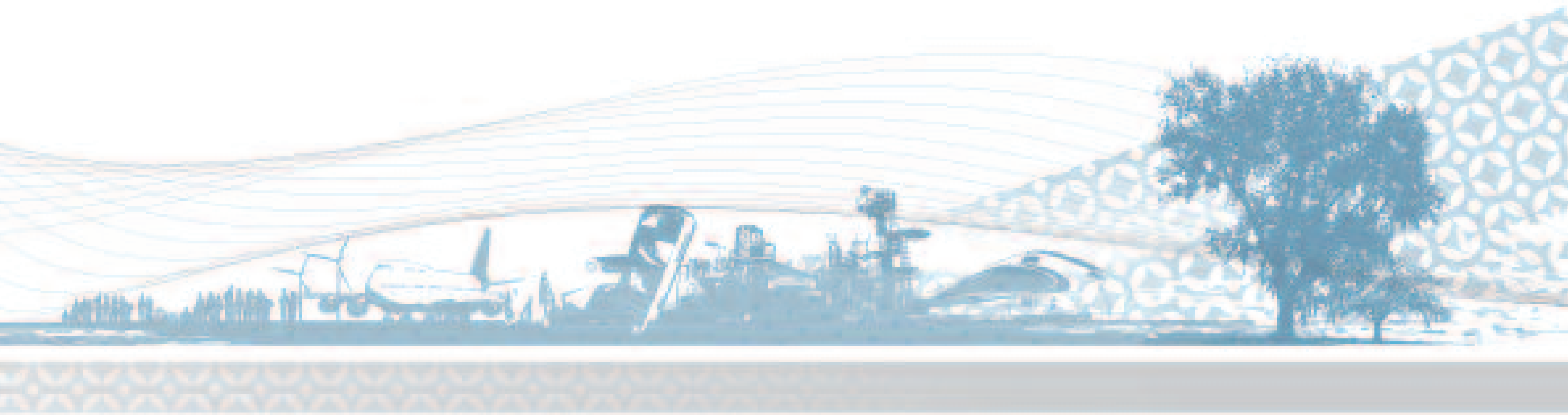
2010 Registration Document

Engineering and Technology Consulting

ALTEN

2010 Registration Document

Business Report



AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This document and the corresponding financial report constitute the ALTEN Registration Document for the 2010 fiscal year.
It was submitted to France's Autorité des Marchés Financiers (financial market authority) on 29 April 2011 in accordance with Article 212-13 of the Autorité des Marchés Financiers' general regulations. This Registration Document may be used in connection with a financial transaction if it is accompanied by a prospectus approved by the Autorité des Marchés Financiers.
Furthermore, pursuant to Article 28 of Regulation No. 809/2004 of the European Commission, the following information is in this Registration Document:

