chief Executive Officer</i>	2014	2013
Remuneration due for the financial year	€350,979	€185,291
Value of options awarded during the financial year	None	None
Value of multi-year variable remuneration awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€350,979</b>	<b>€185,291</b>

TABLE 2: REMUNERATION PAID TO EACH CORPORATE OFFICER

	2014		2013	
	Amount paid	Amount due	Amount paid	Amount due
<b>Simon Azoulay</b>				
• Fixed remuneration	€120,000	€120,000	€99,000	€99,000
• Variable remuneration	None	None	None	None
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	None <sup>(1)</sup>	None	None <sup>(3)</sup>	None
• Benefits in kind	€5,811 <sup>(2)</sup>	€5,811	€1,630 <sup>(2)</sup>	€1,630
<b>TOTAL</b>	<b>€125,811</b>	<b>€125,811</b>	<b>€100,630</b>	<b>€100,630</b>

(1) SGTI, of which Mr Simon Azoulay is Chairman and sole shareholder, should receive €150,000 from ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, in directors' fees for 2014 for its role as Consejero. SGTI 2 also should receive €150,000 from ATEXIS SPAIN SLU, the wholly-owned Spanish subsidiary of ALTEN SPAIN SAU, in directors' fees for 2014 for its role as Administrador único.

(2) Company car.

(3) SGTI, of which Mr Simon Azoulay is Chairman and sole shareholder, received €150,000 from ALTEN Ltd, the wholly-owned UK subsidiary of ALTEN Europe, in directors' fees for 2013 for its role as Director. SGTI also received €150,000 from ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, in directors' fees for 2013 for its role as Consejero. SGTI received €150,000 from ATEXIS SPAIN SLU, the wholly-owned Spanish subsidiary of ALTEN SPAIN SAU, in directors' fees for 2013 for its role as Administrador único.

	2014		2013	
	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
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	€0	€84,000 <sup>(1)</sup>	€134,671 <sup>(3)</sup>	€84,000
• Benefits in kind	€3,873 <sup>(2)</sup>	€3,873	€3,873 <sup>(2)</sup>	€3,873
<b>TOTAL</b>	<b>€182,097</b>	<b>€266,097</b>	<b>€316,768</b>	<b>€266,097</b>

(1) Mr Gérald Attia received €84,000 in January 2015 from ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, in directors' fees for 2014 for his position as Consejero.

(2) Company car.

(3) Mr Gérald Attia received €50,671 in January 2013 from ALTEN SPAIN SAU, the wholly owned Spanish subsidiary of ALTEN Europe, itself a wholly owned subsidiary of ALTEN SA, in outstanding directors' fees for 2012 for his position as Consejero.

Mr Gérald Attia received €84,000 in December 2013 from ALTEN SPAIN SAU, the wholly owned Spanish subsidiary of ALTEN Europe, in directors' fees for 2013 for his position as Consejero.

	2014		2013	
	Amount paid	Amount due	Amount paid	Amount due
<b>Bruno Benoliel</b>				
• Fixed remuneration	€249,141	€249,141	€159,141	€159,141
• Variable remuneration	None	None	None	None
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	None	None	€2,645	None
• Benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€249,141</b>	<b>€249,141</b>	<b>€161,786</b>	<b>€159,141</b>

	2014		2013	
	Amount paid	Amount due	Amount paid	Amount due
<b>Pierre Marcel</b>				
• Fixed remuneration	€346,006	€346,006	€180,253	€180,253
• Variable remuneration	None	None	None	None
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	None	None	None	None
• Benefits in kind	€4,973 <sup>(1)</sup>	€4,973 <sup>(1)</sup>	€5,038 <sup>(1)</sup>	€5,038
<b>TOTAL</b>	<b>€350,979</b>	<b>€350,979</b>	<b>€185,291</b>	<b>€185,291</b>

(1) Company car.

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

None.

**TABLE 4: SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE PERIOD TO EACH EXECUTIVE CORPORATE OFFICER**

None.

**TABLE 5: SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE PERIOD BY EACH EXECUTIVE CORPORATE OFFICER**

<b>Gérald Attia</b> <i>Deputy Chief Executive Officer</i>	Plan date	Number of options	Exercise price
		exercised during the period	
	10/23/2006	16,000	€24.10

**TABLE 6: PERFORMANCE-BASED SHARES AWARDED TO EACH CORPORATE OFFICER**

None.

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

None.

TABLE 11: SUMMARY OF EXECUTIVE CORPORATE OFFICERS' EMPLOYMENT CONTRACTS, COMPENSATION 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: 06/19/2013 Date term of office expires: General Meeting to be held in 2017 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: 06/19/2013 Date term of office expires: General Meeting to be held in 2017 to approve the financial statements for the last financial year	None	None	None	None
<b>Bruno Benoliel</b> Deputy Chief Executive Officer Date appointment last renewed: 06/19/2013 Date term of office expires: General Meeting to be held in 2017 to approve the financial statements for the last financial year	Yes <sup>(1)</sup>	None	None	None
<b>Pierre Marcel</b> Deputy Chief Executive Officer Date appointment last renewed: 06/19/2013 Date term of office expires: General Meeting to be held in 2017 to approve the financial statements for the last financial year	Yes <sup>(2)</sup>	None	None	None

(1) Mr Bruno Benoliel's employment contract, prior to his 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 Benoliel also has an employment contract that links him to a Group subsidiary.

(2) 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. Mr Marcel also has an employment contract that links him to two Group subsidiaries.

## 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)	50,280	34.93 35.37 35.17	23/10/2006 18/02/2008 07/09/2009

**TABLE 8: RECORD OF PAST STOCK OPTION GRANTS AS AT 31 DECEMBER 2014**

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
10/23/2006	27/06/2006	598	23/10/2010	23/10/2014	1,189,780	24.100	30,000	353,450	806,330	0
02/18/2008	27/06/2006	794	18/02/2012	18/02/2016	622,790	19.130	30,000	269,830	299,360	23,600
09/07/2009	23/06/2009	689	07/09/2013	07/09/2017	574,330	15.210	0	253,808	263,435	57,087
10/19/2010	23/06/2009	6	19/10/2014	19/10/2018	120,000	22.365	30,000	0	0	90,000
<b>TOTAL</b>					<b>2,506,900</b>		<b>90,000</b>	<b>877,088</b>	<b>1,369,125</b>	<b>170,687</b>

There is no specific share option lock-up requirement that applies to corporate officers.

## HISTORY OF PAST AWARDS OF SHARE WARRANTS

Date of the Shareholders' Meeting	06/23/2009
Date of the Board of Directors meeting	09/07/2009
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	09/07/2013
Expiry date	09/07/2017
Exercise price of the warrants	€15.85
Exercise procedures (when the plan has several tranches)	N/A
Number of warrants exercised at 31 December 2014	487,000
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

**SHARE WARRANTS GRANTED TO THE TOP TEN NON-CORPORATE OFFICER EMPLOYEES AND THE SHARE WARRANTS THEY HAVE EXERCISED**

Share warrants granted to the top ten non-corporate officer employees and the share warrants they have exercised	Total number of share warrants granted/shares subscribed	Weighted average price (in euros)	Plan date
Share warrants granted during the financial year by ALTEN and any company within its Group granting share warrants, to the ten employees of the issuer and all companies included in the group which grant share warrants, with the highest number of share warrants granted. (Comprehensive information)	None	N/A	N/A
Share warrants held in ALTEN and aforementioned companies that were exercised during the financial year, by the ten employees of ALTEN and said companies who exercised the greatest amount of share warrants. (Comprehensive information)	40,000	15.85	07/09/2009

**HISTORY OF FREE SHARE ALLOCATIONS**

At this date, there is no free share allocation plan in progress.

On 11 April 2008, the Board of Directors of ALTEN awarded 105,600 free shares to two employee beneficiaries. Vesting and holding periods in this plan have ended.

**15.2 PROVISIONS FOR PENSIONS AND RETIREMENT**

None.

# 15 REMUNERATION AND BENEFITS

# OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

# 16

<b>16.1 EXPIRY DATE OF TERMS OF OFFICE</b>	<b>164</b>	<b>16.4 COMPLIANCE WITH CORPORATE GOVERNANCE RULES</b>	<b>165</b>
<b>16.2 SERVICE-LEVEL AGREEMENTS BINDING MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES</b>	<b>164</b>	16.4.1 Chairman's report on corporate governance and internal control and risk management procedures adopted by Alten	165
<b>16.3 INFORMATION ON COMMITTEES</b>	<b>164</b>	16.4.2 Statutory auditors' report, presented in application of article L. 225-235 of the French commercial code, concerning the report drawn up by the chairman of the board of directors of Alten	173

## 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 THE 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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At its meeting on 28 January 2015, the Board of Directors decided that it was capable of effectively performing the duties assigned to the Audit Committee and that there was no need to form an audit committee distinct from the Board of Directors in 2015. All of the duties assigned to the Audit Committee will thus continue to be performed by ALTEN SA's Board of Directors in the presence of Mr Bruno Benoliel, Deputy Chief Executive Officer, as allowed by Articles L. 823-19 et seq. of the French Commercial Code and in line with the twelfth recommendation of the Middlednext Code.

The Board of Directors also relies on the work of the Executive Committee and the Management Committee - France.

For more details, see paragraph 16.4.1, "Chairman's report on corporate governance and internal control and risk management procedures adopted by ALTEN".

## 16.4 COMPLIANCE WITH CORPORATE GOVERNANCE RULES

### 16.4.1 CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ADOPTED BY ALTEN

To our Shareholders,

This report by the Chairman of the Board, approved by the Board of Directors at its meeting on 7 April 2015, in accordance with the requirements of Article L. 225-37 of the French Commercial Code, gives an account of the composition of the Board of Directors and in particular the application of the principle of balanced representation of men and women on the Board, the conditions in which the Board's work is prepared and organised, any restrictions on the powers of the CEO and the Deputy CEOs, references to 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 head of the Information Systems Division 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.

#### I. Corporate governance

At the meeting of its Board of Directors on 1 February 2010, ALTEN (hereinafter referred to as "the Company") decided to operate in accordance with the Middelnext Code of Corporate Governance for small and mid-cap stocks made public on 17 December 2009 (hereinafter referred to as the Reference Code) as part of the implementation of its governance. The Board of Directors renewed ALTEN's adherence to the Reference Code at its meeting on 28 January 2015.

The Middelnext Code is available on the Middelnext website at [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 at its meetings on 10 May 2010 and 28 January 2015.

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

Following the Combined Ordinary and Extraordinary General Meeting's appointment of two independent directors to the Board on 18 June 2014, the Company complies with all fifteen recommendations of the Reference Code.

#### 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 publication of the Internal Rules. It is available on the Company's website (<http://www.alten.fr/wp-content/uploads/2013/11/Reglement-conseil-administration.pdf>).

##### 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 and no more than eighteen 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;
- Mr Gérald Attia, who also serves as Deputy Chief Executive Officer;
- Mr Bruno Benoliel, who also serves as Deputy Chief Executive Officer;
- Ms Emily Azoulay;
- Miss Anaëlle Azoulay;
- Ms Jane Seroussi, independent director;
- Mr Marc Eisenberg, independent director; and
- Mr Jérôme Valat, director representing employees.

Ms Jane Seroussi and Mr Marc Eisenberg are considered independent based on the following criteria:

Independence criteria	Ms Seroussi	Mr Eisenberg
The Director is not an employee or an Executive Corporate Officer of the Company or of a company within the Group and has not held such position during the past three years	✓	✓
The Director 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 Director is not a leading shareholder of the Company	✓	✓
The Director does not have a close family relationship with a corporate officer or a leading shareholder	✓	✓
The Director has not been a Company auditor during the past three years	✓	✓

The table below details changes made to the composition of the Board during the 2014 financial year:

Name of Director	Type of change	Effective date	Diversifying the composition of the Board
Ms Catherine Behar-Azoulay	Expiry of term of office	18/06/2014	-
Ms Anaëlle Azoulay	Appointed by the General Meeting of Shareholders	18/06/2014	Diversification of the Board in terms of feminisation
Ms Jane Seroussi	Appointed by the General Meeting of Shareholders	18/06/2014	Diversification of the Board in terms of feminisation, international experience, and independence
Mr Marc Eisenberg	Appointed by the General Meeting of Shareholders	18/06/2014	Independence
Mr Jérôme Valat	Appointed by the ALTEN Works Council	23/10/2014	Employee representation

Mr Simon Azoulay, a French national, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. At 31 December 2014, he held 7,417,481 shares in his own name and via SGTI and SGTI 2, which he controls 100%, i.e. 22.08% of the Company's capital.

Mr Gérald Attia, a French national, was born on 6 April 1962 in Livry-Gargan and holds an MBA from Hartford. At 31 December 2014, he held 204,477 ALTEN shares in his own name and via GMA, which he controls, i.e. 0.61% of the Company's capital.

Mr Bruno Benoliel, a French national, was born on 13 May 1964 in Paris and is a graduate of ESC Reims (1985). At 31 December 2014, he held 112,800 ALTEN shares, i.e. 0.34% of the Company's capital.

Ms Emily Azoulay, a French national, was born on 20 July 1948 in Rabat (Morocco); at 31 December 2014, she held 3,600 ALTEN shares, i.e. 0.01% of the Company's capital.

Miss Anaëlle Azoulay, a French national, was born on 31 October 1990 in Paris; at 31 December 2014, she held no shares in the Company. Miss Anaëlle Azoulay was appointed to the Board by the Combined Ordinary and Extraordinary General Meeting of ALTEN shareholders of 18 June 2014.

Ms Jane Seroussi, a French national, was born on 5 February 1966 in Paris; at 31 December 2014, she held no shares in the Company. Ms Jane Seroussi was appointed to the Board by the Combined Ordinary and Extraordinary General Meeting of ALTEN shareholders of 18 June 2014.

Mr Marc Eisenberg, a French national, was born on 9 April 1955 in Paris; at 31 December 2014, he held no shares in the Company. Mr Marc Eisenberg was appointed to the Board by the Combined Ordinary and Extraordinary General Meeting of ALTEN shareholders of 18 June 2014.

Mr Jérôme Valat, a French national, was born on 19 June 1969 in Rodez; at 31 December 2014 he held no shares in the Company. Mr Jérôme Valat was appointed to the Board by the ALTEN Works Council on 23 October 2014; his appointment was noted by the Board of Directors on 29 October 2014.

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. With the appointments of Ms Jane Seroussi and Miss Anaëlle Azoulay, the Company's Board of Directors now comprises three women out of eight members in total.

In accordance with the provisions of the law of 27 January 2011, the Board of Directors met on 29 January 2015 to consider recent developments regarding professional equality and equal pay in 2014.

The Board will meet again in 2016 to review the latest changes affecting professional equality and equal pay in 2015.

#### 1.1.3 Duration and number of terms

The term of office for members of the Board of Directors is set in the Internal Rules at four 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 2014 financial year can be found in Chapter 14.1 (it being specified that members of the ALTEN SA Board of Directors do not hold office in any listed company other than ALTEN SA).

#### 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. Board meetings were convened six days in advance in 2014.

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. On 5 February 2015, the Works Council appointed a third employee representative who is also invited to all Board meetings.

In order to allow the Company's Statutory Auditors to carry out their duties to the best of their abilities, and in accordance with the provisions of Article L. 823-17 of the French Commercial Code, they were invited to all meetings of the Board of Directors convened in 2014, in particular those held to review or approve the interim or annual financial statements, and to the annual Ordinary General Meeting of Shareholders.

#### 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 time frame 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 exercised this right during the 2014 financial year.

#### 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).

This right was exercised twice in the 2014 financial year at the meetings of 18 June 2014 and 29 October 2014.

#### 1.1.8 Chairmanship of meetings

Mr Simon Azoulay, the Chairman, presided over seven of the eight meetings of the Board of Directors that were held in 2014.

Pursuant to the Articles of Association and provisions of Article L. 225-50 of the French Commercial Code, the Board of Directors, at its meeting on 29 October 2014, appointed a Director to act as Board Chairman on an exceptional basis and for that meeting only.

#### 1.1.9 Guests invited to Board meetings

During the 2014 financial year, the Group's Chief Legal Officer, Mr Arnaud Flandé, attended all Board meetings. He also carried out the role of Board Secretary.

#### 1.1.10 Board meetings in Audit Committee form

The Company complies with the twelfth recommendation of the Middlednext Code on the creation of committees, as the Board of Directors meets in Audit Committee form.

Pursuant to 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 in charge of Finance, met in Audit Committee form on 25 February, 2 April and 23 September 2014 in order to review:

- 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 particular, the Board discussed the subjects and work completed during the 2014 financial year when it met on 28 January 2015.

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 Information 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.

During its meeting on 31 January 2014, the Board of Directors approved the balance of the governance bodies and, in particular,

considered that it was necessary for the governance of ALTEN for the same person to hold the positions of Chairman and Chief Executive Officer given the operational duties performed by Mr Simon Azoulay, essential duties within the framework of managing and growing the Company.

### 1.2 Frequency of meetings and Directors' average attendance rate

The Board of Directors met eight times during financial year 2014, at the registered office, with an average attendance rate of 63%, thus complying with the thirteenth recommendation of the Reference Code.

### 1.3 Primary duties

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) disposals, (iii) creation of jointly-held companies with third parties, (iv) issue of bonds, guarantees and securities.

In 2014, the Board of Directors prepared the annual financial statements for 2013, the interim statement at 30 June 2014 and management forecasts, examined and authorised financial press releases, approved the remuneration payable to corporate officers, examined and authorised all acquisition proposals, delegated authority to the Chairman and Chief Executive Officer to issue bonds, guarantees and securities subject to certain conditions and limits, and noted the appointment by the Works Council of the director representing employees.

### 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.

At its meeting on 19 June 2013, the Board of Directors resolved to combine the offices of Chairman and Chief Executive Officer and therefore reappointed Mr Simon Azoulay as Chairman and Chief Executive Officer.

Mr Simon Azoulay is the founding partner of ALTEN. He still has a key operational role in the Company's management and development. Thus, at its meeting of 31 January 2014, the Board of Directors considered it necessary for the governance of ALTEN that the same person hold the positions of Chairman and Chief Executive Officer.

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 Board's Internal Rules also impose limitations on the powers of the General Management. The following transactions are subject to prior approval by the Board of Directors: (i) acquisitions (companies or business assets), (ii) disposals (corporate securities or business assets), (iii) creation of jointly-held companies with third parties, (iv) issue of bonds, guarantees and securities.

### 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 Officer 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 generally consisting of fixed remuneration and, where appropriate, variable remuneration paid by ALTEN SA.

The Board of Directors upheld Mr Bruno Benoiel's employment contract on his appointment as Deputy Chief Executive Officer on 27 September 2011 on the grounds that it predates his appointment as a corporate officer and that his corporate office corresponds to his salaried functions as Head of the Finance, Legal and Information Systems divisions which he has fulfilled since 1997, observing in this the first recommendation of the Reference Code.

The Board of Directors also upheld Mr Pierre Marcel's employment contract with ALTEN SUD OUEST, a wholly-owned subsidiary of ALTEN SA, on his appointment as Deputy Chief Executive Officer on 28 January 2013 on the grounds that it predates his appointment as a corporate officer and that his corporate office corresponds to his salaried function as a Manager at ALTEN SUD OUEST which he has fulfilled since 1 April 1996.

The total gross fixed remuneration paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers of ALTEN SA is set out in Chapter 15.1.

##### Variable remuneration

Variable remuneration may also be paid to certain corporate officers subject to the achievement of performance criteria linked to the results of ALTEN SA and set previously by the Board.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officers did not receive variable remuneration during the 2014 financial year.

##### Benefits in kind

Certain executive corporate officers have a company car at their disposal (see Chapter 15.1).

##### Extraordinary remuneration

No extraordinary remuneration was paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers during the 2014 financial year.

##### Directors' fees

Company Directors received no directors' fees from ALTEN SA for the 2014 financial year. However, certain executive corporate officers received directors' fees from companies within the Group (see Chapter 15.1).

#### *Deferred remuneration, severance pay or pension obligations*

To date, the corporate officers of ALTEN SA have not received any deferred remuneration, termination benefits or retirement benefits, 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 awarded during the 2014 financial year.

#### *Performance-based shares*

No performance-based shares were awarded during 2014.

#### *Share warrants*

No share warrants were awarded during the 2014 financial year.

### **1.5.2 Remuneration paid by companies controlled by ALTEN SA (within the meaning of Article L. 233-16 of the French Commercial Code)**

Directors' fees may be paid to executive corporate officers of ALTEN SA as remuneration for the positions they hold in companies controlled by ALTEN SA.

Chapter 15.1 of this Registration Document details the amounts paid to the Chairman and Chief Executive Officer and a Deputy Chief Executive Officer of ALTEN SA during the 2014 financial year.

The principles adopted by the Board of Directors to determine the remuneration and benefits of any kind awarded 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 and in accordance with the 22 December 2008 recommendations of the *Autorité des Marchés Financiers* on the remuneration of corporate officers.

### **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 five 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). In accordance with the legislation in force, directors are no longer obliged to hold Company shares.

- Like any shareholder, members of the Board of Directors must inform the AMF when they cross any legal or ownership thresholds related to capital and/or voting rights, whether upwards or downwards. These declarations must be submitted to the AMF within four stock market trading days from the transaction date. Board members shall also provide the Company's Legal Division with a copy of the declaration submitted to the AMF.

With regard to exceeding the thresholds specified in the Articles of Association, Article 9 of said Articles of Association specifies that all natural persons or legal entities acting individually or in concert holding shares exceeding 3% of the share capital or voting rights, must inform the Company of the total number of shares and voting rights that they hold by registered letter with acknowledgement of receipt, no later than 15 days with effect from the date on which the 3% threshold was exceeded. This information must be provided within the same time frame if the shareholding or voting rights fall below the 3% threshold.

## **1.7 The Executive Committee and the Management Committee - France**

### **1.7.1 Executive Committee**

The Executive Committee meets at least once a month, and is composed of the Chairman and Chief Executive Officer, and the Deputy Chief Executive Officers.

This Committee defines development strategy and analysis of sales and financial performance, sets targets, and implements operational measures.

It meets once a month to discuss operations in France, and to ensure synergies and consistency with the Group's international companies.

### **1.7.2 Management Committee - France**

The Management Committee, France is composed of the Executive Committee and the Deputy Chief Executive Officers in charge of the Group's various business divisions, as well as the Directors in charge of support services. It is chaired by the Chairman and Chief Executive Officer.