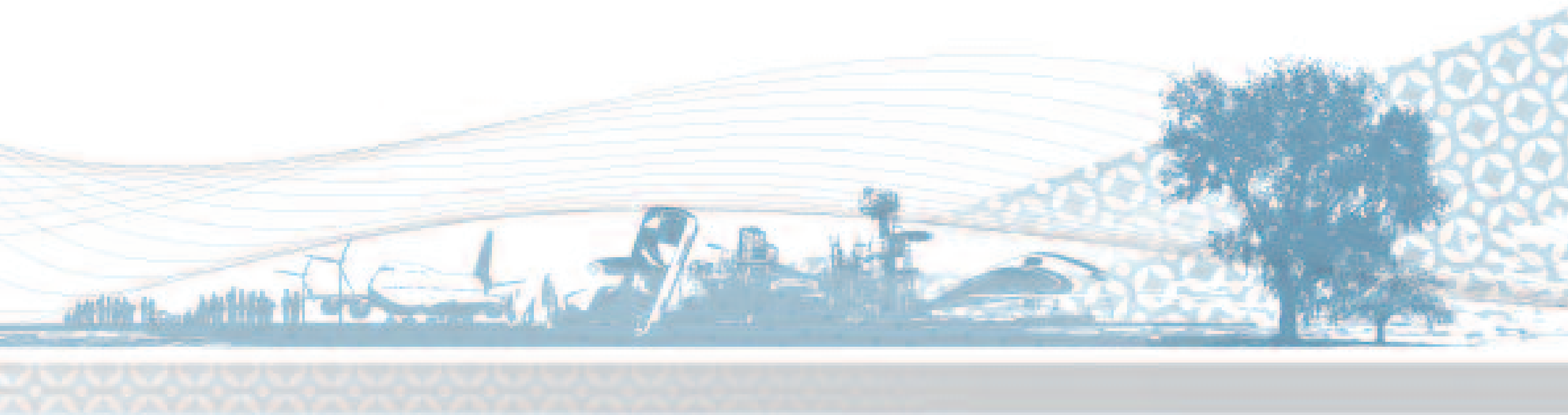
- The separate and consolidated financial statements ending 31 December 2009 as well as our Statutory Auditors' reports appearing on pages 144 to 222 of this Registration Document No.: D10-0478 filed with the Autorité des Marchés Financiers on 27 May 2010;

- The separate and consolidated financial statements at 31 December 2008, along with the relevant reports prepared by the Statutory Auditors and presented on pages 136 to 201 of the Registration Document No. D.09-0473 filed with the Autorité des Marchés Financiers on 3 June 2009.

It was prepared by the issuer under the responsibility of the persons who signed it.

BUSINESS REPORT

I - GROUP GOVERNANCE



1.1. Message from the Chairman

Simon AZOULAY
Chairman and Chief Executive Officer

The return to organic growth

Against a global backdrop of continued fragile economic recovery, which varies from country to country, ALTEN confirmed its status as the European leader in Engineering and Technology Consulting for 2010. Having managed the most serious crisis of its history in 2009, the Group rebounded quickly and returned to its highest performance levels in 2010.

Growth accelerated throughout the year, reaching 14% in the fourth quarter in all industries and countries except for Spain. On the other hand, Germany recovered extremely well with growth rates in excess of 20%.

Revenue came to €916.6 million, up 6.9% (6.3% excluding exchange rate effects). On a constant consolidation scope, sales rose 7.7% (7.5% in France and 8.1% abroad), driven by all business sectors, particularly Aeronautics, Cars and Electronics.

Operating profit on activity up sharply

Operating profit on activity was €93.4 million, or 10.2% of revenue, after restating for the cotisation sur la valeur ajoutée des entreprises (CVAE), a new tax component replacing the old one, for €7.5 million. The operating margin on activity continued to improve over the second half. It reached 10.7% of revenue, up from 9.7% in the first half.

Profitability rose everywhere in Europe mainly thanks to improving activity ratio (93% versus 92.5% in the first half). Other factors were a modest rise in prices and better coverage of overhead costs, while growth was rapidly accelerating.

ALTEN proved the efficiency of its business model

ALTEN remains faithful to its fundamentals: control over its activity ratio and its positioning in the high-end of the engineering business.

This enabled the Group to harness the recovery with a high level of responsiveness and to win market share from its competitors.

In the context of a lack of engineers, the quality of ALTEN's recruitment maintained a level of service expected by our clients to help them to restart their programmes.

In addition, ALTEN continued with its structuring efforts to meet the demands of future growth and to bolster its position as leader. The Group invested in implementing integrated management software (ERP) and in building a structured Projects Division to strengthen the development of workpackage business.

Since December 2010, ALTEN has been the only French engineering company to reach level 2 of Capability Maturity Model Integration in the Services area (CMMI). It is going to strengthen its positions on structured projects which now make up 40% of its business.ALTEN has become Europe's leader in "globalised projects".

Clear visibility for the next four years

After factoring in the economic situation, ALTEN is forecasting sustainable organic growth of at least 8% a year from 2011 to 2014.