## **1.8 Statutory Auditors**

The separate and consolidated financial statements are jointly certified by Grant Thornton, represented by Mr Vincent Frambourt, and by Dauge & Associés, represented by Mr Christian Laplane.

The Combined General Meeting of 18 June 2015 will be asked to renew the mandate (whether in whole or in part) of the principal and alternate Statutory Auditors, for a term of six (6) financial years, expiring at the end of the General Meeting called in 2021 to approve the financial statements for the financial year ended 31 December 2020.

To that end, ALTEN's Finance department, in collaboration with the Audit Committee, decided to issue an invitation to tender to several audit firms.

The invitation to tender was limited to five audit firms that have a solid international network in the geographic areas where ALTEN operates or is developing, have solid experience with listed companies, and who are known by ALTEN to provide or have provided audit and consulting services to similar companies, both within and external of the sector.

Each preselected firm filed an application form that met the specifications they received from ALTEN, and participated in an interview that included representatives from ALTEN's Finance and Legal departments. This interview was followed by working group meetings on specific individual cases in order to more closely examine and understand the audit methods used by each firm.

## 2 Terms of participation of shareholders at the General Meeting

Article R. 225-85 of the French Commercial Code, taking into account the new settlement cycle as modified since 6 October 2014, henceforth stipulates that 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 second 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.

ALTEN's Extraordinary General Meeting scheduled for 18 June 2015 will be asked to vote on a proposed change to the Company's Articles of Association to bring them into line with Article R. 225-85 of the French Commercial Code as modified by Decree No. 2014-1466 of 8 December 2014. Article 23 of the Articles of Association would thus be modified to read: "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 second banking day preceding the General Meeting, either in individual accounts managed by the Company or in bearer accounts managed by an authorised agent."

Registration of bearer shares is recorded through a shareholding certificate issued by the authorised agent.

If unable to attend the meeting in person, the shareholder may select one of the following three options: (i) give a proxy to a natural person or legal entity of his choice 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 post.

Requests by shareholders to submit draft resolutions or items 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 days before the General Meeting. They may not be sent more than twenty 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 influence a public offer should one take place is described in paragraph 18.2.

## 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 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, etc.). Once hired, information on new employees is promptly recorded in the Group's IT Systems. The payroll functions for 99% 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 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, work packages 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 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 Group Purchasing Division in conjunction with 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 department or Operations Managers, 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 integrated 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 to be processed and for a business case to be made. Review of the project and approval of selected premises falls within the purview of General Management.

The Legal, Purchasing and General Means divisions are 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, quarterly publications of the Group's sales figures, and biannual and annual publications of its earnings.

The Group organises semi-annual analysts' meetings at the time it publishes its earnings, and four times a year it organises teleconferences when quarterly results are published.

#### 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;
- purchasing;
- 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 2014 – Projects for 2015-2016

In line with the Group's strategy to upgrade its Information System, the Agresso 5.6 ERP suite was implemented across Ataxis group companies in Europe in full integration with the project management solution ChangePoint and across Anotech Energy group companies. Agresso will continue to be implemented in 2015 and 2016 internationally, and will begin with Spain.

A partnership with the Unit4 group, the developer and vendor of Agresso, was set up in Spain on this occasion.

Agresso's international implementation on a core model basis provides the ALTEN Group with a homogeneous and coherent Information

System to drive its business processes and technology solutions, and thus optimise its management and growth.

In France, continual improvements were made to optimise SAP back-office management processes, such as digitising payslips and consolidating financial information.

With regard to front-office CRM (customer relationship management), the implementation of the MUSE project has provided Group managers with an innovative and integrated solution to search for consultant profiles based on a semantic search engine and automatic CV processing. It improves search results and more effectively matches customer projects with available skills.

Lastly, the business project management solution was overhauled at the end of 2014 on the basis of ChangePoint. ChangePoint will be fully integrated with SAP back-office systems and will round off the overhaul of the Group's Information System.

As well, Sharepoint (a collaborative Web framework) was integrated into company websites and intranets.

The ongoing consolidation of the Group's IT infrastructure at the European data centre in Paris will ensure the security and resilience of the Group's data and Information Systems.

The Group is looking to have part of its activities certified ISO 27001 by the first quarter of 2016.

The Group's IT infrastructure supervision systems will also benefit from a full upgrade.

ALTEN's private cloud service and Microsoft's public cloud service were integrated to pave the way for the use of Office365 across the Group. These solutions will be phased in from the start of 2015 and will enable engineers (in France at first and then across the Group) to work and collaborate remotely worldwide.

#### 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 2014 – Projects for 2015

Cash pooling covers the full scope of France and was partially implemented in other countries in 2014, and will continue in 2015.

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 means in place to manage them appear in Chapter 5 of the Management Report.

### 4 Conclusion – Outlook

The continuous improvement of the ALTEN internal audit procedures initiated by the Group several years ago will continue in 2015.

9 April 2015

Chairman of the Board of Directors

Simon Azoulay

## 16.4.2 STATUTORY AUDITORS' REPORT, PRESENTED IN APPLICATION OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, CONCERNING THE REPORT DRAWN UP BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ALTEN

To the shareholders,

As Statutory Auditors of ALTEN and in application of the provisions of Article L. 225-235 of the French Commercial Code, we hereby present you with our report concerning the report drawn up by the Chairman of your company in accordance with the provisions of Article L. 225-37 of the French Commercial Code in respect of the financial year ended 31 December 2014.

The Chairman shall write and submit to the Board of Directors for its approval a report setting out the internal control and risk management procedures put in place within the company and providing the other information required by Article L. 225-37 of the French Commercial Code concerning in particular the arrangements made with regard 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 certify that the report includes the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not within our remit to verify the veracity of this other 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 procedures

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 hereby certify that the report of the Chairman of the Board of Directors includes the other information required by Article L. 225-37 of the French Commercial Code.

Paris, 20 April 2015

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
Partner

Cabinet Dauge et Associés  
Christian Laplane  
Partner

# 16

## OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

# EMPLOYEES

# 17

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# 17

## EMPLOYEES WORKFORCE BREAKDOWN

### 17.1 WORKFORCE BREAKDOWN

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#### ALTEN GROUP WORKFORCE, YEAR-END

	31/12/2014	31/12/2013	31/12/2012
Consultants <sup>(1)</sup>	16,200	14,100	14,100
Internal staff <sup>(2)</sup>	2,200	1,900	1,850
<b>TOTAL</b>	<b>18,400</b>	<b>16,000</b>	<b>15,950</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

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See Chapters 15.1 and 18.1.

### 17.3 AGREEMENT ON EMPLOYEE PROFIT-SHARING

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#### 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

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;
- FCP 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	2014	2013	2012
Employee profit-sharing (in thousands of euros)	61	226	3,263

## 17.4 COLLECTIVE AGREEMENTS

In 2014, the following collective agreements were signed by subsidiaries:

At ALTEN SA:

- 2014 NAO agreement signed on 5 February 2015;

At ALTEN SIR:

- fourth amendment to the company savings plan (PEE) signed on 21 November 2014;

At ALTEN SUD OUEST:

- 2014 NAO agreement signed on 12 June 2014;
- first amendment to the company savings plan (PEE) signed on 15 December 2014;

At MI-GSO:

- fourth amendment to the mandatory profit-sharing plan signed on 19 November 2014.

## 17.5 EMPLOYEE-RELATED AND ENVIRONMENTAL CONSEQUENCES OF ALTEN SA'S ACTIVITY

### 17.5.1 EMPLOYMENT WITHIN ALTEN SA

	Workforce	
Total workforce as of 31/12/2014	4,865	
Employees recruited on permanent contracts	1,413	
Employees recruited on fixed-term contracts	101	
Employees recruited on vocational training and internship contracts	51	
<b>Total departures</b>	<b>1,417</b>	<b>%</b>
Resignations	810	57.16%
Redundancies	232	16.37%
End of trial period	192	13.55%
End of fixed-term employment contract	88	6.21%
End of vocational training and internship contract	28	1.98%
Other (including transfers)	67	4.73%

### 17.5.2 EMPLOYMENT AND RECRUITMENT OF FOREIGN EMPLOYEES

At 31 December 2014, there were 383 employees of foreign nationality, including 257 from outside the European Union, in ALTEN's workforce.

	Workforce
French employees	4,482
Foreign employees	383
EU	126
Non-EU	257

### 17.5.3 EMPLOYMENT AND INTEGRATION OF EMPLOYEES WITH DISABILITIES

ALTEN is committed to increasing the number of employees with disabilities.

In 2014, 33 of its employees were stated as having a disability.

Work is underway on a platform dedicated to disability in the workplace and accessible to all employees within the Company. It will serve as a source of practical and regularly updated information on the topic of disability, including an e-book on disability in the workplace.

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 €1,286,516 to the French disability agency AGEFIPH in 2014.

## 17.5.4 WORKING TIME

	Number	
<b>Full-time employees</b>	<b>4,805</b>	
<b>Part-time employees</b>	<b>60</b>	
> 20 hours	55	
< 20 hours	5	
<b>Overtime worked</b>	<b>9,087.74</b>	
<b>Absenteeism</b>	<b>Number (days)</b>	<b>%</b>
Sabbaticals, paternity leave, family events	3,916	9.13%
Maternity leave	11,963	27.89%
Sick leave	17,064	39.79%
Work accident	309	0.72%
Commuting accidents	939.50	2.19%
Other causes (unpaid leave)	8,694.90	20.27%
		<b>9.03 days absence per employee absence</b>
<b>Total Absenteeism</b>	<b>42,886.40</b>	

## 17.5.5 EMPLOYEE RELATIONS

Companies within the Group actively pursue dialogue with their labour relations partners. Negotiations on the quality of life at work were concluded at the end of the year and should lead to an agreement.

ALTEN SA met with the Works Council 15 times and with employee representatives 12 times during 2014.

At its meeting on 23 October 2014, the Works Council unanimously appointed Mr Jérôme Valat to the Board as director representing employees.

## 17.5.6 HEALTH AND SAFETY

ALTEN SA's Health and Safety Committee met nine times in 2014. The Health and Safety Committees of Group subsidiaries that have reached regulatory thresholds meet at legally-mandated intervals.

Given ALTEN's business activities, and out of principle, its employees are not subject to difficult working conditions or the performance of repetitive tasks such as assembly line work.

The majority of consultants work on customer premises, in laboratories or offices. Other employees working on Company premises provide functional services.

## 17.5.7 REMUNERATION, MANDATORY AND DISCRETIONARY PROFIT-SHARING AND SAVINGS PLANS

At 31 December 2014, payroll taxes amounted to €79,532,000.

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 €61,000 for ALTEN SA at 31 December 2014.

### 17.5.8 CHARITABLE AND CULTURAL WORKS

The budget allocated to welfare benefits represented 0.8% of the total payroll.

### 17.5.9 SUBCONTRACTING AND TEMPORARY STAFF

ALTEN SA mainly uses subcontractors from within the Group. For 2014, subcontracting costs came to €86,311,000.

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.

The use of temporary workers cost ALTEN SA €119,000 in 2014.

The social and environmental consequences of the ALTEN Group's activity are presented on pages 85 to 99 of the business report.

## MAIN SHAREHOLDERS

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## 18.1 SHAREHOLDING STRUCTURE

### 18.1.1 SHAREHOLDING STRUCTURE

#### 18.1.1.1 Position as of 31 March 2015

	Number of shares	% of capital	Theoretical voting rights	% theoretical voting rights	OGM voting rights	% OGM	EGM voting rights	% EGM
Public	20,803,014	61.87%	20,841,250	54.71%	20,841,250	55.40%	20,841,250	55.40%
SGTI <sup>(1)</sup>	3,232,275	9.61%	6,463,050 <sup>(2)</sup>	16.97%	6,463,050 <sup>(2)</sup>	17.18%	5,261,550	13.99%
SGTI 2 <sup>(1)</sup>	868,187	2.58%	868,187	2.28%	868,187	2.31%	868,187	2.31%
Simon Azoulay	1,330,205 <sup>(3)</sup>	3.96%	2,463,755 <sup>(3)</sup>	6.47%	2,463,755 <sup>(3)</sup>	6.55%	3,665,255	9.74%
<b>SUBTOTAL (SIMON AZOULAY AND RELATED PARTIES)</b>	<b>5,430,667</b>	<b>16.15%</b>	<b>9,794,992</b>	<b>25.72%</b>	<b>9,794,992</b>	<b>26.04%</b>	<b>9,794,992</b>	<b>26.04%</b>
International Value Advisers LLC	3,354,402	9.98%	3,354,402	8.81%	3,354,402	8.92%	3,354,402	8.92%
FMR LLC (Fidelity International Ltd)	1,907,722	5.67%	1,907,722	5.01%	1,907,722	5.07%	1,907,722	5.07%
Harris Associates	1,148,231	3.42%	1,148,231	3.02%	1,148,231	3.05%	1,148,231	3.05%
Treasury shares	464,447	1.38%	464,447	1.22%	-	-	-	-
ALTEN FCPE	244,200	0.73%	244,200	0.64%	244,200	0.65%	244,200	0.65%
Gérald Attia	204,477	0.61%	216,167	0.57%	216,167	0.57%	216,167	0.57%
Bruno Benoliel	45,400	0.14%	90,800	0.24%	90,800	0.24%	90,800	0.24%
Pierre Marcel	14,000	0.04%	14,000	0.04%	14,000	0.04%	14,000	0.04%
Emily Azoulay	3,000	0.01%	6,000	0.02%	6,000	0.02%	6,000	0.02%
<b>TOTAL</b>	<b>33,619,560</b>	<b>100%</b>	<b>38,082,211</b>	<b>100%</b>	<b>37,617,764</b>	<b>100%</b>	<b>37,617,764</b>	<b>100%</b>

(1) Companies controlled at the highest level by Mr Simon Azoulay.

(2) Of which 601,500 ALTEN shares held in usufruct following the transfer made by Mr Simon Azoulay (see AMF decision 211C2232 and two AMF declarations 212C0013 and 212D0036 and return of usufruct, see AMF declaration 214C0099).

(3) Including 1,133,550 ALTEN shares held in bare ownership and similar rights under Article L. 233-9 I.6 of the French Commercial Code, the usufruct of which was given by Mr Simon Azoulay to ENIO as part of a temporary donation of usufruct (see AMF decision No. 214C1116).

(4) Including 117,858 ALTEN shares held by GMA, a company controlled at the highest level by Gérald Attia.

There have been no significant changes in the position of capital and voting rights since 31 March 2015.

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 2014, no ALTEN subsidiary held any ALTEN shares.

(1) Internal threshold detailed in Article 9 of the Articles of Association.

### 18.1.1.2 Position as of 31 December 2014

Persons who, as of 31 December 2014, directly or indirectly held more than 3%, 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the Company's share capital or voting rights at General Meetings are named below.

	Number of shares	% of capital	Theoretical voting rights	% theoretical voting rights	OGM voting right	% OGM	EGM voting rights	% EGM
Public	18,655,586	55.54%	18,697,942	48.07%	18,697,942	48.68%	18,697,942	48.68%
SGTI <sup>(1)</sup>	4,047,275 <sup>(2)</sup>	12.05%	8,093,050 <sup>(2)</sup>	20.82%	8,093,050 <sup>(2)</sup>	21.07%	6,891,550	17.94%
SGTI 2 <sup>(1)</sup>	2,040,001	6.07%	2,040,001	5.25%	2,040,001	5.31%	2,040,001	5.31%
Simon Azoulay	1,330,205 <sup>(3)</sup>	3.96%	2,463,755 <sup>(3)</sup>	6.33%	2,463,755 <sup>(3)</sup>	6.41%	3,665,255	9.54%
<b>SUBTOTAL (SIMON AZOULAY AND RELATED PARTIES)</b>	<b>7,417,481</b>	<b>22.08%</b>	<b>12,596,806</b>	<b>32.40%</b>	<b>12,596,806</b>	<b>32.79%</b>	<b>12,596,806</b>	<b>32.79%</b>
International Value Advisers LLC	3,354,402	9.99%	3,354,402	8.63%	3,354,402	8.73%	3,354,402	8.73%
FMR LLC (Fidelity International Ltd)	1,935,852	5.76%	1,935,852	4.99%	1,935,852	5.04%	1,935,852	5.04%
Harris Associates Ltd	1,166,043	3.47%	1,166,043	3.00%	1,166,043	3.04%	1,166,043	3.04%
Treasury shares	467,749	1.39%	467,749	1.20%	-	-	-	-
ALTEN FCPE	257,620	0.77%	257,620	0.66%	257,620	0.67%	257,620	0.67%
Gérald Attia <sup>(4)</sup>	204,477	0.61%	216,167	0.56%	216,167	0.56%	216,167	0.56%
Bruno Benoliel	112,800	0.34%	165,600	0.43%	165,600	0.43%	165,600	0.43%
Pierre Marcel	14,000	0.04%	14,000	0.04%	14,000	0.04%	14,000	0.04%
Emily Azoulay	3,600	0.01%	7,200	0.02%	7,200	0.02%	7,200	0.02%
<b>TOTAL</b>	<b>33,589,610</b>	<b>100%</b>	<b>38,879,381</b>	<b>100%</b>	<b>38,411,632</b>	<b>100%</b>	<b>38,411,632</b>	<b>100%</b>

(1) Companies controlled at the highest level by Simon Azoulay.

(2) Of which 601,500 ALTEN shares held in usufruct following the transfer made by Mr Simon Azoulay (see AMF decision 211C2232 and two AMF declarations 212C0013 and 212D0036 and return of usufruct, see AMF declaration 214C0099).

(3) Of which 1,133,550 ALTEN shares held in bare ownership and similar rights under Article L. 233-9 I.6 of the French Commercial Code, the usufruct of which was given by Mr Simon Azoulay to ENIO as part of a temporary donation of usufruct (see AMF decision 214C1116).

(4) Including 117,858 ALTEN shares held by GMA, a company controlled at the highest level by Gérald Attia.

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.

## 18.1.2 CHANGE IN SHAREHOLDING STRUCTURE

### 18.1.2.1 Changes to the capital structure over the past three years

	Position as of 31 December 2014			Position as of 31 December 2013			Position as of 31 December 2012		
	Number of shares	% of capital	% of actual voting rights	Number of shares	% of capital	% of actual voting rights	Number of shares	% of capital	% of actual voting rights
Public	18,655,586	55.54%	48.68%	19,205,041	58.05%	50.20%	18,327,035	56.53%	47.96%
Simon Azoulay*	7,417,481	22.08%	32.79%	7,771,195	23.50%	35.10%	8,784,195	27.10%	39.63%
International Value Advisers LLC	3,354,402	9.99%	8.73%	1,673,322	5.06%	4.36%	1,225,623	3.78%	3.14%
FMR LLC (Fidelity International Ltd)	1,935,852	5.76%	5.04%	1,943,459	5.88%	5.07%	2,134,308	6.58%	5.46%
Harris Associates Ltd	1,166,043	3.47%	3.04%	1,591,707	4.81%	4.15%	961,966	2.97%	2.46%
Treasury shares	467,749	1.39%	-	474,970	1.44%	-	478,019	1.47%	-
ALTEN FCPE	257,620	0.77%	0.67%	270,000	0.82%	0.70%	315,000	0.97%	0.81%
Gérald Attia	204,477	0.61%	0.56%	88,477	0.27%	0.26%	138,477	0.43%	0.38%
Bruno Benoliel	112,800	0.34%	0.43%	52,800	0.16%	0.14%	52,800	0.16%	0.14%
Pierre Marcel	14,000	0.04%	0.04%	-	-	-	-	-	-
Emily Azoulay	3,600	0.01%	0.02%	4,330	0.01%	0.02%	4,330	0.01%	0.02%
<b>TOTAL</b>	<b>33,589,610</b>	<b>100%</b>	<b>100%</b>	<b>33,075,301</b>	<b>100%</b>	<b>100%</b>	<b>32,421,753</b>	<b>100%</b>	<b>100%</b>

\* Simon Azoulay and related parties (including SGTI and SGTI2, which he controls, and the shares whose usufruct was temporarily given to ENIO).

#### 18.1.2.2 Public purchase or exchange offer

No public purchase or exchange offers were launched by third parties on 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 NOTIFIABLE INTERESTS

To the Company's knowledge, the only reporting thresholds breached during the 2014 financial year were the following:

Declarant's name	Transaction date	AMF Reference	Type of threshold breach
SGTI	31/12/2013	214C0099	Falling below <sup>(1)(2)</sup> the following thresholds: <ul style="list-style-type: none"> <li>• 25% of voting rights at OGM</li> <li>• 15% of capital</li> </ul>
SGTI	05/03/2014	214C0355	Falling below <sup>(1) (2)</sup> the 20% voting rights threshold in EGM
Simon Azoulay	18/03/2014	214C0444	Falling below <sup>(1)</sup> the 33.33% voting rights threshold in OGM and EGM
ENIO	11/06/2014	214C1064	Exceeding the 5% voting rights threshold in OGM
ENIO	11/06/2014		- Exceeding the 3% capital threshold <sup>(3)</sup>
Harris Associates L.P.	03/07/2014		- Exceeding the 3% capital threshold <sup>(3)</sup>
International Value Advisers LLC	19/08/2013	214C1787	Exceeding the 5% voting rights threshold <sup>(4)</sup>
International Value Advisers LLC	27/10/2014	214C2260	Exceeding the 10% capital threshold <sup>(5)</sup>

(1) Falling below the 25% capital threshold, directly and indirectly, via SGTI and SGTI 2, controlled by Mr Simon Azoulay.

(2) Mr Simon Azoulay did not breach any threshold on this occasion.

(3) Internal threshold detailed in Article 9 of the Articles of Association.

(4) Declaration made for adjustment purposes.

(5) At that time, the following declarations of intent were made: "International Value Advisors LLC's acquisition of ALTEN securities is part of its normal business as a portfolio management company, without any specific strategy being implemented in regards to ALTEN, and not exerting any specific influence on the management of the latter. International Value Advisors LLC does not act in concert with third parties and does not have the intention of taking control of ALTEN, nor does it require that it be nominated to the Board of Directors, the Executive Board, or the Supervisory Board."