Manufacturers are mostly focussing their strategies on programmes based on major technological change. Projects involving electric and hybrid vehicles, or mobile Internet are going to serve as formidable growth drivers for the Group over the next four years, both in France and abroad, and they will also cause us to set up operations in new geographical locations.

Our surplus cash position together with our lack of debt give us the means to step up our expansion through acquisitions in high-potential countries, particularly northern Europe where they invest heavily in research and development.

I remain confident in the Group's ability to strengthen its position as the European leader in Engineering and Technology Consulting on the basis of its expansion in France and abroad, the quality of its organisation, its financial strength and its leadership in "Structured projects and workpackge" mode.

Simon AZOULAY

1.2. The Board of Directors and the Executive Committee

Members of the Board of Directors

Simon AZOULAY
Chief Executive Officer

Catherine BEHAR (married name Azoulay)
Director

Gérald ATTIA
Deputy Managing Director
Head of Business & Technical Development

Members of the Executive Committee

Simon AZOULAY
Chief Executive Officer

Gérald ATTIA
Deputy Managing Director
Head of Business & Technical Development

Board of Directors

The Board has three members. Detailed information on the Board's composition appears in the Management Report.

The Board of Directors' primary mission is to determine the direction of the Company's business, define its strategy and monitor its implementation. Thus, in practice, the Board of Directors must approve in advance mergers and acquisitions, the sale of any business, the formation of joint ventures with third parties as well as the issuance of collateral, sureties or guarantees.

The Board's work during the past year:

During 2010, the Board of Directors examined and approved the 2009 financial statements and the provisional management documents, approved three (3) acquisitions of equity stakes and corporate restructurings, examined and authorised financial press releases, decided on compensation for company officers, delegated authority to the Chairman and Chief Executive Officer to issue guarantees, bonds and sureties under certain conditions and limitations, and authorised two (2) projects to form a jointly-held company within the scope of a partnership.

As part of implementing its governance, since the Board of Directors met on 1 February 2010, ALTEN refers to the Middlenext code of corporate governance for small and medium-sized companies (hereinafter the "Reference Code") made public on 17 December 2009.

The Board of Directors is continuing its initiative of gradually complying with the Reference Code's recommendations.

Responsibility for 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.

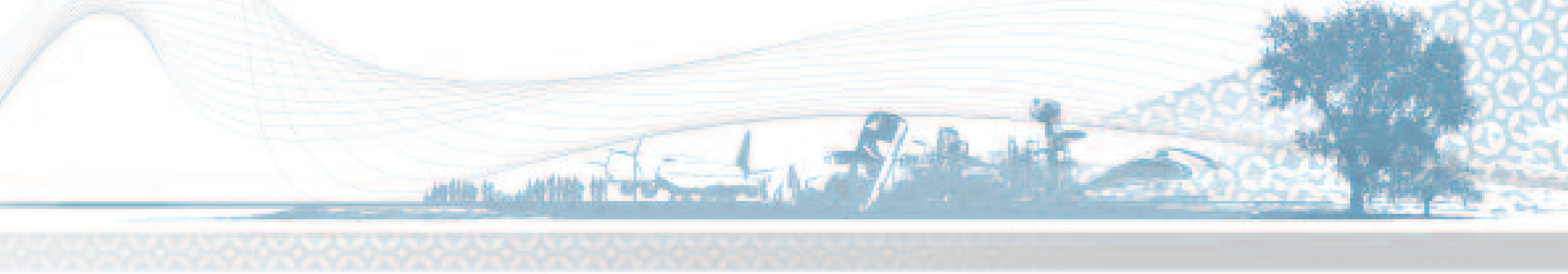
The Combined General Meeting on 23 June 2009 renewed Mr Simon Azoulay's term as director for a period of four years. The Board of Directors met at the end of this meeting to renew Mr Simon Azoulay's appointment as Chairman and Chief Executive Officer for the duration of his term as director.

Mr Gerald Attia serves as Deputy Managing Director. The Board of Directors also renewed this term at its meeting after the close of the Combined General Meeting held on 23 June 2009.

The Chief Executive Officer and the Deputy Managing Director are vested with the broadest possible powers to act on behalf of the Company in all circumstances. They exercise their powers within the scope of the Company's purpose, subject to that which the law expressly assigns to the Shareholders' Meeting and to the Board of Directors. They represent the Company in its relations with third parties and before the courts.

The Committees

The Board of Directors relies on the work of the Executive Committee and the Administrative Committee to effectively prepare its make decision-making.




Gérald ATTIA


Bruno BENOLIEL

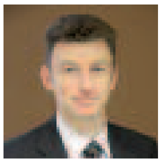

Hélène GRIGNON-BOULON


Olivier GRANGER


Benoît MAISTRE


Pierre MARCEL


Jean-François GUYOMAR


Fabrice PECQUEUR

Bruno BENOLIEL
Chief Operating Officer
Head of Finance, IT Systems and the Legal Department

Hélène GRIGNON-BOULON
Human Resources Director

Olivier GRANGER
Chief Operating Officer
Head of International

Benoît MAISTRE
Chief Operating Officer
Head of ETC Paris

Pierre MARCEL
Chief Operating Officer
Head of French Regions

Jean-François GUYOMAR
Executive Vice President
Head of NTIS Paris

Fabrice PECQUEUR
Executive Vice President
International Development

The Executive Committee

The Executive Committee, which meets at least once per month, is composed of the Chairman and Chief Executive Officer and the line managers of the Group's various divisions, the Group's Chief Operating Officer, Finance, as well as the Chief Operating Officer, Human Resources. It is chaired by the Chairman and Chief Executive Officer.

Its primary missions are:

- to define the Group's major sales, organisational and growth strategies,
- to analyse its sales and financial performance and determine operational measures to be implemented,
- to monitor ongoing projects.

The Administrative Committee

The Administrative Committee, which meets at least once a month, is composed of the Chairman and Chief Executive Officer, the Group's Chief Operating Officer, Finance, the Chief Operating Officer, Legal and the Chief Operating Officer, Human Resources. It is chaired by the Chairman and Chief Executive Officer. Depending on the agenda, the Deputy Managing Director, the Director of Information Systems and the Division Directors may be requested to attend meetings of the Administrative Committee.

Its primary missions are:

- to harmonise the Group's communications policy within the various divisions,
- to define its labour relations and remuneration policies,
- to propose to the Board of Directors the implementation of management, control and internal administrative procedures, management guidelines and delegations,
- to propose implementation and/or development of information systems in coordination with the operational and administrative management processes defined above.

It is also consulted on policies regarding remuneration and incentives for the Group's senior executives.

In addition, within each of the Group's Divisions, the Executive Committees meet at regular intervals under the leadership of the Division Operational Directors to implement the strategy set by general management.

Corporate governance

Mr Simon Azoulay and his peers (including the Société Générale holding company for Technologies and Engineering SGTI) held 33.46% of the equity in Alten SA and 50.36% of its voting rights at 31 December 2010.

The Chairman's ownership position ensures his respect for the interests of all shareholders, thanks to prudent and disciplined management that is value-driven and tied to ambitious growth objectives.

1.3. The Group

1.3.1. Summary

Established in 1988, ALTEN is a group specialising in Engineering and Technology Consulting (ETC) and Network and Technological Information Systems (NTIS).

The Group carries out studies and conception projects for the Technical and Information Systems Divisions of major clients in the industrial, telecom and service sectors.

The ALTEN Group's strategic position is based on:

- The ALTEN "Core Business" line: project management, upstream studies and conception;
- The "Solutions" line carried by specialised companies that address local and transnational operating divisions (MI-GSO, ATEXIS, B2i, ANOTECH ENERGY, AVENIR CONSEIL, WINWISE, etc.).