To the Company's knowledge and on the date this report was drawn up, the following thresholds were breached since the close of the 2014 financial year:

Declarant's name	Transaction date	AMF Reference	Type of threshold breach
BNP Paribas Investment Partners	20/02/2015		- Falling below the 3% <sup>(1)</sup> voting rights threshold
Simon Azoulay and SGTI	06/03/2015	215C0301	Falling below (SGTI) the 10% capital threshold, the 20% voting rights threshold at OGM and the 15% voting rights threshold at EGM Falling below (Simon Azoulay) the 20% capital threshold and the 30% voting rights threshold at OGM and EGM, directly and indirectly
SGTI 2	13/03/2015	215C0331	Falling below the 5% capital threshold and the 5% voting rights threshold at OGM and EGM
SGTI 2	16/03/2015		- Falling below the 3%(1) capital threshold and the 3% voting rights threshold at OGM and EGM
FMR LLC	07/07/2014	215C0338	Falling below the 5% voting rights threshold <sup>(2)</sup>
BNP Paribas Investment Partners	30/03/2015		- Falling below the 3% capital threshold <sup>(1)</sup>
Harris Associates L.P.	30/03/2015		- Falling below the 3% voting rights threshold <sup>(1)</sup>
Oakmark International Small Cap Fund	31/03/2015		- Falling below the 3% capital threshold <sup>(1)</sup>

(1) Internal threshold detailed in Article 9 of the Articles of Association.

(2) Declaration made for adjustment purposes.

## 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 paragraph 18.1, show that the major shareholders (Mr Simon Azoulay and related parties, including SGTI and SGTI 2, and including the shares whose usufruct was temporarily given to ENIO by Mr Azoulay) together hold 26.04% of actual voting rights at 31 March 2015.

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 paragraphs 21.1.1 and 21.1.3.1 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 contract concluded by the ALTEN Group in March 2015 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 not controlled (see Chapter 18.1).

## 18.4 AGREEMENTS WHICH, WHEN IMPLEMENTED, COULD CAUSE A CHANGE IN CONTROL

None.

# TRANSACTIONS WITH RELATED PARTIES

# 19

## **19.1 AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE** **188**

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## **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 2014)** **189**

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Agreements and commitments already approved by the General Meeting	189

## 19.1 AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

### 19.1.1 NEW AGREEMENTS ENTERED INTO DURING THE PAST FINANCIAL YEAR

No new agreements were concluded during the past financial year.

### 19.1.2 AGREEMENTS ENTERED INTO DURING A PREVIOUS FINANCIAL YEAR BUT THE EFFECTS OF WHICH CONTINUED DURING THE PAST FINANCIAL YEAR

#### 19.1.2.1 Service provision

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. ALTEN invoiced a sum of €15,000 in respect of the 2014 financial year.

SGTI 2 and ALTEN entered into a service provision agreement on 25 September 2013 under which ALTEN will perform administrative services for SGTI 2. This agreement was approved at the Combined

General Meeting of 18 June 2014 in accordance with Article L. 225-42 of the French Commercial Code. ALTEN invoiced a sum of €15,000 in respect of the 2014 financial year.

#### 19.1.2.2 Tax consolidation

At its meeting of 24 February 2015, ALTEN's Board of Directors noted that under the revised Article L. 225-39 of the French Commercial Code, the agreements concluded between ALTEN SA and its wholly-owned subsidiaries (held both directly and indirectly) are no longer governed by Article L. 225-38 of the French Commercial Code.

Companies	Date the Board of Directors authorised the agreement	Signed date of the agreement	Effective date	Common executive corporate officers	Holds more than 10% of voting rights
Avenir Conseil Formation	06/05/2008	07/05/2008	01/01/2008	Gérald Attia	Yes

#### 19.1.2.3 Signing of a commercial lease by ALTEN SA and SIMALEP

Signing by ALTEN SA 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 year depending on the

benchmark index, but without exceeding the quarterly change in the construction cost index published by INSEE.

SIMALEP is 55% owned by Mr Azoulay, also Manager of SIMALEP. Ms Emily Azoulay, 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.

In view of the fact that Articles L. 225-39 et seq. of the French Commercial Code were modified on 31 July 2014, ALTEN's Board of Directors decided not to conduct the annual review, provided for in

Article L. 225-40-1 of the said Code, of the agreements governed by Article L. 225-38 of the said Code and concluded and authorised in a previous financial year but carried out in the last financial year.

### 19.1.4 AGREEMENTS CONCLUDED BETWEEN A CORPORATE OFFICER OR A SHAREHOLDER HOLDING MORE THAN 10% OF SHARE CAPITAL AND A SUBSIDIARY

None.

## 19.2 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS (GENERAL METING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014)

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.

Moreover, it is our responsibility, where necessary, to forward you the information specified in Article L. 225-38 of the French Commercial Code relating to executing, during the past financial year, the agreements and commitments already approved by the General Meeting.

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 GENERAL MEETING

#### Agreements and commitments authorised during the period

We hereby inform you that we have not been advised of any agreements or commitments authorised during the year to be submitted for the approval by the General Meeting as provided for in Article L. 225-38 of the French Commercial Code.

### AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL 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 General Meeting were still in effect during the period.

##### Services provision agreement

Directors 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 2014, the amount of this service agreement was €15,000 (excluding taxes).

##### Services provision agreement

Directors and shareholders involved: Mr Simon Azoulay and SGTI 2

Following the agreement signed on 25 September 2013, ALTEN provides SGTI 2 with administrative, accounting and financial services.

For the 2014 financial year, the amount of €10,000 (excluding taxes) was charged for these services.

This agreement received the prior authorisation of the ALTEN Board of Directors during its meeting on 24 September 2013.

##### 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 Avenir Conseil Formation remained in force during this financial year.

This agreement had no effect.

##### Signing 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 sq.m. 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 2014 was €156,053 including fees and taxes.

Drawn up in Paris on 20 April 2015

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
Associate

Cabinet Dauge et Associés  
Christian Laplane  
Associate

# 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 2013, and our Statutory Auditors' reports, found on pages 171 to 230 of the Registration Document No. D. 14-0408 filed with the AMF on 25 April 2014;
- the separate and consolidated financial statements at 31 December 2012, and our Statutory Auditors' reports, found on pages 163 to 226 of the Registration Document No. D. 13-0448 filed with the AMF on 26 April 2013.

## 20.2 *PRO FORMA* FINANCIAL INFORMATION

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None.

## 20.3 FINANCIAL STATEMENTS

### 20.3.1 2014 CONSOLIDATED FINANCIAL STATEMENTS

#### 1. CONSOLIDATED FINANCIAL STATEMENTS

##### Consolidated balance sheet

##### ASSETS

<i>(in thousands of euros)</i>	Notes	31/12/2014	31/12/2013	31/12/2012
Goodwill	3.1	276,259	228,286	200,572
Intangible assets	3.2	9,122	8,686	10,053
Property, plant and equipment	3.2	18,145	18,311	14,061
Investments in associates	3.3	3,644	38	4,717
Non-current financial assets	3.4	67,920	43,516	26,827
Tax credits	3.5	13,242	8,808	9,942
<b>NON-CURRENT ASSETS</b>		<b>388,332</b>	<b>307,645</b>	<b>266,172</b>
Trade receivables	3.6	462,256	397,185	402,753
Other current assets	3.6	68,695	55,255	40,664
Cash and cash equivalents	3.7	70,467	96,952	66,523
<b>CURRENT ASSETS</b>		<b>601,418</b>	<b>549,391</b>	<b>509,941</b>
<b>TOTAL ASSETS</b>		<b>989,750</b>	<b>857,036</b>	<b>776,113</b>

##### LIABILITIES

<i>(in thousands of euros)</i>	Notes	31/12/2014	31/12/2013	31/12/2012
Share capital		34,140	33,618	32,953
Additional paid-in capital		44,981	36,951	25,443
Consolidated reserves		401,445	356,864	310,641
Consolidated earnings		79,487	73,780	78,160
<b>EQUITY (GROUP SHARE)</b>		<b>560,053</b>	<b>501,212</b>	<b>447,197</b>
<b>NON-CONTROLLING INTERESTS</b>		<b>1,276</b>	<b>1,136</b>	<b>456</b>
<b>TOTAL EQUITY</b>		<b>561,329</b>	<b>502,348</b>	<b>447,652</b>
Provisions	3.11	18,673	15,348	12,630
Non-current financial liabilities	3.8	6,194	7,515	1,517
Other non-current liabilities	3.9	15,429	4,653	5,487
<b>NON-CURRENT LIABILITIES</b>		<b>40,296</b>	<b>27,516</b>	<b>19,633</b>
Provisions	3.11	6,482	6,410	6,496
Current financial liabilities	3.8	38,814	15,439	7,936
Trade payables		47,972	48,822	38,100
Other current liabilities	3.10	294,856	256,501	256,296
<b>CURRENT LIABILITIES</b>		<b>388,125</b>	<b>327,172</b>	<b>308,828</b>
<b>TOTAL LIABILITIES</b>		<b>989,750</b>	<b>857,036</b>	<b>776,113</b>

## Income statement

<i>(in thousands of euros)</i>	Notes	31/12/2014	31/12/2013	31/12/2012
<b>REVENUE</b>	<b>3.21</b>	<b>1,373,166</b>	<b>1,216,188</b>	<b>1,198,009</b>
Purchases consumed	3.12	(105,783)	(93,411)	(93,927)
Payroll expenses	3.13	(979,669)	(865,042)	(850,855)
External charges	3.14	(136,880)	(123,029)	(117,176)
Taxes other than on income	3.15	(9,098)	(6,606)	(7,063)
Depreciation and amortisation		(9,781)	(10,530)	(8,355)
Other operating expenses	3.16	(4,635)	(6,573)	(6,884)
Other operating income	3.16	4,878	6,577	6,836
<b>OPERATING PROFIT ON ACTIVITY</b>		<b>132,198</b>	<b>117,574</b>	<b>120,586</b>
Share-based payments	3.17	(19)	(336)	(279)
<b>PROFIT FROM ORDINARY ACTIVITIES</b>		<b>132,179</b>	<b>117,238</b>	<b>120,307</b>
Non-current operating expenses	3.18	(15,892)	(3,940)	(5,848)
Non-current operating income	3.18	440	2,417	1,954
Income from asset disposals		805		(33)
Impairment of goodwill			(4,950)	
<b>OPERATING PROFIT</b>		<b>117,533</b>	<b>110,764</b>	<b>116,380</b>
Net borrowing costs	3.19	(746)	(324)	(728)
Other financial expenses	3.19	(7,655)	(6,634)	(3,679)
Other financial income	3.19	12,300	4,195	3,695
Income tax expense	3.20	(42,169)	(36,243)	(38,955)
<b>EARNINGS OF CONSOLIDATED ENTITIES</b>		<b>79,263</b>	<b>71,758</b>	<b>76,713</b>
Earnings from associates	3.3	443	2,299	1,689
<b>NET OVERALL EARNINGS</b>		<b>79,706</b>	<b>74,057</b>	<b>78,402</b>
including:				
• Minority interests		218	277	234
• Attributable to owners of the Company		79,487	73,780	78,168
Earnings per share in euros (Group share)	3.22	2.42	2.29	2.46
Diluted earnings per share in euros (Group share)	3.22	2.41	2.27	2.43

## Statement of comprehensive income

<i>(in thousands of euros)</i>	Notes	31/12/2014	31/12/2013	31/12/2012
Net income, Group share		79,487	73,780	78,168
Earnings attributable to minority interests		218	277	234
<b>CONSOLIDATED NET EARNINGS</b>		<b>79,706</b>	<b>74,057</b>	<b>78,402</b>
Change in fair value of sellable financial assets (net of income tax)	3.4	4,527	2,242	(775)
Translation adjustments		648	(1,371)	185
<b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY AND TRANSFERABLE TO PROFIT OR LOSS</b>		<b>5,175</b>	<b>871</b>	<b>(590)</b>
Actuarial differences on employee benefits (net of income tax)		(1,167)		
<b>ITEMS RECOGNISED DIRECTLY IN EQUITY AND TRANSFERABLE TO PROFIT OR LOSS</b>		<b>(1,167)</b>	<b>0</b>	<b>0</b>
<b>TOTAL INCOME FOR THE PERIOD</b>		<b>83,715</b>	<b>74,928</b>	<b>77,812</b>
Including:				
• Attributable to owners of the Company		83,500	74,651	77,578
• Minority interests		215	277	234

### Statement of consolidated cash flows

<i>(in thousands of euros)</i>	Notes	31/12/2014	31/12/2013	31/12/2012
<b>Consolidated net earnings</b>		<b>79,706</b>	<b>74,057</b>	<b>78,402</b>
Earnings from associates	3.3	(443)	(2,299)	(1,689)
Depreciation, amortisation and operating provisions	3.24	12,261	16,016	9,927
Share-based payments	3.17	19	336	279
Income tax expense	3.20	42,169	36,243	38,955
Capital gains or losses from disposals		(292)	(64)	302
Net borrowing costs	3.19	746	324	728
Financial cost on update and provisions	3.19	(2,146)	11	64
<b>Gross cash flow before borrowing costs and tax</b>		<b>132,019</b>	<b>124,624</b>	<b>126,968</b>
Taxes paid	3.24	(40,651)	(43,132)	(35,451)
Change in working capital requirements	3.24	(43,052)	12,866	(11,511)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>48,316</b>	<b>94,358</b>	<b>80,006</b>
Acquisition of tangible and intangible assets		(7,433)	(8,704)	(9,320)
Acquisition of financial assets		(3,436)	(2,027)	(3,437)
Impact of changes in scope and earn-outs	3.24	(40,283)	(45,564)	(22,518)
Disposals of tangible and intangible assets		79	501	81
Reductions in financial assets		3,953	2,756	1,227
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(47,121)</b>	<b>(53,038)</b>	<b>(33,967)</b>
Net financial interest paid		(1,155)	(340)	(731)
Dividends paid to shareholders		(33,013)	(32,262)	(31,822)
Capital increase	3.24	8,553	12,249	2,887
Acquisitions and disposals of treasury shares		223	(2)	(172)
Repayment of long-term financial debt		(6,095)	4,133	(155)
Change in current financial liabilities		3,080	5,892	(9,299)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(28,408)</b>	<b>(10,330)</b>	<b>(39,292)</b>
<b>IMPACT OF EXCHANGE RATE MOVEMENTS ON CASH</b>		<b>728</b>	<b>(562)</b>	<b>161</b>
<b>CHANGE IN CASH POSITION</b>		<b>(26,485)</b>	<b>30,428</b>	<b>6,908</b>
Cash at beginning of period	3.7	96,952	66,523	59,614
Cash at end of period	3.7	70,467	96,952	66,523
Change		(26,485)	30,428	6,909

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>	Note	31/12/2014	31/12/2013	31/12/2012
Cash at end of period	3.7	70,467	96,952	66,523
Bank overdrafts	3.8	(3,507)	(4,806)	(7,086)
Bank loans	3.8	(41,052)	(17,751)	(1,071)
Net cash position		25,908	74,395	58,366

## Change in consolidated shareholders' equity

## CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

<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 (Group share)	Shareholders' equity
<b>AT 31 DECEMBER 2012</b>	<b>31,943,734</b>	<b>32,421,753</b>	<b>32,954</b>	<b>25,442</b>	<b>318,684</b>	<b>(9,192)</b>	<b>1,147</b>	<b>78,160</b>	<b>447,197</b>
2012 allocation of earnings					78,160			(78,160)	0
Capital increase	653,548	653,548	664	11,509					12,173
Dividends paid to shareholders					(32,262)				(32,262)
Other variations					(881)				(881)
Treasury shares	3,049					(2)			(2)
Share-based payments					336				336
<b>Transactions with shareholders</b>	<b>32,600,331</b>	<b>33,075,301</b>	<b>33,618</b>	<b>36,951</b>	<b>364,037</b>	<b>(9,194)</b>	<b>1,147</b>	<b>0</b>	<b>426,561</b>
Total income for the period					2,242		(1,371)	73,780	74,651
Earnings attributable to minority interests								2,299	2,299
<b>Profit and income and expenses in shareholders' equity</b>					<b>2,242</b>		<b>(1,371)</b>	<b>73,780</b>	<b>74,651</b>
<b>AT 31 DECEMBER 2013</b>	<b>32,600,331</b>	<b>33,075,301</b>	<b>33,618</b>	<b>36,951</b>	<b>366,279</b>	<b>(9,194)</b>	<b>(224)</b>	<b>73,780</b>	<b>501,212</b>
2013 allocation of earnings					73,780			(73,780)	0
Capital increase <sup>(1)</sup>	514,309	514,309	523	8,030					8,553
Dividends paid to shareholders					(33,013)				(33,013)
Other variations <sup>(2)</sup>					(439)				(439)
Treasury shares	7,221					223			223
Share-based payments					19				19
<b>Transactions with shareholders</b>	<b>33,121,861</b>	<b>33,589,610</b>	<b>34,141</b>	<b>44,981</b>	<b>406,626</b>	<b>(8,971)</b>	<b>(224)</b>	<b>0</b>	<b>476,554</b>
Total income for the period					3,360		652	79,487	83,500
Earnings attributable to minority interests								443	443
<b>Profit and income and expenses in shareholders' equity</b>					<b>3,360</b>		<b>652</b>	<b>79,487</b>	<b>83,500</b>
<b>AT 31 DECEMBER 2014</b>	<b>33,121,861</b>	<b>33,589,610</b>	<b>34,141</b>	<b>44,981</b>	<b>409,986</b>	<b>(8,971)</b>	<b>428</b>	<b>79,487</b>	<b>560,053</b>

(1) Capital increases linked to the exercising of stock-options and share warrants.

(2) The change in scope is linked to the purchase of minority interests of Alten SIR GTS and Aprova SPRL.

## CHANGE IN SHAREHOLDERS' EQUITY, MINORITY INTEREST SHARE

<i>(in thousands of euros)</i>	Reserves	Translation reserve	Earnings	Shareholders' equity
<b>AT 31 DECEMBER 2012</b>	<b>221</b>		<b>234</b>	<b>456</b>
2012 allocation of earnings	234		(234)	
Change in scope	320			320
Total income for the period	82			82
Change in method (IAS 19 revised)			277	277
<b>AT 31 DECEMBER 2013</b>	<b>857</b>		<b>277</b>	<b>1,135</b>
2013 allocation of earnings	277		(277)	0
Change in scope*	(75)			(75)
Capital increase				0
Total income for the period	1	(4)	218	215
<b>AT 31 DECEMBER 2014</b>	<b>1,060</b>	<b>(4)</b>	<b>218</b>	<b>1,276</b>

\* The change in scope is linked to the purchase of minority interests of Alten SIR GTS and Aprova SPRL.

Detailed contents of the notes to the financial statements

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## 2. NOTES TO THE FINANCIAL STATEMENTS

### 2.1 Significant events for the financial year

#### 2.1.1 Change in the scope of consolidation

##### Acquisitions

##### **MATIS GMBH (Revenue €17 million; 190 consultants)**

On 31 January 2014, ALTEN GMBH acquired 100% of MATIS GMBH, a German company specialising in real-time embedded systems and infotainment. This company was renamed AVENTON GMBH.

##### **POSITECH (Revenue €8 million; 80 consultants)**

On 18 March 2014, ALTEN EUROPE acquired all of the share capital (50,000 shares) of the POSITECH S.R.L company. This Italian company specialises in IT consultancy for the Defence and Security, Avionics, Naval and Telecoms industries.

##### **SACC (Revenue €9 million; 110 consultants)**

On 21 March 2014, CALSOFT LABS, Inc. acquired 100% of the shares in SACC Inc., an IT consultancy company for the telecommunications, virtualisation and cloud computing sectors.

##### **GECI (Revenue €29 million; 420 consultants)**

The commercial courts of Paris and Nanterre have ratified the agreement to sell GECI ENGINEERING, comprising the companies GECI SYSTÈMES (France) and its subsidiaries, GECI GMBH (Germany) and its subsidiary, GECI INGENIERIA (Spain) and GECI ENGINEERING SERVICES (Romania). The deeds of sale were signed on 7 March 2014. GECI ENGINEERING specialises in airframe construction, mechanical and electrical systems integration and manufacturing engineering. It is a preferred supplier of major European project owners in the aerospace, naval and rail industries. This acquisition allows the Group to enhance its offer and broaden its areas of expertise and know-how for strategic customers in Europe.

##### **ALTE (Revenue €24 million; 310 consultants)**

On 24 April 2014, ALTEN EUROPE acquired 100% of the capital and voting rights of the Finnish company ALTE OY and its two subsidiaries, TSS and VISETEC.

##### **WOTECH (Revenue €8 million; 100 consultants)**

On 22 August 2014, ALTEN EUROPE acquired 100% of the capital and voting rights of the German company WOTECH.

##### **ICT SOFTWARE SERVICE GMBHS (Revenue €7 million; 80 consultants)**

On 9 October 2014, ALTEN GMBH acquired 100% of the capital and voting rights of the German company ICT.

##### **C PRIME (Revenue \$21 million; 100 consultants)**

On 9 December 2014, CALSOFT LABS Inc. acquired 100% of the capital and voting rights in the US company C PRIME, a company specialising in project supervision and management based in San Francisco.

The revenue of the companies acquired, indicated above, are corporate figures presented on an annual basis. None of the acquisitions made during the year, taken individually or as a whole, affected the Group's

balance sheet, revenue or operating profit by more than 25%. Figures are provided in Note 3.21 these acquisitions.

##### *Non-controlling interests*

ALTEN SA acquired a 30% interest in the Luxembourg company CTL PARTICIPATIONS in Q4 2014. This holding company has three operating subsidiaries in France, Belgium and Luxembourg. This interest was equity-accounted in accordance with IAS 28.

##### *Purchase of minority interests*

The Group purchased minority interests over the period. The APPROVA SPRL and ALTEN SIR GTS companies, in which the Group had 80% and 51% stake, respectively, are now wholly owned by the Group.

##### *Mergers*

The Group completed the following mergers during the financial year:

- in France, the ADDS Sarl and ADDS Group companies were merged with ADDS SAS and ALTEN SA on 1 January 2014;
- the Belgian holding company VCTH was merged with ALTEN EUROPE on 15 December 2014 (a cross-border transaction).

##### *Disposal*

At the beginning of October, the Group sold a French company to CTL Participations generating a capital loss of €0.3 million. This company generated revenue of €25 million over the entire 2014 financial year. Figures relating to this sale are provided in Note 3.21.

#### 2.1.2 Dividends paid

During the first half of 2014, €33.0 million of dividends were paid to ALTEN SA shareholders in respect of financial year 2013.

#### 2.1.3 Other information

- Several of the Group's companies who were subject to audits by social agencies (in particular URSSAF (Organizations for the payment of social security and family benefit contributions) in France) gave rise to reassessments (see Note 3.18).
- The ALTEN SA audits covering the 2010, 2011 and 2012 financial years resulted in a notification provisioned in the 2014 financial statements.