ALTEN remains loyal to its positioning in the businesses « around the engineer », which are more and more involved in the new challenges posed by global security and controlling risk, sustainable transport, energy management, and information systems performance.

In the face of these complex challenges which have brought on major behavioural and technological changes, ALTEN's mission is to work closely with its clients to develop their industrial strategy in the areas of innovation, R&D and IS technologies.

With 12,600 employees working in 12 countries, ALTEN is now Europe's leader in ETC as evidenced by:

- Its size and financial soundness;
- Its expansion in France and abroad;
- The quality of its organisation;
- Its mastery of the Project-based modes.

1.3.2. Geographic locations table

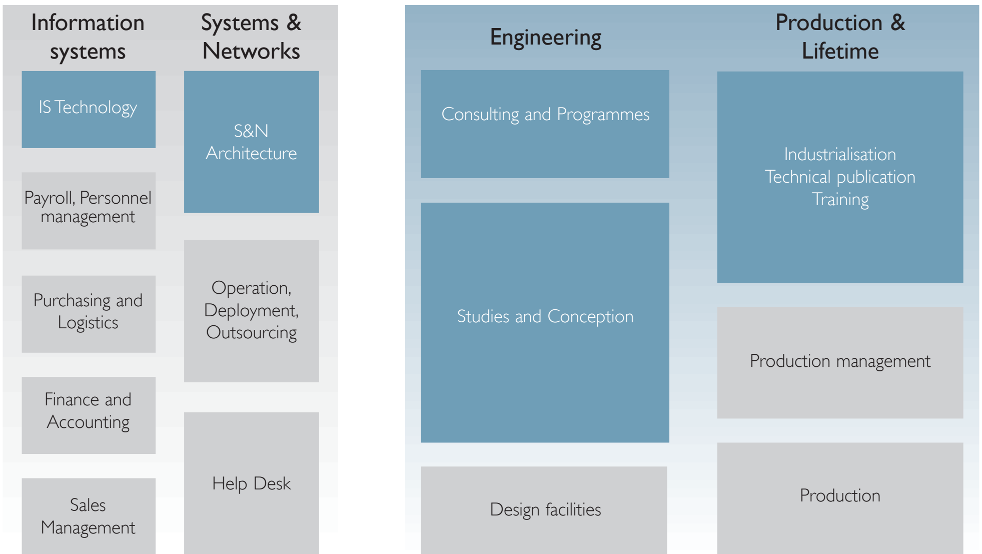
France	Germany	England	Belgium	Spain	India
ALTEN SA ALTEN SUD-OUEST ALTEN SI & RESEAUX ALTEN SOLUTIONS	ALTEN GMBH AEROTEC ENGINEERING ATEXIS GMBH MI-GSO GMBH	ALTEN SD PARTNERS ANOTECH ENERGY UK	ALTEN BELGIUM	ALTEN SPAIN ATEXIS SPAIN	ALTEN INDIA PRIVATE LTD

1.3.3. Business lines

ALTEN's position

Networks and Tecnological Information Systems (NTIS): 26% of revenue

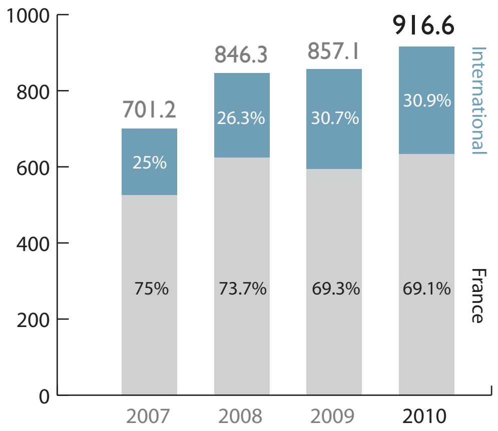
Engineering and Technology Consulting (ETC): 74% of revenue



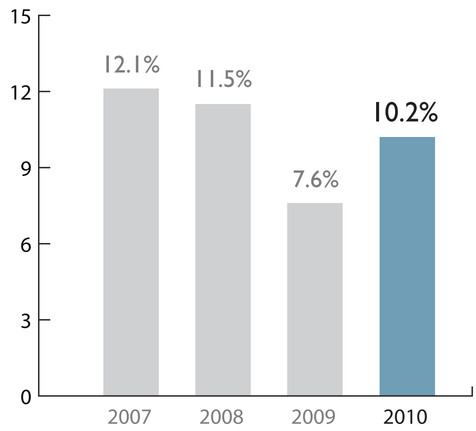
Italy	The Netherlands	Romania	Russia	Sweden	Switzerland
ALTEN ITALIA	ORION ENGINEERING DDA ENGINEERING ALTEN PTS	ALTEN SITECHNO ROMANIA ATEXIS SRL	ANOTECH ENERGY	XDIN	ALTEN CONSULTING ELITYS SA

1.4. Key Figures

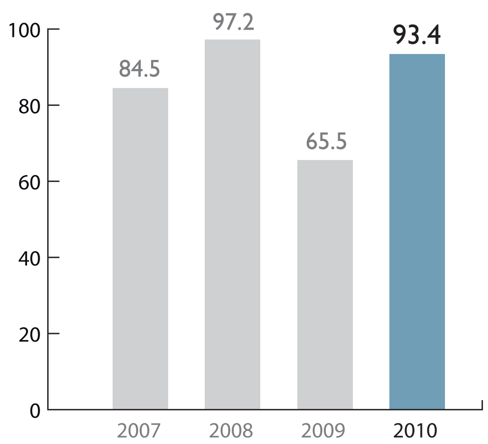
Revenue in €m



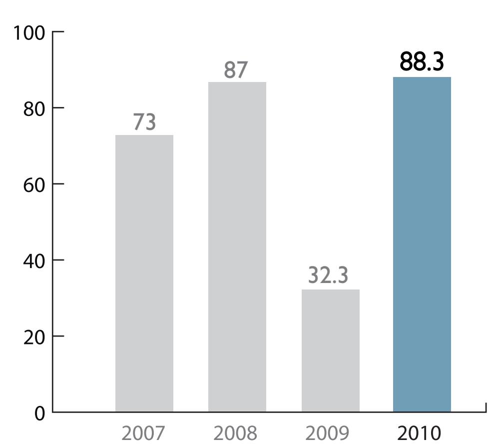
Operating profit on activity as % of revenue