These URSSAF reassessments and tax audits gave rise to dispute claims.

#### 2.1.4 Post-closing events

- The Group completed several acquisitions at the start of 2015:
  - acquisition of a technology consultancy company in the Netherlands (Revenue: €11 million; 95 consultants);
  - acquisition of a company specialising in decision-making information and clinical studies in France (Revenue: €21 million; 230 consultants);
  - acquisition of a technology consultancy company in Canada (Revenue: €7 million; 70 consultants).

- A tax audit of a French entity began in February 2015.
- On 20 March 2015, ALTEN SA signed a new “Club Deal” credit agreement to replace the existing agreement, which ends on 31 December 2015. This agreement sets out more favourable conditions and establishes a credit line for €160 million for a maximum of seven years.

## 2.2 The Group’s accounting standards

ALTEN SA is a French public limited company (*Société Anonyme*) with a Board of Directors and registered office at 40 avenue André Morizet in Boulogne-Billancourt.

ALTEN SA’s consolidated financial statements include:

- the financial statements for ALTEN SA;
- the financial statements for companies controlled by ALTEN SA and fully consolidated either directly or indirectly;
- investments in associates and joint ventures, consolidated using the equity-accounted method.

The economic unit is referred to as the ALTEN Group.

The ALTEN Group 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. The business consists of three operating segments:

Engineering and Technology Consulting (75% of revenue), Networks and Telecommunications (17% of revenue) and IT, Finance and Services (8% of revenue).

The consolidated financial statements presented in this document were approved by the Board meeting of 9 April 2015. They are presented in thousands of euros, unless otherwise indicated.

ALTEN SA’s consolidated financial statements included in the registration document are published on its website dedicated to said purpose: <http://www.alten.fr/investisseurs>.

### 2.2.1 Standards applied

In accordance with European Regulation No. 1606/2002 of 19 July 2002, ALTEN SA’s consolidated financial statements at 31 December 2014 are prepared pursuant to international accounting standards as published by the IASB and approved by the European Union on the date these financial statements were prepared. These international standards include IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and interpretations (SIC and IFRIC).

The accounting policies used to prepare the consolidated financial statements for the year ended 31 December 2014 are identical to those used for the year ended 31 December 2013. However, the new standards and interpretations mandatory as of 1 January 2014 have also been adopted by the Group:

Standards, amendments or interpretations	Effective for financial years beginning on or after
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
Amendments to IFRS 10, IFRS 12 and IAS 27 - “Investment entities”	1 January 2014
Amendments to IFRS 10, 11 and 12 - “Transitional provisions”	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
Amendment to IAS 36 - “Recoverable amount disclosures for non-financial assets”	1 January 2014
Amendment to IAS 39 - “Novation of derivatives and continuation of hedge accounting”	1 January 2014

The application of the new standards and interpretations had no impact on the consolidated financial statements.

The Group did not apply in advance the latest standards, amendments or interpretations published by the IASB and adopted at European level but whose application was not mandatory at 1 January 2014. The standards are as follows:

Standards, amendments or interpretations	Effective for financial years beginning on or after
Amendment to IAS 19 - “Defined benefit plans - employee contributions”	1 July 2014
IFRIC 21 - “Levies”	17 June 2014
Annual improvements - 2010-2012 and 2011-2013	1 July 2014

The Group does not expect the future application of the amendment to IAS 19 and other amendments as part of the annual improvements to have any significant impact on the annual consolidated financial statements.

The advanced application of IFRIC 21 at 1 January 2014 would have increased the Group’s shareholders’ equity by €0.9 million at 31 December 2014. This text will be applied by the ALTEN Group from 1 January 2015, and will be retrospectively applied to the consolidated financial statements published in 2014.

### 2.2.2 Basis of preparation

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

The main estimates made by management when preparing the consolidated financial position concerned measurement of goodwill (Note 3.1), securities held for sale (Note 3.4), deferred taxes (Note 3.5), earn-outs (Notes 3.9 and 3.10), retirement obligations and provisions (Note 3.11) and research tax credits (Note 2.2.5.19).

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. As a result, it is possible that the amounts included in the Group's future financial statements differ to the currently estimated values.

### 2.2.3 Restatement of financial information for previous years

None.

### 2.2.4 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;
- "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 gearing corresponding to the ratio of net financial debt (or net cash in the event of a cash surplus) on the consolidated shareholders' equity.

### 2.2.5 Summary of the main accounting and evaluation methods

#### 2.2.5.1 Operating segments

According to IFRS 8 "Operating Segments", segment information reflects the internal information system used by the Group management to assist the decision-making process. Group activity is presented by geographic region, distinguishing between France and overseas (see Note 3.21).

#### 2.2.5.2 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	2014 financial year		2013 financial year	
		Average price	Price at year-end	Average price	Price at year-end
Switzerland	CHF 1 = EUR	0,82330	0,83139	0,81240	0,81460
Great Britain	GBP 1 = EUR	1,24005	1,27828	1,17751	1,19947
Romania	RON 1 = EUR	0,22501	0,22298	0,22619	0,22366
United States	USD 1 = EUR	0,75254	0,82237	0,75293	0,72511
Poland	PLN 1 = EUR	0,23898	0,23200	0,23826	0,24071
Czech Republic	CZK 1 = EUR	0,03632	0,03606	0,03848	0,03646
Sweden	SEK 1 = EUR	0,10993	0,10554	0,11560	0,11288
India	INR 1 = EUR	0,01234	0,01296	0,01284	0,01171
Brazil	BRL 1 = EUR	0,32023	0,30870	0,34880	0,30697
Nigeria	NGN 1 = EUR	0,00456	0,00448	0,00471	0,00454
China	CNY 1 = EUR	0,12213	0,13255	0,12247	0,11977
Hong Kong	HKD 1 = EUR	0,09704	0,10600	0,09707	0,09352
Canada	CAD 1 = EUR	0,68172	0,70761	0,73075	0,68162
Morocco	MAD 1 = EUR	0,08957	0,09093	0,08945	0,08890
Australia	AUD 1 = EUR	0,67917	0,67213	0,72622	0,64838
Norway	NOK 1 = EUR	0,11969	0,11060	0,12812	0,11957
Singapore	SGD 1 = EUR	0,59416	0,62170	0,60175	0,57425
Israel	ILS 1 = EUR	0,21067	0,21044	0,20853	0,20886
Indonesia	IDR 1 = EUR	0,00006	0,00007	0,00006	0,00006

### 2.2.5.3 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 (allocation period) to finalise the valuation of these assets and liabilities. Beyond this period, the effects are recognised directly under earnings.

If the Group owes conditional payments to the transferring party and earn-outs in particular, these are included in the restructuring costs. These debts are valued at their fair value based on non-measurable data (level 3). Any change in the fair value of these debts after the allocation period is reported in earnings in accordance with IFRS 3 (revised).

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 2.2.5.6).

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.

### 2.2.5.4 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 measured reliably.

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.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

### 2.2.5.5 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

### 2.2.5.6 Impairment of assets

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 the entity and validated by the Group’s Finance Division, updated when the year-end budget is prepared. The cash flow beyond the four-year period is extrapolated, taking the growth rate to infinity into consideration;
- growth rate to infinity: this growth rate does not exceed the long-term average growth rate for the business sector;
- discount rate: this rate corresponds to the weighted average cost of capital, derived from risk-free interest rates, country and market risk premium, beta and the cost of indebtedness.

The discount rates used to discount cash flows after taxes are net of taxes.

### 2.2.5.7 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).

### 2.2.5.8 Investments in associates

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.

### 2.2.5.9 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, which is determined based on criteria such as equity share, the net revalued asset and/or forecasts. Fair value variations are recorded under equity or profit/loss when impairment is deemed to be irreversible.

### 2.2.5.10 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.

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.

#### 2.2.5.11 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.

#### 2.2.5.12 Other current assets

They are valued at nominal value less any impairment arising from recovery difficulties.

#### 2.2.5.13 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.

#### 2.2.5.14 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.

#### 2.2.5.15 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 be settled 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 (revised) "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 assumptions (see Note 4.5):

- Financial assumptions
  - a financial discount rate;
  - an inflation rate;
  - a salary revaluation rate;
  - an employer contribution rate.
- Demographic assumptions
  - the assumption of a retirement age of 65, 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.

Expenses are recognised:

- under Operating profit for the part relating to cost of services;
- under net Financial income for the part relating to discounts.

Actuarial gains and losses (actuarial differences) are recognised directly in the Other items of comprehensive income.

#### 2.2.5.16 Financial liabilities

Financial liabilities concern borrowings, long-term financial debt and bank overdrafts. The financial liabilities are valued at amortised cost.

Current and non-current financial liabilities are broken down based on whether the items constituting these sections mature in under one year or over one year.

#### 2.2.5.17 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.

#### 2.2.5.18 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.

#### 2.2.5.19 Subsidies, tax credit and CVAE

Operating subsidies and tax credits are recorded as deductions under the expenses they are intended to offset (mainly employee costs for research tax credits and the tax credit for encouraging competitiveness and jobs (CICE)).

In France, value added tax (CVAE) is recognised under income tax expense.

#### 2.2.5.20 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.

#### 2.2.5.21 Other non-current 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 ANC (French accounting standards authority) recommendation of 7 November 2013.

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.

#### 2.2.5.22 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, profits on the disposal of unconsolidated shares, interest income and income from the disposal of other financial assets (excluding cash and cash equivalents), translation gains, discounted financial income, increase in the fair value of financial assets and liabilities measured at fair value through profit or loss, 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 (excluding cash and cash equivalents), translation losses, discounted financial expenses, decrease in the fair value of financial assets and liabilities measured at fair value through profit or loss, other financial expenses).

#### 2.2.5.23 Information on net earnings per share and diluted earnings per share

Earnings per share are the ratio of net earnings as compared with 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 with 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

#### Identification of the risk

A prudent liquidity management plan involves keeping a sufficient level of liquid assets and having financial resources through appropriate credit facilities. The Group ensures that it always has sufficient liquidity to meet its commitments, in particular to realise investment opportunities.

#### Managing risk/exposure

The Group has:

- centralised cash management when local legislation permits;
- internal procedures to optimise debt recovery;
- credit lines set up for €150 million, as part of the “Club Deal” and short-term unconfirmed lines of credit for €21.5 million, renewable annually.

This club deal requires the following ratios to be met for each six-month and 12-month period 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/Consolidated equity”. This ratio must be less than 0.7.

At 31 December 2014, these ratios had been met.

In order to extend these financing sources, the Group signed a new “Club Deal” credit agreement in March 2015 to replace the old agreement, thus ensuring a credit line for €160 million for a maximum of seven years. This line of credit will also be subject to the fulfilment of financial ratios with thresholds close to those in force at 31 December 2014:

- Ratio 1 – “Consolidated net financial debt/Consolidated operating profit on activity”. This ratio must be less than 2.5.
- Ratio 2 – “Consolidated net financial debt/Consolidated equity”. This ratio must be less than 0.7.

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

### Interest rate risk

#### Identification of the 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 interest rate risk based on changes in the reference index.

### Managing risk/exposure

Due to low debt levels and interest rate changes, the Group did not consider it necessary to arrange interest rate hedging, especially since its financing is short term. The Group’s exposure remains limited. At 31 December 2014, financial debt at variable rate amounted to €37 million.

An average increase of 100 basis points in the reference variable rate over a year would increase the cost of the Group’s financial debt by €0.4 million.

### Customer credit risk

#### Identification of the risk

Credit risk represents the risk of financial loss in the event that a client does not fulfil its contractual obligations.

#### Managing risk/exposure

The Group’s customers are among the largest European accounts: close to 90% of revenue is generated by this type of customer thus limiting the risk of insolvency. See Note 3.6 Current assets - breakdown of the portfolio of trade receivables by age of the account. Customer account collection periods were 98.5 days (95 days in 2013).

The Group has also established internal procedures to assess the risk of customer insolvency during the pre-sales process and subsequently to efficiently collect these receivables.

The ALTEN Group derives 37.1% of its sales from approximately ten customers, with its largest customer representing 11.1% of Group sales within various entities in several countries. There is no identified risk of dependency with regard to a specific client.

### Foreign exchange risk

#### Identification of the risk

*Operational foreign exchange risk:* Although the Group has broad international presence, the currency flows linked to its activity are limited to each subsidiary’s internal market and primarily converted into local currencies.

*Foreign exchange risk:* The financing needs of subsidiaries outside the euro zone and some of the Group’s financing transactions expose certain entities to a foreign exchange risk (risk linked to the change in value of debts or receivables in currencies other than the operating currency of the lending or borrowing entity). In general, the Group’s external financing is denominated in euros. However, certain external growth transactions may have resulted in refinancing by the Group in foreign currencies but these remain limited and are completely or partially covered by bank loans in foreign currencies.

*Risk of translation change:* The Group’s subsidiaries are located in the USA and Sweden in particular. The financial statements of these subsidiaries when translated into the consolidation currency are subject to changes in exchange rates.

*Managing risk/exposure*

The Group's exposure to operational and financial foreign exchange risk is limited. The risk of translation change constitutes the Group's main exposure to foreign exchange risk:

**BALANCE SHEET EXPOSURE**

<i>(in millions of currency)</i>	2014	2014
	SEK	USD
Trade receivables	316	26
Trade payables	(37)	(13)
<b>GROSS BALANCE SHEET EXPOSURE</b>	<b>353</b>	<b>39</b>

**REVENUE EXPOSURE**

Consolidated revenue	2014		2013	
	<i>(in € millions)</i>	<i>(as % of revenue)</i>	<i>(in € millions)</i>	<i>(as % of revenue)</i>
Sweden	100.8	7.3%	101.7	8.4%
USA	51.0	3.7%	25.3	2.1%
Other	58.9	4.3%	24.6	2.0%
<b>REVENUE EXPOSURE</b>	<b>210.7</b>	<b>15.3%</b>	<b>151.6</b>	<b>12.5%</b>
<b>TOTAL CONSOLIDATED REVENUE</b>	<b>1,373.2</b>	<b>100%</b>	<b>1,216.2</b>	<b>100%</b>

**Equity risk***Treasury shares and securities*

There is little risk in respect of the trading price of its shares. In addition to the treasury shares held under the liquidity contract, ALTEN SA holds 460,022 treasury shares, representing 1.39% of its share capital at 31 December 2014. Securities giving future access to capital only represent 0.5% of the share capital at 31 December 2014.

*Investment in the Ausy company*

ALTEN SA holds 420,653 ordinary shares in AUSY (listed on NYSE Euronext), representing 9.25% of its capital at 31 December 2014.

## 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.

The Group has no significant non-controlling interests.

Company name	SIRET NO.	Basis of consolidation (*)	% interest	% control
ALTEN SA	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 SAS	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	100.00	100.00
HPTI	49967035400012	FC	100.00	100.00
ALTEN SIR GTS	52190314600012	FC	100.00	100.00
ID.APPS	52910153700015	FC	100.00	100.00
APTECH SAS	53296422800011	FC	80.00	80.00
ADDS SAS	40252087800024	FC	100.00	100.00
G-FIT SAS	41865181600054	FC	100.00	100.00
PCUBED SAS	43868487000050	FC	100.00	100.00
HOREX	79890660800012	EM	37.50	37.50
GECI SYSTEMES SAS	43921653200077	FC	100.00	100.00

(\*) FC = Full consolidation/EM = Equity-accounted method.

Company name	Basis of consolidation (*)	% interest	% control	Country of operation
MI-GSO GMBH	FC	100.00	100.00	Germany
ALTEN TECHNOLOGY GMBH	FC	100.00	100.00	Germany
ATEXIS GMBH	FC	100.00	100.00	Germany
ALTEN GMBH	FC	100.00	100.00	Germany
BARDENHEUER GMBH	FC	100.00	100.00	Germany
INVENTIVE ENGINEERING GMBH	FC	100.00	100.00	Germany
Program Planning Professionals GMBH	FC	100.00	100.00	Germany
GECI GMBH	FC	100.00	100.00	Germany
DO PROFESSIONAL SERVICES GMBH	FC	100.00	100.00	Germany
AVENTON GMBH (previously MATIS DEUTSCHLAND GMBH)	FC	100.00	100.00	Germany
AVENTON TECHNOLOGY GMBH (previously ICT SOFTWARE SERVICE)	FC	100.00	100.00	Germany
WOTECH	FC	100.00	100.00	Germany
Program Planning Professionals PTY LTD	FC	100.00	100.00	Australia
ALTEN BELGIUM	FC	100.00	100.00	Belgium
APROVA	FC	100.00	100.00	Belgium
VCTH BVBA	FC	100.00	100.00	Belgium
QUASUS NV	FC	100.00	100.00	Belgium
ANOTECH DO BRASIL	FC	100.00	100.00	Brazil
ALTEN CANADA	FC	100.00	100.00	Canada
PCUBED CANADA INC	FC	100.00	100.00	Canada
SESAME GROUP BEIJING	FC	100.00	100.00	China
ALTEN SPAIN	FC	100.00	100.00	Spain
ATEXIS SPAIN	FC	100.00	100.00	Spain
MI GSO EMP SPAIN	FC	100.00	100.00	Spain
ALTEN USA	FC	100.00	100.00	United States
ANOTECH ENERGY USA	FC	100.00	100.00	United States
ALTEN TECHNOLOGY USA	FC	100.00	100.00	United States
X-DIN INC	FC	100.00	100.00	United States
X-DIN TECHNOLOGY INC	FC	100.00	100.00	United States
CALSOFT LABS INC. (USA)	FC	100.00	100.00	United States
Program Planning Professionals INC	FC	100.00	100.00	United States
SACC Inc	FC	100.00	100.00	United States
C PRIME	FC	100.00	100.00	United States
ALTE OY	FC	100.00	100.00	Finland
ALTE VISETEC OY	FC	100.00	100.00	Finland
TSS GROUP OY	FC	100.00	100.00	Finland
ANOTECH ENERGY UK	FC	100.00	100.00	Great Britain
ALTEN LTD	FC	100.00	100.00	Great Britain
MI-GSO LTD	FC	100.00	100.00	Great Britain
ALTEN TECHNOLOGY LTD	FC	70.00	70.00	Great Britain
Program Planning Professionals LTD	FC	100.00	100.00	Great Britain
SESAME GROUP LIMITED	FC	100.00	100.00	Hong Kong
ALTEN INDIA	FC	100.00	100.00	India
CALSOFT LABS INDIA	FC	100.00	100.00	India
SESAME INDIA	FC	100.00	100.00	India

(\*) FC = Full consolidation/EM = Equity-accounted method.

Company name	Basis of consolidation (*)	% interest	% control	Country of operation
ADDS LTD	FC	100.00	100.00	Israel
ALTEN ITALIA	FC	100.00	100.00	Italy
POSITECH SRL	FC	100.00	100.00	Italy
CTL Participations	EM	30.00	30.00	Luxembourg
G-FIT MAROC SARL	FC	100.00	100.00	Morocco
ANOTECH NIGERIA	FC	100.00	100.00	Nigeria
ALTEN NORWAY	FC	100.00	100.00	Norway
ANOTECH NORGE AS	FC	80.00	80.00	Norway
ALTEN NEDERLAND	FC	100.00	100.00	The Netherlands
ALTEN DDA	FC	100.00	100.00	The Netherlands
ORION	FC	100.00	100.00	The Netherlands
QUASUS BV	FC	100.00	100.00	The Netherlands
IMP POLAND	FC	100.00	100.00	Poland
ITEKNA POLSKA	FC	65.00	65.00	Poland
ALTEN SI TECHNO ROMANIA	FC	100.00	100.00	Romania
ATEXIS SRL	FC	100.00	100.00	Romania
GECI ENGINEERING SERVICES SRL	FC	100.00	100.00	Romania
Program Planning Professionals PTE LTD	FC	100.00	100.00	Singapore
ADDS SRO	FC	100.00	100.00	Czech Republic
ALTEN SWEDEN (Previously ALTEN Sverige AB)	FC	100.00	100.00	Sweden
ALTEN SWITZERLAND SARL	FC	100.00	100.00	Switzerland

(\*) FC = Full consolidation/EM = Equity-accounted method.

### 3. DETAILS OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### 3.1 Goodwill

Goodwill, allocated by country, breaks down as follows:

<i>(in thousands of euros)</i>	France	UK	Belgium	The Netherlands	Spain	Germany
<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>
Acquisitions	7,753		5,323			4,354
Disposals						
Earn-out adjustments	(2,115)					(305)
Other						
Reclassifications						
Impairments					(4,950)	
<b>31/12/2013</b>	<b>100,547</b>	<b>1,235</b>	<b>8,426</b>	<b>12,824</b>	<b>19,991</b>	<b>22,477</b>
Acquisitions	10,552					22,112
Disposals	(18,974)					
Earn-out adjustments	(475)		86			
Other	(1,623)	(1,681)				234
Reclassifications	2,082	4,682				625
Impairments						
<b>31/12/2014</b>	<b>92,109</b>	<b>4,236</b>	<b>8,512</b>	<b>12,824</b>	<b>19,991</b>	<b>45,448</b>

During the 2014 financial year, the changes in goodwill are attributable to:

- the acquisitions and disposal performed by the Group (described in Note 2.1.1);
- the adjustment of earn-outs and net positions as a result of previous acquisitions (included under "Other") within the allocation period;
- translation adjustments on goodwill denominated in foreign currency (included under "Other").

The Group performed impairment testing on all of the assets of its cash-generating units (CGUs) at 31 December 2014. These tests

show that the recoverable values of the CGUs' assets are greater than their carrying amounts. As a result, no impairment representing a loss in value was recorded at 31 December 2014.

The table below presents the main actuarial assumptions and structural operating assumptions used for the impairment tests performed during the year for the main countries. The CGUs correspond to legal entities (and hardly ever to a combination of legal entities) and for the purpose of this and the following note the CGUs are grouped by country.

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.