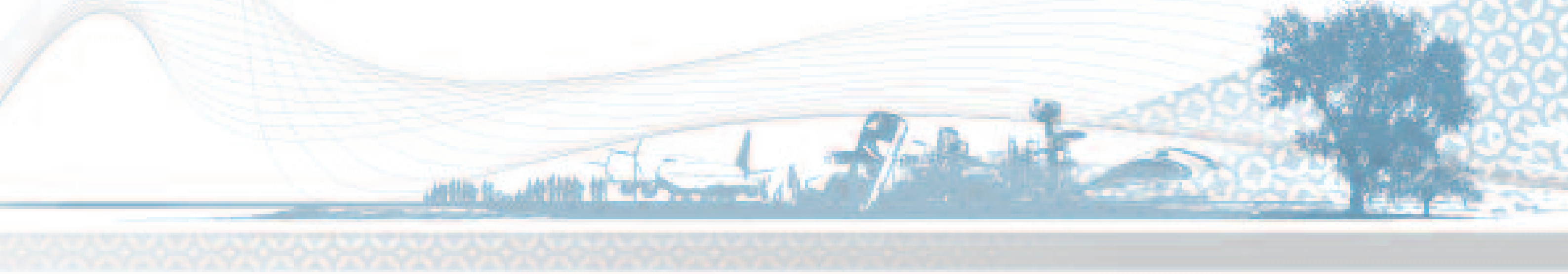


Operating profit on activity in €m

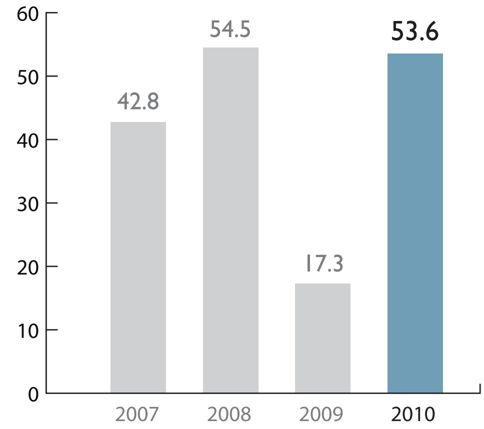


Operating profit in €m (after exceptionals)