Italy	Finland	Sweden	United States	Offshore + Asia	Nearshore	Other	Total
7,183	0	27,275	6,347	3,282	1,044		200,572
			15,289	23	1,304		34,045
				1,039			0
							(1,381)
							0
							0
							(4,950)
7,183	0	27,275	21,636	4,344	2,348	0	228,286
5,766	13,228		15,904		1,663	466	69,690
							(18,974)
					(113)		(502)
			630	72		126	(2,242)
			(9,085)	1,622		75	0
							0
12,949	13,228	27,275	29,084	6,038	3,898	666	276,259

Country	2014				2013			
	Goodwill	Average annual revenue growth rate 2014-2018	Perpetual growth rate	Weighted average cost of capital (WACC)	Goodwill	Average annual revenue growth rate 2013-2017	Perpetual growth rate	Weighted average cost of capital (WACC)
France	92,109	3%	2%	8.73%	100,547	3%	2%	9.01%
Germany	45,448	5%	2%	8.12%	22,477	5%	2%	9.01%
Spain	19,991	6%	2%	10.61%	19,991	3%	2%	10.80%
The Netherlands	12,824	5%	2%	8.17%	12,824	7%	2%	9.01%
Belgium	8,512	5%	2%	9.07%	8,426	4%	2%	9.30%
Italy	12,949	7%	2%	9.91%	7,183	8%	2%	10.16%
Sweden	27,275	6%	2%	8.20%	27,275	8%	2%	9.01%
United States	29,084	8%	2%	8.02%	21,636	9%	2%	9.01%
Finland	13,228	6%	2%	8.22%				

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 and normative operating profit on activity. The results of these analyses as regards impairment of goodwill are summarised in the table below.

Country	2014				
	Goodwill	Test margin*	WACC + 1 point**	Zero growth rate**	Normative operating profit on activity - 1 point**
France	92,109	293,673	-	-	-
Germany	45,448	128,721	(336)	(55)	(225)
Spain	19,991	10,367	-	-	-
The Netherlands	12,824	38,493	-	-	-
Belgium	8,512	38,902	-	-	-
Italy	12,949	37,695	-	-	-
Sweden	27,275	120,002	-	-	-
United States	29,084	20,698	-	-	-
Great Britain	4,236	129,865	-	-	-
Finland	13,228	33,315	-	-	-
Nearshore	3,898	29,758	-	-	-
Offshore	6,038	2,617	-	-	-
Other	666	3,957	-	-	-
<b>TOTAL</b>	<b>276,259</b>	<b>888,063</b>	<b>(336)</b>	<b>(55)</b>	<b>(225)</b>

Country	2013				
	Goodwill	Test margin*	WACC + 1 point**	Zero growth rate**	Normative operating profit on activity - 1 point**
France	100,547	242,905	-	-	-
Germany	22,477	99,888	-	-	-
Spain	19,991	-	(3,566)	(3,730)	(4,076)
The Netherlands	12,824	35,075	-	-	-
Belgium	8,426	20,222	-	-	-
Italy	7,183	22,626	-	-	-
Sweden	27,275	123,044	-	-	-
United States	21,636	10,832	-	-	-
Great Britain	1,235	82,809	-	-	-
Finland	None	None	-	-	-
Nearshore	2,348	11,898	-	-	-
Offshore	4,344	3,791	-	-	-
Other	None	None	-	-	-
<b>TOTAL</b>	<b>228,286</b>	<b>653,090</b>	<b>(3,566)</b>	<b>(3,730)</b>	<b>(4,076)</b>

\* Test margin = Value in use - total value of assets to be tested (including goodwill) for all CGUs included in the country.

\*\* Impairment amount of the CGU or CGUs included in the country. Other constant parameters.

### 3.2 Non-current assets, depreciation and amortisation

#### GROSS VALUE

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2012</b>	<b>29,694</b>	<b>41,950</b>	<b>71,644</b>
Change in scope	2,492	6,729	9,221
Exchange rate variations	(42)	(247)	(289)
Acquisitions and transfers	1,879	7,530	9,408
Divestments and disposals*	(718)	(6,098)	(6,816)
<b>31/12/2013</b>	<b>33,305</b>	<b>49,864</b>	<b>83,168</b>
Change in scope	1,296	3,053	4,349
Exchange rate variations	64	527	590
Acquisitions and transfers	3,086	6,338	9,424
Divestments and disposals*	(1,406)	(3,649)	(5,055)
<b>31/12/2014</b>	<b>36,345</b>	<b>56,133</b>	<b>92,477</b>

\* Mainly concerns the scrapping of fittings as a result of a business transfer.

#### DEPRECIATION

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2012</b>	<b>19,641</b>	<b>27,889</b>	<b>47,530</b>
Change in scope	2,644	2,237	4,881
Exchange rate variations	(31)	(126)	(157)
Provisions and transfers	3,080	7,281	10,361
Decreases	(715)	(5,727)	(6,443)
<b>31/12/2013</b>	<b>24,619</b>	<b>31,553</b>	<b>56,172</b>
Change in scope	1,135	2,048	3,184
Exchange rate variations	43	163	206
Provisions and transfers	2,808	7,365	10,172
Decreases	(1,383)	(3,141)	(4,524)
<b>31/12/2014</b>	<b>27,223</b>	<b>37,988</b>	<b>65,211</b>

#### NET VALUES<sup>(1)</sup>

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2012</b>	10,053	14,061	24,114
<b>31/12/2013</b>	8,686	18,311	26,997
<b>31/12/2014</b>	9,122	18,145	27,267

(1) Including financial leases:

	Intangible assets	Property, plant and equipment	Total
<b>At 31/12/2012</b>	1,223	796	2,018
<b>At 31/12/2013</b>	1,019	783	1,801
<b>At 31/12/2014</b>	815	686	1,501

## 3.3 Investments in associates

<i>(in thousands of euros)</i>	Amount
<b>AT 31 DECEMBER 2012</b>	<b>4,717</b>
Profit for the year	2,299
Change in scope*	(6,977)
<b>AT 31 DECEMBER 2013</b>	<b>38</b>
Profit for the year	443
Change in scope*	3,164
<b>AT 31 DECEMBER 2014</b>	<b>3,645</b>

\* In 2014, the change in scope corresponds to the investment in the Luxembourg company CTL PARTICIPATIONS in Q4 2014. In 2013, this investment, accounted for using the equity method in 2012, was transferred at the end of 2013 to a holding company created in 2013 and in which the Group has a 37.5% stake. This new investment has been equity-accounted since 31 December 2013.

The financial data of associates are summarised in the following table:

<i>(in thousands of euros)</i>	2014 financial year
Revenue	102,780
Operating profit on activity	10,698
Total assets	143,128
Shareholders' equity	41,834

The data presented correspond to the 12-month period ending on 31 December 2014.

## 3.4 Financial assets

<i>(in thousands of euros)</i>	Note	Carrying amount according to IAS 39			Hierarchisation of the fair value of financial assets				
		Amortised cost	Fair value through shareholders' equity	Fair value through earnings	31/12/2014	31/12/2013	Level 1	Level 2	Level 3
<b>Assets</b>									
<b>NON-CURRENT FINANCIAL ASSETS:</b>		42,071	25,848		67,919	43,516	15,689	1,285	8,874
Securities held for sale			25,848		25,848	20,459	15,689	1,285	8,874
Deposits and guarantees		6,677			6,677	13,320			
Other long-term assets (loans and receivables)		35,394			35,394	9,737			
<b>Trade receivables</b>	3.6	462,256			462,256	397,185			
<b>OTHER CURRENT ASSETS</b>	3.6	3,390			3,390	3,948			
<b>Cash and cash equivalents</b>	3.7			70,467	70,467	96,952	70,467		

\* Excluding tax and social security receivables and prepaid expenses.

Other items (loans, deposits and guarantees, and other non-current assets), totalling €42,071,000 at 31 December 2014, were adjusted by depreciation to their recoverable value, where this was estimated to be lower. The fair value is the same as the book value.

The increase in other long-term assets over the period results from the awarding of a loan for €24 million to an associate.

Securities held for sale include the following:

Entity	% Interest	Fair value at opening	Acquisition (disposal)	Impairment	Change in fair value	Fair value at closing	Fair value hierarchical level	Data used
Ausy	9.33%	9,898			3,127	13,026	1	Share price
FCP X-Ange	5.90%	1,561	702		400	2,663	1	Net asset value
Smart Trade	4.19%	570	(285)		1,000	1,285	2	Recent transaction
Phinergy Ltd*	16.52%	8,391				8,391	3	
Miscellaneous		40	344	100		483	3	
<b>TOTAL</b>		<b>20,459</b>	<b>761</b>	<b>100</b>	<b>4,527</b>	<b>25,848</b>		

\* Investors took a share in the company's capital at the start of the 2015 financial year based on a valuation that supported the value of the PHINERGY shares held by the Group. Since the Company was still in the research and development phase no securities were revalued at 31 December 2014.

The Group recognises irreversible depreciation when it observes a very significant and long-lasting deterioration in the entity's results.

### 3.5 Tax credits

Deferred taxes are broken down as:

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Employee profit-sharing	514	803	3,115
Retirement benefits	4,836	3,554	2,876
Other timing differences	2,902	2,052	896
Tax-loss carry-forwards	3,860	2,136	2,141
<b>TOTAL DEFERRED TAXES:</b>	<b>12,113</b>	<b>8,545</b>	<b>9,029</b>
Including:			
<b>DEFERRED TAX ASSETS</b>	<b>13,242</b>	<b>8,808</b>	<b>9,942</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>(1,129)</b>	<b>(263)</b>	<b>(914)</b>

The variation in deferred taxes is broken down as follows:

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
<b>Deferred taxes at start of year</b>	<b>8,545</b>	<b>9,029</b>	<b>8,487</b>
Change in method (IAS 19 revised)	579	250	(250)
Change in scope	2,215	(179)	223
Exchange rate variations	108	(54)	(25)
Expenses (or income) for the period (Note 3.20)	666	(501)	594
<b>DEFERRED TAXES AT YEAR-END</b>	<b>12,113</b>	<b>8,545</b>	<b>9,029</b>

Unrecognised deferred taxes (to be carried forward indefinitely) for tax-loss carryforwards amounted to €2,352,000 (€7,776,000 basis) at 31/12/2014.

## 3.6 Current assets

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
<b>TRADE RECEIVABLES</b>			
Gross value	467,243	402,200	409,396
Impairments	(4,988)	(5,015)	(6,643)
<b>TOTAL</b>	<b>462,256</b>	<b>397,185</b>	<b>402,753</b>
<b>OTHER CURRENT ASSETS</b>			
Inventory	133	85	77
Social security receivables	3,843	2,515	1,845
Tax receivables <sup>(1)</sup>	54,479	40,064	27,254
Other receivables	3,867	4,369	11,693
Impairment of other receivables	(610)	(506)	(6,373)
Prepaid expenses	6,983	8,727	6,167
<b>TOTAL</b>	<b>68,695</b>	<b>55,255</b>	<b>40,664</b>

(1) The increase in tax receivables at 31 December 2014 is primarily linked to CICE receivables (increase in the applicable rate from 4% to 6%) and the increase in 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>	31/12/2014				Balance
	Unmatured	Less than 6 months	Six months to one year	More than one year	
<b>TRADE RECEIVABLES</b>					
Gross value	362,110	92,029	9,864	3,240	467,243
Provisions		(312)	(597)	(4,079)	(4,988)
<b>NET VALUES</b>	<b>362,110</b>	<b>91,717</b>	<b>9,267</b>	<b>(839)</b>	<b>462,255</b>

<i>(in thousands of euros)</i>	31/12/2013				Balance
	Unmatured	Less than 6 months	Six months to one year	More than one year	
<b>TRADE RECEIVABLES</b>					
Gross value	346,596	52,114	1,928	1,562	402,200
Provisions		(406)	(542)	(4,067)	(5,015)
<b>NET VALUES</b>	<b>346,596</b>	<b>51,708</b>	<b>1,386</b>	<b>(2,505)</b>	<b>397,185</b>

<i>(in thousands of euros)</i>	31/12/2012				Balance
	Unmatured	Less than 6 months	Six months to one year	More than one year	
<b>TRADE RECEIVABLES</b>					
Gross value	343,934	56,135	4,358	4,969	409,396
Provisions		(617)	(1,115)	(4,911)	(6,643)
<b>NET VALUES</b>	<b>343,934</b>	<b>55,518</b>	<b>3,243</b>	<b>58</b>	<b>402,753</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>	31/12/2014	31/12/2013	31/12/2012
Marketable securities	4,527	12,052	13,034
Cash and equivalents	65,940	84,900	53,489
<b>TOTAL</b>	<b>70,467</b>	<b>96,952</b>	<b>66,523</b>

Marketable securities are valued at fair value. They are made up of money market funds and negotiable securities with a maturity of less than three months. Income from money market funds is not significant.

### 3.8 Current and non-current financial liabilities

<i>(in thousands of euros)</i>	31/12/2013	Inc	Repayment	Change in scope	Other (goodwill)	31/12/2014	Current	Non-current
Bank loans	16,938	32,497	(9,853)	460	118	40,159	34,626	5,533
Other loans and related debt	813	47	(18,919)	17,569	1,383	893	459	434
Overdrafts	4,806		(6,818)	5,452	67	3,507	3,507	
Deposits and guarantees received	167	19			40	226		226
Employee profit-sharing	230	14	(4)		(17)	223	223	
<b>TOTAL</b>	<b>22,954</b>	<b>32,577</b>	<b>(35,594)</b>	<b>23,481</b>	<b>1,590</b>	<b>45,008</b>	<b>38,814</b>	<b>6,194</b>

#### Bank loans

Bank loans totalled €40.2 million at 31 December 2014.

<i>(in thousands of euros)</i>	31/12/2014	EUR	USD	GBP	Fixed rate	Variable rate
Bank loans	40,159	35,853	2,467	1,839	2,692	37,467

At 31 December 2014, this item primarily comprised:

- drawdown of the “Club Deal” for €30 million (short-term financing) on a line opened for €150 million;
- a loan for €5 million subscribed at the end of December 2013 repayable over three years (three-month Euribor variable rate +0.5%);
- a confirmed credit line for €2.5 million in USD subscribed in November 2014 and fully repaid in Q1 2015;

- other medium/long-term loans for €2.6 million from additions to the scope in 2013 and 2014, including €1.8 million in GBP.

A line of credit amounting to €9 million confirmed in January 2014 and subscribed in November 2013 was also repaid during the period.

#### Other financial liabilities

The main financial liabilities acquired as a result of external growth transactions during the financial year were repaid over the period.

### 3.9 Other non-current liabilities

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Earn-outs <sup>(1)</sup>	10,197	486	421
Social security debt <sup>(2)</sup>	3,924	3,904	4,153
Deferred tax liabilities	1,129	263	914
Other debt	179		
<b>TOTAL</b>	<b>15,429</b>	<b>4,653</b>	<b>5,487</b>

(1) The counterparty for earn-outs on companies acquired in 2014 is in goodwill. The fair value of these earn-outs is determined based on non-observable data (level 3).

(2) Debt relating to time savings accounts.

## 3.10 Other current liabilities

<i>(in thousands of euros)</i>	12/31/2014	12/31/2013	12/31/2012
Social security liabilities	142,605	131,405	130,920
Tax liabilities	93,368	79,326	87,867
Earn-outs*	8,241	2,285	676
Other liabilities	28,228	27,728	22,694
Deferred income	22,414	15,757	14,139
<b>TOTAL</b>	<b>294,856</b>	<b>256,501</b>	<b>256,296</b>

\* The counterparty for earn-outs on companies acquired in 2014 is in goodwill. The fair value of these earn-outs is determined based on non-observable data (level 3).

## 3.11 Provisions

<i>(in thousands of euros)</i>	Corporate disputes <sup>(1)</sup>	Commercial disputes	Miscellaneous risks	Retirement benefits <sup>(2)</sup>	Total
<b>AT 31/12/2012</b>	<b>6,088</b>	<b>57</b>	<b>4,397</b>	<b>8,583</b>	<b>19,125</b>
Change in scope	274		144	266	684
Reclassifications	(8)		8	694	694
Exchange rate variations			(0)		(0)
Provisions for the financial year	2,156	668	3,352	1,323	7,499
Reversals (provisions used)	(3,168)	(17)	(1,344)		(4,529)
Reversals (provisions not used)	(1,027)	(13)	(613)	(62)	(1,716)
<b>AT 31/12/2013</b>	<b>4,316</b>	<b>695</b>	<b>5,943</b>	<b>10,804</b>	<b>21,758</b>
Change in scope	(133)		(1,975)	424	(1,684)
Reclassifications including actuarial differences	(257)	4	79	1,851	1,677
Exchange rate variations	0		(12)		(12)
Provisions for the financial year	2,438	0	3,668	2,238	8,344
Reversals (provisions used)	(1,110)	(119)	(1,333)	(161)	(2,722)
Reversals (provisions not used)	(648)	(14)	(1,543)		(2,205)
<b>AT 31/12/2014</b>	<b>4,606</b>	<b>566</b>	<b>4,828</b>	<b>15,155</b>	<b>25,155</b>

(1) The provision for retirement benefits increased by €4.3 million, €1.8 million was due in particular to the fall in the discount rate used to evaluate commitments (see Note 4.5).

(2) Corporate disputes are individually insignificant.

## NON-CURRENT PROVISIONS

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Corporate disputes	2,296	1,728	1,260
Commercial disputes	549	549	12
Miscellaneous risks	672	2,408	2,775
Retirement benefits	15,155	10,663	8,583
<b>TOTAL</b>	<b>18,673</b>	<b>15,348</b>	<b>12,630</b>

### CURRENT PROVISIONS

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Corporate disputes	2,310	2,588	4,829
Commercial disputes	17	146	45
Miscellaneous risks	4,155	3,535	1,622
Retirement benefits	0	141	0
<b>TOTAL</b>	<b>6,482</b>	<b>6,410</b>	<b>6,496</b>
Total non-current provisions	18,673	15,348	12,629
Total current provisions	6,482	6,410	6,496
<b>TOTAL PROVISIONS FOR RISKS AND EXPENSES</b>	<b>25,155</b>	<b>21,758</b>	<b>19,125</b>

### 3.12 Purchases consumed

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Purchasing and subcontracting business	(95,541)	(85,181)	(84,772)
Non-stock purchases	(10,243)	(8,229)	(9,155)
<b>TOTAL</b>	<b>(105,783)</b>	<b>(93,411)</b>	<b>(93,927)</b>

### 3.13 Payroll expenses

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Salaries and benefits	(964,019)	(852,780)	(829,621)
Corporate disputes	(916)	2,057	(344)
Retirement benefits (See Note 4.4)	(1,619)	(867)	(1,980)
Taxes levied on wages	(11,574)	(11,075)	(10,405)
Employee profit sharing	(1,541)	(2,376)	(8,505)
<b>TOTAL</b>	<b>(979,669)</b>	<b>(865,042)</b>	<b>(850,855)</b>

The item "Salaries and benefits" was reduced by research tax credits (CIR) and tax credit for encouraging competitiveness and jobs (CICE). Benefits under the defined-contribution schemes amounted to €211.2 million in 2014 (compared to €199.7 million in 2013).

### 3.14 External charges

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Rentals, maintenance	(39,252)	(33,451)	(29,582)
External personnel, fees	(21,967)	(18,855)	(17,682)
Transportation and travel	(52,520)	(51,537)	(51,057)
Other external charges	(23,141)	(19,186)	(18,854)
<b>TOTAL</b>	<b>(136,880)</b>	<b>(123,029)</b>	<b>(117,176)</b>

## 3.15 Taxes and levies

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Business tax and similar	(1,255)	(789)	(495)
Property tax	(1,241)	(772)	(1,340)
Other taxes and levies	(6,601)	(5,045)	(5,227)
<b>TOTAL</b>	<b>(9,098)</b>	<b>(6,606)</b>	<b>(7,063)</b>

## 3.16 Other operating income and expenses

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
<b>Expenses</b>			
Provisions for impairment	(1,027)	(1,019)	(1,819)
Losses on unrecoverable receivables	(874)	(1,937)	(2,766)
Provisions for long-term contingencies	(2,295)	(3,233)	(1,971)
Book value of fixed assets sold	(361)	(373)	(172)
Other expenses	(78)	(11)	(157)
<b>TOTAL EXPENSES</b>	<b>(4,635)</b>	<b>(6,573)</b>	<b>(6,884)</b>
<b>Income</b>			
Reversal of provisions for receivables	1,779	4,105	4,606
Reversals of provisions for long-term contingencies	2,696	1,970	2,143
Proceeds from sale of fixed assets	79	501	82
Other income	324	0	6
<b>TOTAL INCOME</b>	<b>4,878</b>	<b>6,577</b>	<b>6,836</b>

## 3.17 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 market - Compartment B.

History of past awards of share warrants: The subscription price was set at fifteen euros and eighty-five cents (€15.85).

The exercise period is from 7 September 2013 to 7 September 2017. Maximum term of the stock warrants is eight (8) years, beyond which date the warrants expire.

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
Number of warrants exercised at 31 December 2013	81,000
<b>NUMBER OF WARRANTS OUTSTANDING AT 31 DECEMBER 2013</b>	<b>406,000</b>
Number of warrants exercised at 31 December 2014	406,000
<b>NUMBER OF WARRANTS OUTSTANDING AT 31 DECEMBER 2014</b>	<b>0</b>

### 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	5	6	Total
Date of grant by the Board	06/01/2004	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	259	356	598	794	689	6	
<b>NUMBER OF OPTIONS GRANTED</b>	<b>318,970</b>	<b>496,500</b>	<b>1,189,780</b>	<b>622,790</b>	<b>574,330</b>	<b>120,000</b>	<b>3,322,370</b>
including number of options granted to employees	318,970	496,500	1,173,780	622,790	574,330	120,000	3,306,370
including number of options granted to corporate officers			16,000				16,000
Exercise price	10.7	17.9	24.1	19.1	15.2	22.4	
Weighted average exercise price in 2011	10.7	17.9	24.1				
Fair value of the option in euros	7.13	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	06/01/2012	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
<b>NUMBER OF OPTIONS THAT MAY BE EXERCISED AT 1 JANUARY 2012</b>	<b>7,500</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 granted							
Number of options waived						30,000	30,000
Number of options exercised at 31 December 2012	2,200	50,825	18,680	78,371			150,076
Number of options expired at 31 December 2012	5,300	(1,800)	3,320	26,600	55,470		88,890
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2012</b>	<b>0</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>					(223)	(56)	(279)
<b>NUMBER OF OPTIONS THAT MAY BE EXERCISED AT 1 JANUARY 2013</b>	<b>0</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>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2013		31,800	158,160	175,034	207,554		572,548
Number of options expired at 31 December 2013		1,800	0	(600)	23,380		24,580
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2013</b>	<b>0</b>	<b>0</b>	<b>55,040</b>	<b>40,375</b>	<b>103,191</b>	<b>90,000</b>	<b>288,606</b>
<i>2013 annual charge</i>					(232)	(104)	(336)
<b>NUMBER OF OPTIONS THAT MAY BE EXERCISED AT 1 JANUARY 2014</b>	<b>0</b>	<b>0</b>	<b>55,040</b>	<b>40,375</b>	<b>103,191</b>	<b>90,000</b>	<b>288,606</b>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2014			45,630	16,425	46,254		108,309
Number of options expired at 31 December 2014			9,410	350	(150)		9,610
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,600</b>	<b>57,087</b>	<b>90,000</b>	<b>170,687</b>
<i>2014 annual charge</i>			100	0	(0)	(118)	(19)
<b>Plan</b>							<b>Total</b>
Date of grant by the Board							11/04/2008
Number of beneficiaries							2
<b>Number of options granted</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

## 3.18 Other non-current income and expenses

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
<b>Expenses</b>			
Restructuring costs	(3,093)	(1,951)	(3,067)
Social security and tax adjustments	(10,086)	(628)	
Acquisition costs	(1,753)	(1,290)	(1,489)
Other	(958)	(71)	(1,292)
<b>TOTAL EXPENSES</b>	<b>(15,890)</b>	<b>(3,940)</b>	<b>(5,848)</b>
<b>Income</b>			
Refunds on social security and tax claims		811	425
Settlement agreement on previous acquisition		961	
Provision that has ceased to be relevant		417	1,529
Other	440	228	
<b>TOTAL INCOME</b>	<b>440</b>	<b>2,417</b>	<b>1,954</b>

Restructuring costs relate to costs linked to specific measures taken to offset the deterioration of the economic environment (partial unemployment, reduction in headcount, site mergers, etc.) and the reorganisation of recently acquired companies. In 2014, this item relates in particular to costs incurred for GECL following the acquisition (€2.0 million) and costs provisioned for two other entities in Germany (€0.9 million). In 2013, this item related to costs incurred in Spain and in the Benelux countries.

The costs of social security and tax adjustments include in particular notifications from the social agencies (URSSAF in France) for several of the Group's entities.

The "Other" item essentially relates to changes in debts on earn-outs (€0.7 million) under the application of IFRS 3 (revised).

## 3.19 Net financial income

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Bank interest charges	(1,283)	(765)	(1,190)
Interest on lease-financing agreements	(50)	(48)	(36)
<b>GROSS BORROWING COSTS</b>	<b>(1,333)</b>	<b>(813)</b>	<b>(1,227)</b>
Income from loans and receivables	588	489	498
Proceeds from the disposal of marketable securities	0		1
<b>NET BORROWING COSTS</b>	<b>(746)</b>	<b>(324)</b>	<b>(728)</b>
Foreign exchange losses	(6,340)	(5,379)	(3,220)
Other financial expenses*	(1,315)	(849)	(459)
Financial provisions	0	(407)	
<b>Other financial expenses</b>	<b>(7,655)</b>	<b>(6,634)</b>	<b>(3,679)</b>
Foreign exchange gains	9,258	3,629	2,913
Other financial income	2,223	566	781
Financial income as a result of discount	676		
Reversal of financial provisions	142		1
<b>Other financial income</b>	<b>12,299</b>	<b>4,195</b>	<b>3,695</b>
<b>OTHER NET FINANCIAL INCOME AND EXPENSES</b>	<b>4,645</b>	<b>(2,439)</b>	<b>16</b>
<b>NET FINANCIAL INCOME (EXPENSES)</b>	<b>3,899</b>	<b>(2,763)</b>	<b>(712)</b>

\* Including financial expenses on employee benefits: €458,000 in 2014 and €394,000 in 2013.

### 3.20 Breakdown of income tax expenses

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Net Earnings: Group and minority interests	79,706	74,057	78,402
Earnings of equity-accounted companies	(443)	(2,299)	(1,689)
Impairment of goodwill	0	4,950	0
Stock options	19	336	279
Income tax expense	42,169	36,243	38,955
<b>PRE-TAX EARNINGS</b>	<b>121,451</b>	<b>113,287</b>	<b>115,947</b>
Tax rate of the consolidating company	34.43%	34.43%	34.43%
Theoretical income tax expense	41,820	39,009	39,924
Special 3% tax on dividends paid	990	968	0
Additional contribution 10.7% (5% in 2012)	1,145	1,303	755
Difference in tax rate versus foreign companies	(3,674)	(3,389)	(3,235)
Miscellaneous tax credits*	(10,713)	(6,496)	(5,791)
Unactivated deferred tax assets	1,520	153	(88)
CVAE (value added tax) reclass.	6,487	6,526	6,490
Other permanent differences**	4,592	(1,830)	901
<b>TAX EXPENSE RECOGNISED</b>	<b>42,169</b>	<b>36,243</b>	<b>38,955</b>
<b>EFFECTIVE INCOME TAX RATE</b>	<b>34.72%</b>	<b>31.99%</b>	<b>33.60%</b>
Income tax distribution:			
Deferred taxes	(666)	501	(594)
Income tax payable	42,835	35,742	39,549
<b>TOTAL</b>	<b>42,169</b>	<b>36,243</b>	<b>38,955</b>

\* Tax free income.

\*\* Including in particular tax expense on capital gains on internal disposals as a result of the reclassification of Program Planning Professionals securities within the Group (€1.6 million).

### 3.21 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.

<i>(in thousands of euros)</i>	31/12/2014			31/12/2013			31/12/2012		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Revenue	799,323	682,870	1,482,193	787,197	524,687	1,311,884	797,557	492,657	1,290,214
Inter-segment and intra-group neutralisation	(37,872)	(71,155)	(109,027)	(36,239)	(59,457)	(95,696)	(39,876)	(52,330)	(92,205)
Net revenue	761,451	611,715	1,373,166	750,958	465,230	1,216,188	757,681	440,327	1,198,009
Operating profit on activity	78,574	53,624	132,198	69,563	48,010	117,574	67,129	53,457	120,586
Rate of operating profit on activity/revenue for the segment	10.3%	8.8%	9.6%	9.3%	10.3%	9.7%	8.8%	12.1%	10.1%
Profit from ordinary activities	78,555	53,624	132,179	69,227	48,010	117,237	66,850	53,457	120,307
Operating profit	66,972	50,561	117,533	68,963	41,800	110,763	68,427	47,953	116,380
Net financial income	782	3,117	3,899	(1,846)	(917)	(2,763)	(145)	(567)	(712)
Income tax expense	(22,608)	(19,561)	(42,169)	(25,204)	(11,039)	(36,243)	(25,039)	(13,916)	(38,955)
Earnings of consolidated entities	45,146	34,118	79,263	41,914	29,844	71,758	43,244	33,469	76,713
<b>NET OVERALL EARNINGS</b>	<b>45,588</b>	<b>34,118</b>	<b>79,706</b>	<b>44,213</b>	<b>29,844</b>	<b>74,057</b>	<b>44,933</b>	<b>33,469</b>	<b>78,402</b>

(in thousands of euros)	31/12/2014			31/12/2013			31/12/2012		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Goodwill	92,109	184,150	276,259	100,547	127,739	228,286	94,909	105,663	200,572
Impairment over the financial year			0		(4,950)	(4,950)			0
Investments in associates	3,644		3,644	38		38	4,717		4,717
Workforce at Year End	9,370	9,030	18,400	9,060	6,940	16,000	9,300	6,650	15,950
Cash at end of period	28,442	42,025	70,467	57,609	39,342	96,952	38,332	28,191	66,523
Financial liabilities	41,227	3,781	45,008	19,397	3,557	22,954	8,402	1,051	9,453
<b>NET INVESTMENTS FOR THE PERIOD</b>	<b>19,845</b>	<b>27,276</b>	<b>47,121</b>	<b>7,290</b>	<b>45,747</b>	<b>53,037</b>	<b>9,008</b>	<b>24,958</b>	<b>33,966</b>

In 2014, acquired companies contributed €1,285,000 to consolidated net earnings (France and abroad) and €128.0 million to revenue.

In 2014, the disposed company contributed €581,000 to consolidated net earnings (France and abroad) and €18.7 million to revenue.

### 3.22 Earnings per share

(in euros)	31/12/2014	31/12/2013	31/12/2012
<b>Net income, Group share</b>	<b>79,487,416</b>	<b>73,779,724</b>	<b>78,167,566</b>
Weighted average number of shares	32,879,540	32,280,297	31,839,040
<b>Earnings per share</b>	<b>2.42</b>	<b>2.29</b>	<b>2.46</b>

(in euros)	31/12/2014	31/12/2013	31/12/2012
Earnings	79,487,416	73,779,724	78,167,566
Dilutive effect of stock warrants	0	0	(134,978)
<b>Diluted earnings</b>	<b>79,487,416</b>	<b>73,779,724</b>	<b>78,032,588</b>
Weighted average number of shares	32,879,540	32,280,297	31,839,040
Effect of dilutions	48,390	259,367	276,919
Weighted average number of shares after potential dilution	32,927,930	32,539,664	32,115,959
<b>Diluted earnings per share</b>	<b>2.41</b>	<b>2.27</b>	<b>2.43</b>

There are no undiluted instruments.

### 3.23 Dividends per share

	2015*	2014	2013
Date dividends paid on the profit from the previous financial year	25 June 2014	25 June 2014	25 June 2013
Date of the General Meeting deciding on the dividend distribution proposal	18 June 2015	18 June 2014	19 June 2013
Total distribution amount (in thousands of euros) on the profit from the previous financial year	33,620	33,013	32,261
Dividend per share on the profit from the previous financial year (in euros and per share)	1.00	1.00	1.00

\* Subject to approval by the next General Meeting, and according to the number of shares in circulation as of that date.

### 3.24 Cash flow statement

#### CHANGES IN DEPRECIATION, AMORTISATION AND PROVISIONS NET OF REVERSALS

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Amortisation of intangible assets	2,408	3,045	2,059
Depreciation of property, plant and equipment	6,437	6,767	5,717
Impairment of goodwill	0	4,950	0
Provisions for risks and expenses	3,416	1,254	2,151
<b>TOTAL</b>	<b>12,261</b>	<b>16,016</b>	<b>9,927</b>

#### BREAKDOWN OF TAXES PAID

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Repayments received	3,455	2,055	6,343
Payments made	(44,106)	(45,187)	(41,794)
<b>TOTAL</b>	<b>(40,651)</b>	<b>(43,132)</b>	<b>(35,451)</b>

#### BREAKDOWN OF CASH FLOWS ON WORKING CAPITAL REQUIREMENTS

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Changes in net WCR - customers	(40,705)	29,511	(5,181)
Changes in net WCR - suppliers	(6,278)	2,977	21
Changes in net WCR – other receivables and operating payables	3,931	(19,622)	(6,351)
<b>TOTAL</b>	<b>(43,052)</b>	<b>12,866</b>	<b>(11,511)</b>

#### IMPACT OF CHANGES IN SCOPE AND EARN-OUTS

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Acquisitions of consolidated subsidiaries	(43,176)	(55,965)	(24,941)
Cash from new consolidated subsidiaries	5,498	10,401	2,699
Cash from deconsolidated subsidiaries	(2,605)		(277)
<b>TOTAL</b>	<b>(40,283)</b>	<b>(45,564)</b>	<b>(22,518)</b>

#### CAPITAL INCREASE

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Share options exercised	1,801	12,249	2,887
Exercise of share warrants	6,751		
<b>TOTAL</b>	<b>8,553</b>	<b>12,249</b>	<b>2,887</b>

## 4. OTHER INFORMATION

## 4.1 Related-party transactions

## Remuneration granted to corporate officers

In the Company, in controlled companies and in the controlling company<sup>(1)</sup>

	2014		2013	
	Amount paid	Amount due	Amount paid	Amount due
<b>Simon Azoulay<sup>(2)</sup></b>				
• Fixed remuneration	€120,000	€120,000	€99,000	€99,000
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• directors' fees	None	None	None	None
• benefits in kind	€5,811	€5,811	€1,630	€1,630
<b>TOTAL</b>	<b>€125,811</b>	<b>€125,811</b>	<b>€100,630</b>	<b>€100,630</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
• directors' fees <sup>(3)</sup>	None	€84,000	€134,671	€84,000
• benefits in kind	€3,873	€3,873	€3,873	€3,873
<b>TOTAL</b>	<b>€182,097</b>	<b>€266,097</b>	<b>€316,768</b>	<b>€266,097</b>
<b>Bruno Benoliel</b>				
• fixed remuneration	€249,141	€249,141	€159,141	€159,141
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• directors' fees	None	None	2,645 €	None
• benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€249,141</b>	<b>€249,141</b>	<b>€161,786</b>	<b>€159,141</b>
<b>Pierre Marcel</b>				
• fixed remuneration	€346,006	€346,006	€180,253	€180,253
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• directors' fees	None	None	None	None
• benefits in kind	€4,973	€4,973	€5,038	€5,038
<b>TOTAL</b>	<b>€350,979</b>	<b>€350,979</b>	<b>€185,291</b>	<b>€185,291</b>

(1) Amounts are expressed in gross values.

(2) The SGTI 2 company of which Mr Simon Azoulay is the Chairman and sole shareholder, should receive €150,000 from the Spanish company ALTEN SPAIN SAU, a wholly-owned subsidiary of ALTEN Europe, in respect of directors' fees for 2014 for his position as "Consejero", and €150,000 from the Spanish company ATEXIS SPAIN SLU, a wholly-owned subsidiary of ALTEN SPAIN SAU, in directors' fees for its role as "Administrador único".

The company SGTI, of which Mr Simon Azoulay is Chairman and sole shareholder, received €150,000 from ALTEN Ltd, the wholly-owned UK subsidiary of ALTEN Europe, in directors' fees for 2013 for its role as Director, €150,000 from the Spanish company ALTEN SPAIN SAU, a wholly-owned subsidiary of ALTEN Europe, in respect of directors' fees for 2013 for his position as "Consejero", and €150,000 from the Spanish company ATEXIS SPAIN SLU, a wholly-owned subsidiary of ALTEN SPAIN SAU, in directors' fees for its role as "Administrador único".

(3) Mr Gérald Attia received €84,000 in 2015 from the Spanish company ALTEN SPAIN SAU, the wholly-owned subsidiary of ALTEN EUROPE, in directors' fees in respect of 2014 for his position as "Consejero".

Mr Gérald Attia received €50,671 in January 2013 corresponding to the outstanding balance from the Spanish company ALTEN SPAIN SAU, the wholly-owned subsidiary of ALTEN EUROPE, in directors' fees for 2012 for his position as "Consejero". In December 2013, Mr Gérald Attia received €84,000 from the Spanish company ALTEN SPAIN SAU, the wholly-owned subsidiary of ALTEN EUROPE, in directors' fees for 2013 for his position as Consejero.

The employee-director received no remuneration for their role as director during the financial year.

### Information concerning defined-contribution schemes for corporate officers

In 2014, social contributions for managers amounted to €446,000.

### Related-party transactions

Non-consolidated subsidiaries, Group associates or companies controlled directly by the Group's directors.

#### In the income statement:

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Revenue	115	71	137
Other operating income (expenses)	(2,837)	(3,818)	(4,000)
Financial income (expenses)	506	19	575
<b>TOTAL</b>	<b>(2,216)</b>	<b>(3,728)</b>	<b>(3,289)</b>

#### In the balance sheet:

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Long-term financial assets*	38,084	9,347	1,800
Trade receivables	118	37	134
Current account	83	964	960
Other receivables	0	26	17
<b>ASSETS</b>	<b>38,285</b>	<b>10,374</b>	<b>2,911</b>
Trade payables	706	786	1,036
<b>LIABILITIES</b>	<b>706</b>	<b>786</b>	<b>1,036</b>

\* The increase over the period is due to the awarding of a loan for €24 million to an associate, CTL Participations.

### 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' requests to have one contact person within the Group's subsidiaries, ALTEN acts as an intermediary 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

A dispute over adjustments made by URSSAF (for €14.8 million) was initiated by Group companies. No assets have been recognised in the financial statements in respect of these disputes pending court decisions.

### Contingent liabilities

The Group has an ongoing dispute with a minority ex-associate of one of its subsidiaries. The total amount of the plaintiff's claim, disputed by ALTEN, is approximately €2 million. The 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 standards.

## 4.3 Share capital

Number of shares (nominal value €1.016)	Shares issued	Treasury shares	Shares in circulation
<b>At 31 December 2013</b>	<b>33,075,301</b>	<b>(474,970)</b>	<b>32,600,331</b>
Exercise of options/warrants	514,309		514,309
Other capital increases			
<b>Treasury shares</b>			
Purchasing			0
Sales			0
Transfers			
Liquidity contract transactions		7,221	7,221
<b>AT 31 DECEMBER 2014</b>	<b>33,589,610</b>	<b>(467,749)</b>	<b>33,121,861</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:

	31/12/2014	31/12/2013	31/12/2012
<b>UNALLOCATED SHARES</b>			
Shares held at start of year	460,022	460,022	464,022
Shares purchased			
Shares sold			
Reclassifications			(4,000)
Shares held at closing	460,022	460,022	460,022
<b>FREE SHARE ALLOCATION PLAN</b>			
Purchased treasury shares not yet allocated at start of year			
Shares purchased			
Free shares allocated			
Waivers			
Reclassifications			
Repurchased shares not yet allocated on closure			
<b>LIQUIDITY CONTRACT</b>			
Shares held at start of year	14,948	17,997	12,230
Shares purchased	204,256	375,139	241,340
Shares sold	(211,477)	(378,188)	(245,572)
Reclassifications			10,000
Shares held at closing	7,727	14,948	17,997

Giving a total of 467,749 treasury shares at a value of €8,971,000, liquidated through shareholders' equity at 31 December 2014.

#### 4.5 Financial commitments

##### COMMITMENTS RELATED TO THE GROUP SCOPE

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
<b>Pledges and guarantees given</b>			
ALTEN SA <sup>(1)</sup>	10,000	20,000	
HPTI <sup>(2)</sup>	24,000		
ALTEN SA			107
ALTEN Belgium			178
ALTEN Italia	122		32
ALTEN Spain	1,839	2,041	2,270
<b>TOTAL</b>	<b>35,961</b>	<b>22,041</b>	<b>2,587</b>
<b>Bank guarantees received</b>			
(collateral guarantees of liabilities)			
ALTEN Europe	750	750	
ALTEN SIR	400	600	
ALTEN GMBH	1,000		
<b>TOTAL</b>	<b>2,150</b>	<b>1,350</b>	<b>0</b>

(1) In 2014, bond of €10 million as security for a loan arranged by an associate which was subject to a pledge for €20 million in 2013.

(2) Pledge of securities held by CTL Participations as security for a loan granted (see Note 4.1).

##### COMMITMENTS LINKED TO GROUP FINANCING

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Unused credit lines	141,500	170,000	170,000

##### COMMITMENTS RELATED TO OPERATING ACTIVITIES

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Operating leases <sup>(1)</sup>	58,217	53,422	48,801
Financial leases <sup>(2)</sup>	797	926	889

(1) Of which property leases: €53,718,000

(of which €15,487,000 in less than one year, €28,396,000 in two to five years and €9,835,000 in more than five years).

(2) Royalties unpaid at 31 December 2014 are as follows:

<i>Type of property (in thousands of euros)</i>	Royalties unpaid		Total	Amount payable in less than one year	Amount payable in one to five years
	Capital	Interest			
Intangible assets	0	0	0	0	0
Property, plant and equipment	710	87	797	408	388
<b>TOTAL</b>	<b>710</b>	<b>87</b>	<b>797</b>	<b>408</b>	<b>388</b>

<b>Assets pledged:</b>	<b>Amount (in thousands of euros)</b>	<b>Type of asset</b>
Lease-financing transactions	686	Fixed assets

**Minority interests purchase options**

- ITEKNA: under the terms of the purchase MOU at end-2012, the parties signed a promise to buy out/sell the non-controlling shareholder's 35% stake.
- ALTEN SI GSS: under the terms of an agreement signed on 26 November 2014, the parties signed a promise to buy out/sell the non-controlling shareholder's 49% 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.

**Retirement benefits**

The Group does not hedge its commitments in terms of retirement benefits.

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
Operating profit (Note 3.13)	(1,619)	(867)	(1,980)
Net financial income (Note 3.19)	(458)	(394)	
<b>Charge posted in the income statement</b>	<b>(2,077)</b>	<b>(1,261)</b>	<b>(1,980)</b>

The change in the provision on the balance sheet is as follows:

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013	31/12/2012
<b>Balance at beginning of period</b>	<b>10,804</b>	<b>9,378</b>	<b>7,399</b>
Change in method (IAS 19 revised)		(795)	
<b>Balance at beginning of period, restated</b>	<b>10,804</b>	<b>8,583</b>	<b>0</b>
Impact on the balance sheet			
Changes in scope and reclassifications	529	960	
<b>Impact on the balance sheet</b>	<b>529</b>	<b>960</b>	<b>0</b>
Impact on earnings			
Cost of services provided	1,619	1,571	1,595
Financial cost over the period	458	394	355
Actuarial differences (other items in comprehensive income in 2014)	1,745	(704)	30
<b>Charge posted in comprehensive income</b>	<b>3,822</b>	<b>1,261</b>	<b>1,980</b>
<b>Balance at end of period</b>	<b>15,155</b>	<b>10,804</b>	<b>9,378</b>

The following actuarial assumptions were used:

	31/12/2014	31/12/2013	31/12/2012
Discount rate*	2.65%	3.70%	3.60%
Turnover rate (historical data recorded)	According to curve	According to curve	According to curve
Revaluation rate for employees			
• Managerial staff	1.50%	1.50%	1.50%
• Non-managerial staff	2.50%	2.50%	2.50%
Employer contribution rate			
• Managerial staff	44.80 to 48.00%	46.89%	46.89%
• Non-managerial staff	42.73 to 47.50%	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	24 years	24 years	25 years
• Non-managerial staff	20 years	20 years	21 years
Age of retirement	65-67 years	65-67 years	65-67 years

\* The Group uses a rate curve.

The staff turnover rate is recorded from company to company in accordance with observed historical data. In France, the change in discount rate in calculating retirement benefit obligations is presented below:

<i>(in thousands of euros)</i>	Discount rate -1%	Middle values	Discount rate +1%
Provisions for retirement benefits	18,809	15,155	11,780

#### 4.6 Audit fees

<i>(in thousands of euros)</i>	DAUGE ET ASSOCIÉS				GRANT THORNTON			
	Amount excluding tax		%		Amount excluding tax		%	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Audit</b>								
Statutory audit, certification, review of accounts:								
• Issuer	195	199	62%	60%	218	208	24%	35%
• Fully consolidated subsidiaries	96	100	30%	30%	495	303	53%	51%
Other duties and services directly related to the Statutory Auditors' assignment:								
• Issuer	0	2	0%	0%	98	20	11%	3%
• Fully consolidated subsidiaries	24	32	8%	10%	108	58	12%	10%
<b>SUBTOTAL</b>	<b>315</b>	<b>333</b>	<b>100%</b>	<b>100%</b>	<b>920</b>	<b>588</b>	<b>99%</b>	<b>100%</b>
<b>Other services</b>								
Legal, tax, corporate								
• Issuer	-	-	-	-	-	-	-	-
• Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Other								
• Issuer	-	-	-	-	5	-	0%	-
• Fully consolidated subsidiaries	-	-	-	-	2	-	0%	-
<b>SUBTOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>1%</b>	<b>-</b>
<b>TOTAL</b>	<b>315</b>	<b>333</b>	<b>100%</b>	<b>100%</b>	<b>926</b>	<b>588</b>	<b>100%</b>	<b>100%</b>

#### 4.7 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
Simon Azoulay	500,000	28/11/2018	Bank loan collateral	1.5%
SGTI 2	2,040,001	31/12/2016	Bank loan collateral	6.2%

## 20.3.2 2014 SEPARATE FINANCIAL STATEMENTS

## 1. BALANCE SHEET

## ASSETS

<i>(in thousands of euros)</i>	Gross	Depreciation, amortisation and provisions	31/12/2014	31/12/2013
Intangible assets	51,571	14,479	37,092	38,070
Property, plant and equipment	22,799	17,245	5,554	7,537
Financial assets	201,409	309	201,100	183,433
<b>CAPITALISED ASSETS</b>	<b>275,779</b>	<b>32,033</b>	<b>243,746</b>	<b>229,040</b>
Work in progress	0		0	63
Advance payments on orders	0		0	89
Trade receivables	144,601	1,812	142,789	134,467
Other receivables	89,441	88	89,353	27,852
Marketable securities	267		267	489
Cash and equivalents	3,423		3,423	22,046
Prepaid expenses	2,250		2,250	4,939
<b>CURRENT ASSETS</b>	<b>239,983</b>	<b>1,900</b>	<b>238,083</b>	<b>189,945</b>
Translation adjustment	285		285	4
<b>TOTAL</b>	<b>516,047</b>	<b>33,933</b>	<b>482,113</b>	<b>418,989</b>

## LIABILITIES

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013
Capital	34,140	33,618
Paid-in capital	44,981	36,951
Reserves and Retained Earnings	164,388	126,786
Profit for the year	32,327	70,615
<b>SHAREHOLDERS' EQUITY</b>	<b>275,836</b>	<b>267,970</b>
<b>PROVISIONS FOR RISKS AND EXPENSES</b>	<b>11,047</b>	<b>9,600</b>
Other loans and related debt	4,999	3,552
Miscellaneous financial borrowings and liabilities	60,406	7,153
Trade payables	31,579	31,962
Taxes and social security charges payable	80,884	79,678
Other debt	14,650	16,670
Deferred income	2,562	2,029
<b>DEBT</b>	<b>195,080</b>	<b>141,045</b>
Translation adjustment	150	374
<b>TOTAL</b>	<b>482,113</b>	<b>418,989</b>

## 2. INCOME STATEMENT

<i>(in thousands of euros)</i>	<b>2014</b>	<b>2013</b>
<b>NET REVENUE</b>	<b>434,762</b>	<b>442,091</b>
Reversal of depreciation, amortisation & provisions, transfer of expenses, other income	7,057	8,850
Other income	8,122	10,200
<b>Operating revenue</b>	<b>449,940</b>	<b>461,141</b>
Other external purchases and costs	146,788	148,616
Taxes other than on income	13,695	14,608
Payroll expenses	256,090	265,699
Charges to depreciation, amortisation and provisions	7,656	9,060
Other operating expenses	1,651	1,651
Operating expenses	425,880	439,633
<b>OPERATING PROFIT</b>	<b>24,060</b>	<b>21,508</b>
<b>NET FINANCIAL INCOME</b>	<b>7,997</b>	<b>52,066</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>32,057</b>	<b>73,574</b>
<b>NON-RECURRING LOSS</b>	<b>948</b>	<b>(565)</b>
Employee profit-sharing	61	229
Income tax	616	2,164
<b>PROFIT FOR THE YEAR</b>	<b>32,327</b>	<b>70,615</b>

<b>3.</b>	<b>NOTES TO THE 2014 SEPARATE FINANCIAL STATEMENTS</b>	<b>235</b>	3.4 Accounting principles and methods	235
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## 3. NOTES TO THE 2014 SEPARATE FINANCIAL STATEMENTS

### 3.1. General information on ALTEN SA

Founded in 1988, ALTEN is the European leader in the engineering and technology consulting (ETC) market.

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 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.

ALTEN SA has been ISO-certified since 1998 and has been certified CMMI level 3.

The scope of ALTEN SA's business covers all outsourced engineering and technology consulting services.

### 3.2 Key events

#### 3.2.1 Business activity

In economic terms, 2014 continued to be a difficult year in France, where project owners continually sought productivity gains.

This year, the Aeronautics market contracted due to the end of large development programmes for the Airbus A380 and A350. However, ALTEN did manage to limit the slowdown in the sector with the implementation of its manufacturing engineering offer, and the added work packages related to the A330 NEO.

The Telecoms market was also negatively affected by the arrival of the fourth mobile operator on the French market.

However, the Automotive market saw a strong increase in activity in France for both manufacturers and suppliers, and ALTEN knew how to benefit from this. Lastly, the Energy sector remained dynamic, especially in Oil & Gas.

#### 3.2.2 Other information

- During the first half of 2014, €33,013,000 of dividends were paid to shareholders in respect of financial year 2013.
- The tax audit which had already commenced in 2013 covering the 2010, 2011 and 2012 financial years resulted in a tax reassessment in the 2014 financial statements, for which dispute claims were filed.
- On 7 March 2014, ALTEN SA acquired the company GECEI Systèmes and its French subsidiaries. These companies specialise in airframe construction, mechanical and electrical systems integration and manufacturing engineering. On 28 November 2014, ALTEN SA sold all of its GECEI Systèmes shares to ALTEN SUD OUEST as part of a merger. ALTEN SA also acquired 20% of GECEI Systèmes Engineering Services in Romania. The remaining shares are held by ALTEN EUROPE, a wholly owned subsidiary of ALTEN SA.

- Creation, on 26 March 2014, of the HPA company, a simplified limited liability company with a single shareholder and capital of €100,000 with registered office at 40, Avenue André Morizet 92100 Boulogne-Billancourt, a holding company.
- Creation, on 28 November 2014, of ALTEN SIR GLOBAL SECURITY SERVICES, a joint-venture with the AKERVA company, a simplified limited company with capital of €150,000 and registered office at 40, avenue André Morizet 92100 Boulogne-Billancourt, specialising in technological services, computers, micro-computers, electronics, telecommunications and systems. ALTEN SA holds 51% of the capital and voting rights of this company and AKERVA holds 49% of the capital and voting rights.
- Creation, on 17 December 2014, of APTECH OP2, a simplified limited company with capital of €100,000 and registered office at 221 bis, Boulevard Jean-Jaurès, 92100 Boulogne-Billancourt, specialising in engineering and technical research, architecture, systems and networks consultancy, computer and electronics research, maintenance, operations and administration of local, national and international networks.
- ALTEN SA acquired a 29.91% interest in the capital of the Luxembourg company CTL PARTICIPATIONS SA in Q4 2014. This company has three operating subsidiaries in France, Belgium and Luxembourg.
- On 19 December 2014, ALTEN SA acquired 100% of the capital of PROGRAM PLANNING PROFESSIONALS LTD from its subsidiary PROGRAM PLANNING PROFESSIONALS INC. PROGRAM PLANNING PROFESSIONALS LTD specialises in programme, project and business process management in the United Kingdom.

### 3.3 Post-balance sheet events

- On 12 February 2015, ALTEN SA acquired the ABILENE SA company which holds the LINCOLN company and its French subsidiaries, which specialise in decision-making information and clinical studies.
- On 20 March 2015, ALTEN SA signed a “Club Deal” credit agreement to replace the existing agreement. This agreement sets out more favourable financial conditions and establishes a line of credit for €160,000,000 for a maximum term of seven years.

### 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 ANC 2014-03.

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.

These accounting conventions are also applied in accordance with the general rules for preparing and presenting financial statements.

The main accounting methods used are as follows:

### 3.4.1 Change in accounting methods

None.

### 3.4.2 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 SL;
- concessions, patents, software and licences 1 year SL;
- transport equipment 5 years/SL;
- office and computer equipment 1 to 5 years/SL – 2 to 3 years/DB;
- office equipment 5 to 10 years/SL;
- fixtures and fittings 3 to 9 years/SL.

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.

Information systems are amortised over six to ten years.

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.

### 3.4.3 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".

### 3.4.4 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 Flow 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; the cash flow beyond the four-year period is extrapolated, taking the growth rate to infinity into consideration;
- 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 (8.73%), derived from risk-free interest rates, risk premiums, beta 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.

### 3.4.5 Treasury shares

All treasury shares held by ALTEN SA are recorded at their acquisition cost under "other fixed financial assets".

### 3.4.6 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.

### 3.4.7 Marketable securities

Securities (money market fund) recognised in the balance sheet are valued at the lower of either their historical cost or market value.

### 3.4.8 Provisions for risks and expenses

Provisions for risks and expenses are recorded at year-end whenever the company 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	31/12/2014	31/12/2013
Discount rate*	2.65%	3.70%
Revaluation rate for employees		
Managerial staff	1.50%	1.50%
Non-managerial staff	2.50%	2.50%
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	24 years	24 years
Non-managerial staff	20 years	20 years
Age of retirement	65-67 years	65-67 years

\* The Group uses a rate curve ranging from 0.20 to 2.65%.

### 3.4.9 Revenue recognition

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.

### 3.4.10 Tax credit for encouraging competitiveness and jobs (CICE)

In accordance with the recommendations of the ANC, the CICE is credited against employee expenses as the corresponding remuneration expenses are incurred.

The CICE is used in accordance with its intended purpose and finances neither a share of distributed earnings, nor an increase in

remuneration of employees in management positions. ALTEN SA declares the remuneration concerned on its employer contributions forms in accordance with the conditions of eligibility for the scheme.

ALTEN SA received total CICE of €7,202,000 for 2014.

### 3.4.11 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. This loss is not restated to the subsidiary in the event of exclusion from the tax consolidation scope.

### 3.4.12 Employee benefits

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.

### 3.4.13 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.

Receivables and debts 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 notes

## 3.5.1 Fixed assets, gross value

(in thousands of euros)	31/12/2013	Acquisitions creation/transfers	Less transfers between items	Reductions through disposals	31/12/2014
Intangible assets*	52,126	1,165		1,720	51,571
Property, plant and equipment	22,724	1,299		1,224	22,799
Financial assets	184,306	31,724	285	14,336	201,409
<b>TOTAL</b>	<b>259,156</b>	<b>34,188</b>	<b>285</b>	<b>17,280</b>	<b>275,779</b>

\* Intangible assets comprise (i) goodwill from full asset and liability transfers for €32,882,000 at 31 December 2014, and (ii) development costs relating to integrated management software introduced on 1 January 2009.

## 3.5.2 Depreciation – impairments – net values

(in thousands of euros)	Depreciation, amortisation and impairment			Net values		
	31/12/2013	Increases Provisions	Decreases Reversals	31/12/2014	31/12/2014	31/12/2013
Intangible assets*	14,055	1,518	1,094	14,479	37,092	38,070
Property, plant and equipment	15,187	3,209	1,152	17,245	5,554	7,537
Financial assets	873	210	774	309	201,100	183,433
<b>TOTAL</b>	<b>30,116</b>	<b>4,937</b>	<b>3,020</b>	<b>32,033</b>	<b>243,746</b>	<b>229,040</b>

\* No impairment was recorded for goodwill during the year.

## 3.5.3 Breakdown of financial assets

(in thousands of euros)	31/12/2013	Transfers between items	Acquisitions creation/transfers	Reductions through disposals	31/12/2014
Investment securities*	164,284	(285)	30,916	12,380	182,535
Other equity interests	0	285			285
Treasury shares	8,713				8,713
Security deposits	2,739		329	156	2,912
Loans	8,570		194	1,800	6,964
<b>TOTAL</b>	<b>184,306</b>	<b>0</b>	<b>31,439</b>	<b>14,336</b>	<b>201,409</b>

\* Acquisitions mainly concern the acquisition of the Program Planning Professionals LTD, the purchase of a stake in the CTL Participation company, the buyback of shares from minority interests, the investment in the X Ange 2 fund and the capital increases of the GECI Systèmes and ACM subsidiaries. Decreases primarily correspond to the disposal of shares in GECI Systèmes and the removal of PHOEBE shares following the compulsory liquidation.

## 3.5.4 Provisions for risks and expenses

(in thousands of euros)	31/12/2013	Increases Provisions	Decreases Reversals <sup>(1)</sup>	31/12/2014
Provisions for arbitration and corporate risk	1,988	1,209	747	2,449
Provisions for miscellaneous risks	1,377	380	790	967
Provisions for charges	972	260	313	918
Retirement provisions <sup>(2)</sup>	5,264	1,449		6,712
<b>PROVISIONS FOR RISKS AND EXPENSES</b>	<b>9,600</b>	<b>3,297</b>	<b>1,850</b>	<b>11,047</b>

(1) Including reversal of provisions: €1,007,000 used in 2014 and €843,000 not used in 2014.

(2) Including an increase of €358,000 over the period due to the reduction in the discount rate.

<i>(in thousands of euros)</i>	31/12/2013	Increases Provisions	Decreases Reversals*	31/12/2014
Provisions for intangible assets	206			206
Provisions for financial assets	873	210	774	309
Provisions for receivables	1,989		176	1,813
Other impairments	116	30	57	88
<b>PROVISIONS FOR IMPAIRMENT</b>	<b>3,183</b>	<b>240</b>	<b>1,008</b>	<b>2,415</b>
<b>TOTAL PROVISIONS</b>	<b>12,784</b>	<b>3,536</b>	<b>2,858</b>	<b>13,462</b>

\* 2014: Including reversal of provisions for the impairment of PHOEBE shares for €774,000, following the liquidation of the company.

<b>Including</b>	<b>Provisions</b>	<b>Reversals</b>
Operating	2,927	1,768
Financial	350	777
Extraordinary	260	313
<b>TOTAL</b>	<b>3,536</b>	<b>2,858</b>

### 3.5.5 Statement of maturity dates of receivables and payables

#### STATEMENT OF RECEIVABLES

<i>(in thousands of euros)</i>	Gross amounts 2014	At 31/12/2014	
		Up to one year	Over one year
<b>Fixed assets</b>			
Receivables from equity interests			
Loans	13	13	
Other fixed financial assets <sup>(1)</sup>	18,576	0	18,576
	<b>18,589</b>	<b>13</b>	<b>18,576</b>
<b>Current assets</b>			
Uncertain clients	1,804	1,804	
Other trade receivables	142,797	142,797	
Personnel and related accounts	356	356	
Social security and other social agencies	73	73	
Income tax	28,344	28,344	
Value added tax	4,762	4,762	
Other receivables	1	1	
Groups and associates	53,792	53,792	
Miscellaneous receivables	2,114	2,114	
	<b>234,042</b>	<b>234,042</b>	<b>0</b>
Prepaid expenses <sup>(2)</sup>	2,250	2,250	
<b>TOTAL</b>	<b>254,882</b>	<b>236,305</b>	<b>18,576</b>

(1) Including €8,713,000 corresponding to treasury shares and €6,750,000 corresponding to a loan granted to an associate.

(2) Including €968,000 in maintenance.

## STATEMENT OF PAYABLES

<i>(in thousands of euros)</i>	Gross amounts 2014	At 31/12/2014		
		Up to one year	Between one and five years	Over five years
Bank borrowings maturing in less than one year	4,999	4,999		
Bank overdrafts				
Miscellaneous financial borrowings and debts	45,759	166	45,593	
Trade payables	31,579	31,579		
Personnel and social security debts	47,628	47,628		
Tax liabilities	33,257	33,257		
Debt related to fixed assets and related accounts	0	0		
Groups and associates	14,646	14,646		
Other debt	14,650	13,274	877	224
Deferred income	2,562	2,562		
<b>TOTAL</b>	<b>195,080</b>	<b>148,111</b>	<b>46,470</b>	<b>224</b>

## 3.5.6 Outstanding charges

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013
Trade payables	7,585	7,909
Taxes and social security charges payable	39,077	40,224
Debt related to fixed assets and related accounts	0	564
Current interest	188	198
Other debt	12,731	14,252
<b>TOTAL</b>	<b>59,580</b>	<b>63,147</b>

## 3.5.7 Revenue accruals

<i>(in thousands of euros)</i>	31/12/2014	31/12/2013
Trade receivables	20,612	25,199
Government related receivables	1,037	978
Other receivables	1,568	1,913
<b>TOTAL</b>	<b>23,218</b>	<b>28,089</b>

## 3.5.8 Cash and equivalents and marketable securities

These mainly consist of money market funds and term deposits. The underlying surplus was immaterial at 31 December 2014.

### 3.5.9 Change in shareholders' equity

<i>(in thousands of euros)</i>	Number of shares	Capital	Additional paid-in capital	Reserves	Other Reserves and retained earnings	Earnings (Group share)	Shareholders' equity
<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>
2012 allocation of earnings				22	27,703	(27,725)	0
Impact of change in policy (retirement benefits)					218		218
Dividends paid for 2013					(32,262)		(32,262)
Capital increase <sup>(1)</sup>	653,548	664	11,508				12,173
Capital decrease							0
Profit/loss at 31 December 2013						70,615	70,615
<b>AT 31 DECEMBER 2013</b>	<b>33,075,301</b>	<b>33,618</b>	<b>36,951</b>	<b>3,531</b>	<b>123,255</b>	<b>70,615</b>	<b>267,970</b>
2013 allocation of earnings				71	70,544	(70,615)	0
Dividends paid for 2014					(33,013)		(33,013)
Capital increase <sup>(2)</sup>	514,309	523	8,030				8,553
Capital decrease							0
Profit/loss at 31 December 2014						32,327	32,327
<b>AT 31 DECEMBER 2014</b>	<b>33,589,610</b>	<b>34,140</b>	<b>44,981</b>	<b>3,601</b>	<b>160,786</b>	<b>32,327</b>	<b>275,836</b>

(1) The number of shares issued in 2013 corresponds to the issue of shares following the exercise of stock options (572, 548 shares) and the exercise of stock warrants (81,000 shares).

(2) The number of shares issued in 2014 corresponds to the issue of shares following the exercise of stock options (108,309 shares) and the exercise of stock warrants (406,000 shares).

At 31 December 2014, the nominal value of one share was €1.016.

### 3.5.10 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 to date (representing 0.16% of the share capital at the time of this report).

In total, 170,687 options awarded have yet to be exercised, i.e. 0.51% of the share capital at 31 December 2014.

## 3.5.11 Share option plan

Plan	1	2	3	4	5	6	Total
Date of grant by the Board	06/01/2004	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	259	356	598	794	689	6	
<b>NUMBER OF OPTIONS GRANTED</b>	<b>318,970</b>	<b>496,500</b>	<b>1,189,780</b>	<b>622,790</b>	<b>574,330</b>	<b>120,000</b>	<b>3,322,370</b>
including number of options granted to employees	318,970	496,500	1,173,780	622,790	574,330	120,000	3,306,370
including number of options granted to corporate officers			16,000				16,000
Exercise price	10.7	17.9	24.1	19.1	15.2	22.4	
Weighted average exercise price in 2011	10.7	17.9	24.1				
Fair value of the option in euros	7.13	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	06/01/2012	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
<b>NUMBER OF OPTIONS THAT MAY BE EXERCISED AT 1 JANUARY 2012</b>	<b>7,500</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 granted							
Number of options waived						30,000	30,000
Number of options exercised at 31 December 2012	2,200	50,825	18,680	78,371			150,076
Number of options expired at 31 December 2012	5,300	(1,800)	3,320	26,600	55,470		88,890
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2012</b>	<b>0</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>
<b>NUMBER OF OPTIONS THAT MAY BE EXERCISED AT 1 JANUARY 2013</b>	<b>0</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>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2013		31,800	158,160	175,034	207,554		572,548
Number of options expired at 31 December 2013		1,800	0	(600)	23,380		24,580
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2013</b>	<b>0</b>	<b>0</b>	<b>55,040</b>	<b>40,375</b>	<b>103,191</b>	<b>90,000</b>	<b>288,606</b>
<b>NUMBER OF OPTIONS THAT MAY BE EXERCISED AT 1 JANUARY 2014</b>	<b>0</b>	<b>0</b>	<b>55,040</b>	<b>40,375</b>	<b>103,191</b>	<b>90,000</b>	<b>288,606</b>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2014			45,630	16,425	46,254		108,309
Number of options expired at 31 December 2014			9,410	350	(150)		9,610
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,600</b>	<b>57,087</b>	<b>90,000</b>	<b>170,687</b>

## 3.5.12 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 SA 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 cents (€1.19) based on a report issued by an independent expert.

The exercise price was fixed at fifteen euros and eighty-five cents (€15.85).

The exercise period was fixed from 7 September 2013 to 7 September 2017. Maximum term of the stock warrants is eight (8) years, beyond which date the warrants expire.

All warrants were exercised at 31 December 2014.

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
Number of warrants exercised at 31 December 2013	81,000
<b>Number of warrants outstanding at 31 December 2013</b>	<b>406,000</b>
Number of warrants exercised at 31 December 2014	406,000

#### NUMBER OF WARRANTS OUTSTANDING AT 31 DECEMBER 2014

**0**

### 3.5.13 Information on financial liabilities

ALTEN SA and its subsidiary ALTEN Cash Management are responsible for financing the Group through €150,000,000 of available but unused credit facilities (at 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 the following ratios to be met for each 6-month and 12-month period 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 2014, these ratios had been met.

In order to extend its financing, ALTEN SA and its subsidiary ALTEN CASH MANAGEMENT signed a new Club Deal in March 2015 to

replace the old agreement, thus ensuring a credit line for €160 million for a maximum of seven years. This line of credit will also be subject to the fulfilment of financial ratios with thresholds close to those in force at 31 December 2014:

- Ratio 1 – “Consolidated net financial debt/Consolidated operating profit on activity”. This ratio must be less than 2.5.
- Ratio 2 – “Consolidated net financial debt/Increased equity”. This ratio must be less than 0.7.

## 3.6 Notes to the income statement

### 3.6.1 Revenue

ALTEN SA's revenue in 2014 was €434,762,000, down 1.66% on the previous year (€442,091,000).

Overall, 98.84% of ALTEN SA's revenue is generated in France and 1.16% in Europe, from assignments carried out for French customers.

### 3.6.2 Breakdown of revenue by geographic region

<i>(in thousands of euros)</i>	2014	2013
France	429,720	436,611
Abroad	5,042	5,480
<b>TOTAL*</b>	<b>434,762</b>	<b>442,091</b>

\* Of which revenue from operations = €408,362,000 compared with €414,137,000 in 2013.  
Revenue management fees = €26,400,000 compared with €27,934,000 in 2013.

### 3.6.3 Transfer of expenses

The balance of the transfer of expenses account is €5,287,000 (€5,424,000 in 2013). It mainly comprises travel expenses and certain payroll expenses.

### 3.6.4 Net financial income

Net financial income was €7,997,000 compared with €52,066,000 in 2013.

It reflected the following:

<i>(in thousands of euros)</i>	2014	2013
Dividends and income from subsidiaries	21,561	42,100
Net reversals (impairment) of non-current financial assets <sup>(1)</sup>	427	14,428
Other net financial income (expenses) <sup>(2)</sup>	(13,991)	(4,462)
<b>TOTAL</b>	<b>7,997</b>	<b>52,066</b>

(1) In 2013, reversals mainly concerned the Idestyle Group following the compulsory liquidation.

(2) In 2014, this mainly concerned the capital loss incurred as part of the disposal of Geci Systemes shares.

### 3.6.5 Non-recurring profit/loss

<i>(in thousands of euros)</i>	2014	2013
Gains and losses on assets sold	1,019	122
Other	(125)	(59)
Extraordinary reversals (allocations) to provisions	54	(628)
<b>TOTAL</b>	<b>948</b>	<b>(565)</b>

### 3.6.6 Related parties

#### BALANCE SHEET

<i>(in thousands of euros)</i>	2014	2013
Receivables on assets <sup>(1)</sup>	6,969	8,575
Group customers	13,456	12,835
Group suppliers	21,807	21,284
Other Group receivables	55,551	8,065
Group financial liabilities	45,607	0
Other Group liabilities	16,228	7,251

#### INCOME STATEMENT

<i>(in thousands of euros)</i>	2014	2013
Group operating income	52,431	54,809
Group operating expenses	76,147	74,890
Group financial income	367	129
Other financial income <sup>(2)</sup>	21,500	42,100
Group financial expenses	27	0

(1) Including €6,750,000 in loans granted to an associate.

(2) Income from investments was €21,500,000 in 2014, compared with €42,100,000 in 2013.

### 3.6.7 Information on taxable income and tax rates

Income tax (in thousand of euros)	2014	2013
Net Earnings	32,327	70,615
Income tax expense	616	2,164
<b>Pre-tax earnings</b>	<b>32,944</b>	<b>72,780</b>
Tax rate	33.33%	33.33%
Theoretical income tax expense	10,981	24,260
Social security contributions 3.3%	186	159
Additional contribution of 10.70% to corporation tax (common law)	684	597
3% tax on dividend distribution	990	
Temporary and permanent differences <sup>(1)</sup>	(12,226)	(22,852)
<b>Tax expense recognised</b>	<b>616</b>	<b>2,164</b>

(1) Temporary and permanent differences	2014	2013
Dividends	(6,828)	(13,332)
Impairment of securities	(188)	(3,807)
Long-term capital gain/loss (net)	3,693	0
Long-term capital gain (net)	(338)	(2,023)
Long-term capital loss (net)	258	3,307
Gain on the B2I asset and liability transfer	0	(891)
Income from tax savings resulting from tax consolidation	(1,024)	(2,313)
Gifts	(662)	(559)
Employee profit sharing	(56)	(1,012)
Tax credits	(5,192)	(2,462)
Other temporary and permanent differences*	(1,889)	240
<b>TOTAL</b>	<b>(12,226)</b>	<b>(22,852)</b>

\* Primarily concerns the tax credit for encouraging competitiveness and jobs (CICE).

Breakdown of tax on current and non-recurring profit	2014	2013
Current profit	327	1,940
Non-recurring profit	290	225
<b>TOTAL TAX</b>	<b>616</b>	<b>2,164</b>

Increase and decrease in future tax liabilities	2014	2013
<b>Increase</b>		
Acquisition fees	0	(498)
<b>Decrease</b>		
Provisions and expenses not deductible in the year of recognition:		
Acquisition fees	340	
Employee profit sharing	61	227
Tax on Turnover	669	731
Retirement benefits	6,712	5,482
Translation adjustments	154	375
Contract losses	136	796
Uncertain clients	304	0
<b>TOTAL PROVISIONS AND NON-DEDUCTIBLE EXPENSES</b>	<b>8,377</b>	<b>7,112</b>
<b>DECREASE IN FUTURE TAX EXPENSE</b>	<b>3,171</b>	<b>2,692</b>

### 3.7 Other information

#### 3.7.1 Workforce

Average headcount by category	31/12/2014	31/12/2013
Managerial staff	4,198	4,269
Non-managerial staff	539	542
<b>TOTAL</b>	<b>4,738</b>	<b>4,812</b>

Individual training entitlements (*Droits Individuel de Formation*) represented 266,096 hours for the 2014 financial year.

#### 3.7.2 Remuneration of corporate officers

The Board of Directors has eight members, including the Chairman and founder. ALTEN SA has three Deputy Chief Executive Officers.

In 2014, the amount of gross remuneration and benefits in kind paid to corporate officers by ALTEN SA totalled €467,000. This remuneration is paid to corporate officers who are employees of ALTEN SA.

In accordance with the 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.

The tax payable by this group amounted to €12,148,000. The net tax saving to which ALTEN SA is entitled is €1,024,000.

The amount of tax for ALTEN SA was €616,000.

#### 3.7.4 Contingent liabilities

ALTEN SA has an ongoing dispute with a non-controlling ex-shareholder in a subsidiary. Total claims by the plaintiff, disputed by ALTEN, total approximately €2 million.

#### 3.7.5 Off-balance sheet commitments

##### *Minority interests purchase options*

Under the terms of the Joint Venture Protocol signed on 26 November 2014, a unilateral and irrevocable sale promise, which covered 49% of the joint company ALTEN SIR GLOBAL SECURITY SERVICES, was granted to ALTEN SA.

*Other commitments*

Given or mutual commitments	2014	2013
Bonds, pledges and guarantees provided*	10,000	32,600
Bonds and guarantees received	0	0

\* In 2014, a bond of €10 million as security for a loan arranged by an associate. In 2013, this loan was subject to a pledge for €20 million.

ALTEN SA granted a first-demand guarantee to the banks as part of the Club Deal. This guarantee covers €170 million until December 2015 and will be replaced by a new guarantee of €180 million, valid until 2022 at the latest, as part of the new Club Deal.

**3.7.6 Treasury shares**

*3.7.6.1 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:

	2014
Shares held at start of year	14,948
Shares purchased	204,256
Shares sold	(211,477)
Shares held at closing	7,727

*3.7.6.2 Shares intended for award to employees*

In 2014, no treasury shares were allocated for share awards to employees.

Execution date	2014		
	Value date	Quantity	Share price
Treasury shares at 31 December 2013	-	460,022	-
<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 €15,850,000.

*3.7.6.3 Summary of transactions during the year:*

	2014
Shares held at start of year	474,970
Shares purchased	204,256
Shares sold	(211,477)
Shares held at closing	467,749

## 3.8 Table of subsidiaries and associates

	ALTEN SA Closure on: 31 December 2014									
	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	Guarantees and bonds given by the company	Earnings in the last financial year (excl. tax)	Net income for the year ended 12/31/2014	Dividends paid to the Group by the company during the year
				Gross	Net					
<b>Subsidiaries more than 50% directly held</b> <i>(in thousands of euros)</i>										
Alten SIR	20,003	20,810	100.00	26,221	26,221	0	118,292	3,609	4,000	
Alten Training Center	16	(498)	99.80	68	0	0	1,074	(318)		
Alten Sud-Ouest	15,061	6,536	100.00	15,939	15,939	0	109,469	8,901	8,000	
MI-GSO	1,000	7,884	100.00	11,941	11,941	0	54,606	3,869	5,000	
Alten Cash Management	850	(402)	100.00	1,493	1,493	38,463	0	(618)		
Alten Europe	57,120	49,332	100.00	58,072	58,072	14,397	0	21,760		
Elitys Consulting	60	887	100.00	1,750	1,750	0	5,954	213		
Pegase SI	100	(767)	100.00	426	216	0	4,473	(217)		
Atexis France	1,307	2,254	100.00	9,435	9,435	0	18,791	(330)		
Alten Aerospace	37	2,103	100.00	37	37	0	26,856	2,159	4,500	
Avenir Conseil Formation	50	6,275	99.96	533	533	0	16,387	1,594		
Alten SI Techno Romania	1	720	100.00	0	0	260	4,672	397		
Anotech Energy France	100	9,750	100.00	621	621	0	74,225	2,064		
HPTI	40	14,649	100.00	40	40	0	0	(1,268)		
Alten SIR GTS	200	36	100.00	612	612	0	2,673	310		
ID.APPS	100	(346)	100.00	100	100	0	3,839	161		
APTECH SAS	100	1,544	80.00	80	80	0	27,406	888		
APROVA SAS	482	(1,319)	100.00	482	482	0	2,046	(652)		
PPP USA INC	2	672	100.00	29,830	29,830	0	15,255	13,156		
PPP LTD UK	0	14,647	100.00	14,085	14,085	0	20,757	(643)		
HPA	100	0	100.00	100	100	0	0	0		
ALT 02	1	0	100.00	1	1	0	0	0		
ALT 03	1	0	100.00	1	1	0	0	0		
ALT 04	1	0	100.00	1	1	0	0	0		
ALT 05	1	0	100.00	1	1	0	0	0		
APTECH OP2	100	0	100.00	100	100	0	0	0		
Alten SIR GLOBAL Security Services	150	0	51.00	77	77	0	0	0		
<b>TOTAL SECURITIES</b>				<b>172,047</b>	<b>171,769</b>					
<b>General information on other securities</b>										
French subsidiaries				0	0					
Foreign subsidiaries				3,203	3,202					0
Interests in French companies				7,570	7,570					
<b>TOTAL OTHER SECURITIES</b>				<b>10,773</b>	<b>10,772</b>	<b>0</b>				<b>0</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 General Meeting, we hereby report to you, for the year ended 31 December 2014 on:

- the audit of the accompanying consolidated financial statements of ALTEN;
- the justification of our assessments;
- the specific verification required by law.

The 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.

#### 1 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 2014 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.

Paris, 20 April 2015

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
Associate

Cabinet Dauge et Associés  
Christian Laplane  
Associate

#### 2 Justification of our assessments

In application of the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following information:

- Goodwill is valued on the basis of its value-in-use in accordance with the procedure described in Note 2.2.5.6 "Impairment of property, plant and equipment" of the consolidated 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.

#### 3 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.

## 20.4.2 STATUTORY AUDITORS' REPORT ON THE SEPARATE FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 December 2014, 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.

### 1 Opinion on the 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 2014, and the results of its operations and its financial position for the year then ended, in conformity with French generally accepted accounting principles.

### 2 Justification of our assessments

In application of the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following information:

- Business assets is subject to value testing and is assessed in accordance with the procedure described in Note 3.4.3 "Business

Assets" of the notes to the financial statements. Investment securities are valued in accordance with the procedure described in Note 3.4.4 "Investment securities". The necessity to record an impairment of these assets is assessed by referring to the recoverable value of goodwill and the value of the updated future cash flow of the holdings respectively determined in accordance with the procedures set out in the above-mentioned notes. Our work consisted of: assessing the information provided by the management which was used as a basis for these estimates; reviewing the updating of the expected future cash flow; checking the consistency of the assumptions made with the budget forecasts and ensuring that the notes to the financial statements provide appropriate 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.

### 3 Verifications and specific 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.

With regard to the information provided in application of the provisions of Article L. 225-102-1 of the French Commercial Code concerning the compensation and benefits paid to the corporate officers as well as the commitments made in their favour, we have verified their consistency with the financial statements or with the data used to prepare these financial statements and, where necessary, with the information collected by your company from the 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, 20 April 2015

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
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 2014.

## 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 gross dividends per share:

<i>(in euros per share)</i>	2014	2013	2012
Gross dividend	1.00	1.00	1.10

Future gross 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 proceedings had a material impact on the issuer's or Group's financial position (see paragraph 20.3.1, Note 3.11).

## 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 2014, subscribed share capital amounted to €34,140,451.05, divided into 33,589,610 shares, as noted by the Company's Board of Directors at its meeting on 28 January 2015. These 33,589,610 shares represent 38,879,381 theoretical voting rights and 38,411,632 actual voting rights.

At 9 April 2015, subscribed share capital amounted to €34,170,892.28 divided into 33,619,560 ordinary shares, fully subscribed and paid up, all of the same class. At 9 April 2015, these 33,619,560 shares represent 38,082,211 theoretical voting rights and 37,617,764 actual voting rights.

The difference between the number of shares and the number of voting rights is due to the existence of shares with a double voting right.

The difference between the number of theoretical votes and the number of actual votes corresponds to the number of treasury shares.

Shares are freely transferable; they are either registered shares or bearer shares as decided by the shareholder.

TABLE OF DELEGATIONS AND AUTHORISATIONS TO INCREASE THE SHARE CAPITAL

	Date of the AGM	Delegation's expiry date	Amount authorised	Increase(s) and issue(s) carried out in previous years	Increase(s) and issue(s) carried out during the year	Residual amount at 12/31/2014
Delegation of authority for the purpose of increasing capital through capitalisation of reserves, earnings or premiums	19/06/2013	18/08/2015	€16,560,000		None	€16,560,000
Delegation to issue ordinary shares and/or securities conferring a right in the share capital and/or conferring a right to allotment of debt securities with pre-emptive subscription rights	19/06/2013	18/08/2015	€16,560,000 (par value of shares) €250,000,000 (par value of debt securities)	None	None	€16,560,000 (par value of shares) €250,000,000 (par value of debt securities)
Authorization to issue share subscription or purchase options	19/06/2012	18/08/2015	14% of existing share capital as of the first day of allotment	None	None	14% of existing share capital as of the first day of allotment
Delegation to increase the capital within a limit of 10% for the purposes of remunerating contributions in kind of shares or securities	19/06/2013	18/08/2015	10% of share capital as at 19 June 2013	None	None	10% of share capital as at 19 June 2013
Delegation to increase share capital with elimination of pre-emptive subscription rights reserved for members of a company savings plan (PEE)	18/06/2014	17/08/2016	5% of share capital at the date of the Board's decision to carry out this capital increase	None	None	5% of share capital at the date of the Board's decision to carry out this capital increase
Delegation to increase share capital by issuing ordinary shares or securities conferring a right in the share capital and/or conferring a right to allotment of debt securities with elimination of pre-emptive subscription rights and with the mandatory period of priority via public offering	18/06/2014	17/08/2016	€3,372,747 (par value of shares) €175,000,000 (par value of debt securities)	None	None	€3,372,747 (par value of shares) €175,000,000 (par value of debt securities)
Authorisation to award shares free of charge to salaried employees	18/06/2014	17/08/2017	1.5% of share capital at the date of the Board's decision to carry out this capital increase	None	None	1.5% of share capital

## 21.1.2 SHARES NOT REPRESENTING CAPITAL

None.

## 21.1.3 SHARE BUYBACKS AND TREASURY SHARES

### 21.1.3.1 Report on share buyback programme

The Combined General Meeting of 18 June 2014 authorised the Board of Directors, for a period of 18 months from that General Meeting, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to proceed with the purchase, in one or more tranches, at the times of its choice, of the Company's shares subject to a maximum of 8% of the number of shares comprising the share capital, adjusted where necessary for any capital increase or decrease that might take place during the term of the programme. This authorisation replaces that granted by the General Meeting of 19 June 2013.

ALTEN has entrusted the management of a liquidity contract, in accordance with the AMAFI code of conduct, to Kepler Capital Market (Paris).

In 2014, ALTEN carried out the following share purchases and sales under its liquidity contract:

● number of shares purchased:	204,256 shares;
● average purchase price:	€35.18;
● number of shares sold:	211,477 shares;
● average sale price:	€35.27.

At the end of the financial year, ALTEN directly or indirectly held 467,749 treasury shares, representing 1.393% 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:	7,727;
● acquisitions:	0;
● covering stock option plans or other share allocation systems to employees:	460,022;
● covering securities:	0;
● cancellation:	0.

### 21.1.3.2 Description of share buyback programme

**Programme authorisation:** Combined General Meeting of 18 June 2015.

**Securities concerned:** ordinary shares.

**Maximum share of capital whose buyback is authorised:** 6% of the capital (2,017,173 shares as of the current date); 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 6% of its capital, and given that it already owns 464,447 shares (1.38% of the capital), the maximum number of shares it may buy will be 1,552,726 shares (4.6% of the capital), unless shares already held are sold or cancelled.

**Maximum purchase price:** €55.

**Maximum programme amount:** €110,944,515.

**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. This programme may not be used during a public offer period.

**Purpose:**

- to proceed with the cancellation of the shares repurchased subject to the authorisation granted or to be granted by the Combined General Meeting on 18 June 2015 in its twelfth resolution;
- to ensure a secondary market or the liquidity of ALTEN shares through a securities service provider via a liquidity agreement in compliance with the AMAFI code of ethics approved by the AMF;
- to hold the purchased shares and later offer them in exchange or payment in potential acquisitions;
- to cover 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;
- to cover 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 18 June 2015, or until 17 December 2016 inclusive.

#### 21.1.4 SECURITIES CONFERRING A RIGHT IN THE SHARE CAPITAL

##### Potential dilution

On the basis of 33,589,610 shares outstanding at 31 December 2014, the share capital may potentially increase by a maximum of 170,687 new shares, equivalent to 0.51% of the fully diluted capital. This dilution would occur on the exercise of share options awarded to employees and corporate officers.

<i>(number)</i>	31/12/2014	% Dilution	31/12/2013	Change
Number of shares	33,589,610		33,075,301	514,309
Share options	170,687	0.51%	288,606	(117,919)
Potential dilution	170,687	0.51%	694,606	(523,919)
<b>TOTAL POTENTIAL CAPITAL</b>	<b>33,760,297</b>		<b>33,769,907</b>	<b>(9,610)</b>

#### 21.1.5 TERMS OF ANY ACQUISITION RIGHTS AND/OR OBLIGATIONS OVER AUTHORISED BUT UNISSUED CAPITAL OR AN UNDERTAKING 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 IN 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
19/06/2013	Share options exercised	€33,277,360.43	€31,227,540.33	32,740,447
24/07/2013	Share options exercised	€33,277,563.71	€31,231,163.05	32,740,647
24/09/2013	Share options exercised	€33,290,778.96	€31,501,973	32,753,649
29/10/2013	Share options and warrants exercised	€33,503,169.29	€34,577,148.32	32,962,612
31/01/2014	Share options and warrants exercised	€33,617,706.56	€36,371,208.54	33,075,301
25/02/2014	Share options exercised	€33,647,025.68	€36,835,542.28	33,104,147
02/04/2014	Share options and warrants exercised	€33,727,469.79	€38,101,983.47	33,183,293
18/06/2014	Share options and warrants exercised	€34,026,504.30	€42,482,300.21	33,477,502
28/07/2014	Share options exercised	€34,026,707.58	€42,485,138.93	33,477,702
23/09/2014	Share options exercised	€34,032,704.35	€42,591,617.16	33,483,602
29/10/2014	Share options exercised	€34,036,729.30	€42,678,086.21	33,487,562
28/01/2015	Share options and warrants exercised	€34,140,451.05	€44,400,980.64	33,589,610
24/02/2015	Share options exercised	€34,141,314.99	€44,416,377.20	33,590,460
09/04/2015	Share options exercised	€34,170,892.28	€44,991,130.92	€33,619,560

## 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 eighteen 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.

By virtue of Article L. 225-27-1 of the French Commercial Code, the Board of Directors includes a director appointed by the Company's Works Council who represents the Group's employees. The term of office of the director representing employees is four years.

#### 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-Chairman 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 responsible for the general management, 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.

### **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.

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.

#### **21.2.3.3 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 time frame in effect at the time of registration. Any subsequent change to this time frame 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.

## 21.2.4 CHANGES TO 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.

Article 23 of the Articles of Association, in its current edition, states: *"The right to take part in General Meetings is subject to the registration of shares in the books under the shareholder's or agent's name by no 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."*

### 21.2.3.5 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.

The Extraordinary General Meeting scheduled for 18 June 2015 will vote on this point, a proposed change to the Company's Articles of Association to bring them into line with Article R. 225-85 of the French Commercial Code as modified by Decree No. 2014-1466 of 8 December 2014. Paragraph 3 of Article 23 of the Articles of Association would thus be modified to read: *"The right to take part in General Meetings is granted by registration of shares in the books under the shareholder's or agent's name (in application of paragraph 7 of Article L. 228-1 of the French Commercial Code) by no later than midnight, Paris time, on the second 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 IN CONTROL

None.

## 21.2.7 PROVISIONS GOVERNING OWNERSHIP 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 CHANGES IN THE 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

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On 20 March 2015, ALTEN signed a Club Deal contract of up to €160,000,000 for a maximum term of seven years. 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.



# 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

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See paragraph 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

*Pursuant to Article L. 451-1-2 of the French Monetary and Financial Code.*

	Page	Chapter
Corporate social responsibility, Decree No. 2012-557 of 24 April 2012	85 to 99	-
1. Management Report		
Analysis of changes in revenue	128 to 130	9.1.1 and 9.1.2
Analysis of earnings	130	9.1.3
Analysis of financial position	131	9.2
Major risks and uncertainties	105 to 114 – 122	4 and 6.3
Capital structure and elements likely to influence a public offer	181 to 186	18.1 and 18.2
Buybacks of treasury shares by the Company	255	21.1.3
2. Consolidated financial statements	193	20.3.1
3. Separate financial statements	232	20.3.2
4. Statutory Auditors' reports on the separate and consolidated financial statements	249 – 250	20.4.1 and 20.4.2
5. Statutory Auditors' fees	231	2.3
6. Chairman's report	165	16.4.1
7. Statutory Auditors' report on the Chairman's report	173	16.4.2
8. Certification by the person responsible for the Company financial report	103	1.1

## NOTES

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