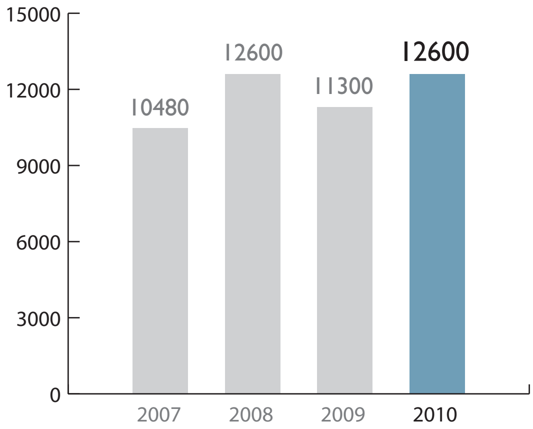




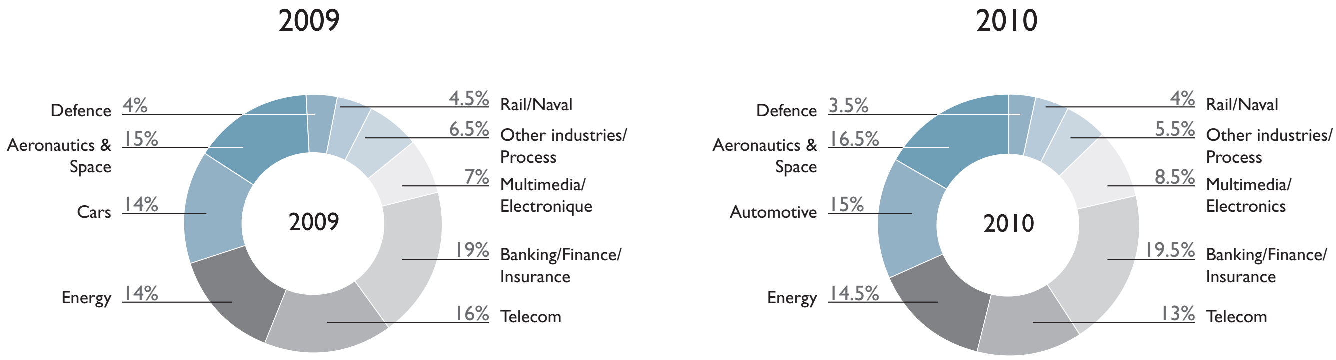
Net earnings, Group share in €m



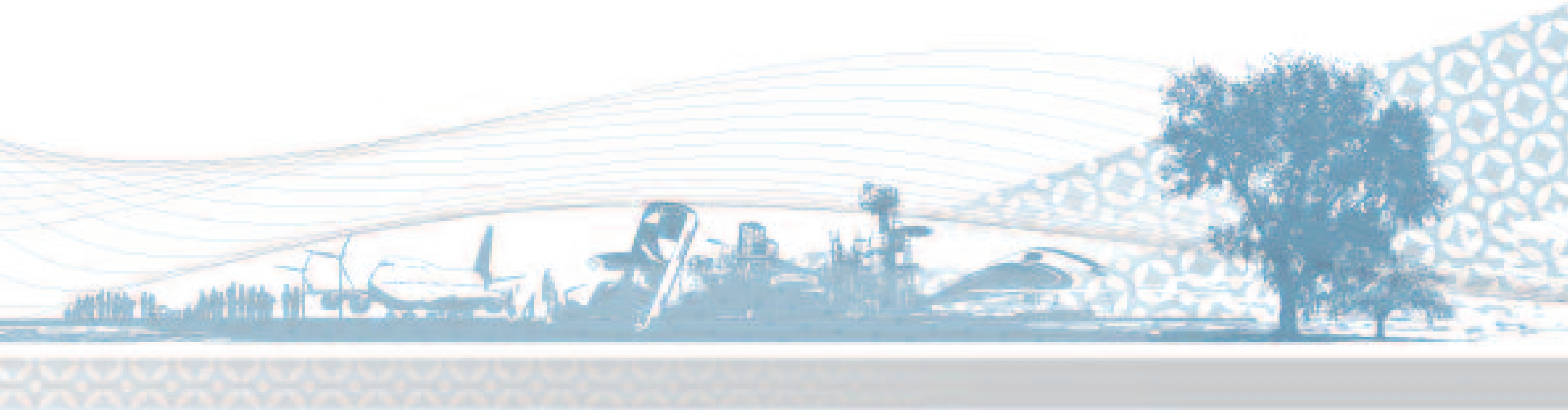
Head count (end of period)



Revenue by business sector



2. POSITIONING



2.1. ALTEN's markets

2.1.1. Trends

ALTEN's market covers the full range of consulting services, technical assistance, performance of fixed price projects and outsourced platforms in the field of Engineering and Technology Consulting (ETC) as well as Network and Technological Information Systems (NTIS).

The rate of outsourced R&D from industrial corporations to ETC companies is estimated at 27-30% in France and more than 15% in Europe, demonstrating clients' desire to refocus on their core businesses.

According to the Pierre Audouin Consultancy, the expected trend in the ETC market accessible to ALTEN in France can be summarised in the table below:

Meuros	2009	2010	2011	2012	2013	2014
Consulting in Technologies (ALTEN's consolidation scope core business)	5,436	5,620	5,918	6,195	6,549	6,918
Growth	-	3.4%	5.3%	4.7%	5.7%	5.6%

2010 was characterised by a strong recovery which accelerated throughout the year after the first half, which had prolonged the period of crisis. The recovery featured a double-digit growth rate and renewed demand from industrial clients from all business sectors taken together.

The car industry underwent significant change in 2010 compared with 2009 as projects and research activities took off. Highly technical projects involving motor systems for hybrid and electric vehicles received priority over projects more mechanical in nature.

The aeronautical sector has the particularity of being slightly acyclical in so far as the projects are launched for several years (medium-term projects involving developing the A380 and the A350 at AIRBUS notably). The satisfactory growth recorded in 2009 continued in 2010.

European demand will remain strong from 2011 to 2014 owing to:

- increased investment in studies and innovation paid for by programmes for technological breakthrough;
- the expected increase in outsourcing R&D.

Ongoing policies of listing procedures at clients create new demands which form real entry barriers for small local companies:

- Managing big projects in a local and transnational setting;
- Productivity gains on work packages;
- Capitalising on clearly identified client expertise.

The Group's size and stronger Structured Projects Division will meet these needs while bolstering ALTEN's leadership among the major manufacturers.

Prices are expected to rise in 2011 owing to brisk demand due to a shortage of engineers thus reducing the available resources. Growth in the business and sales will probably drive up wages but cost controls together with ALTEN's ability to monitor its activity guarantee its profitability.

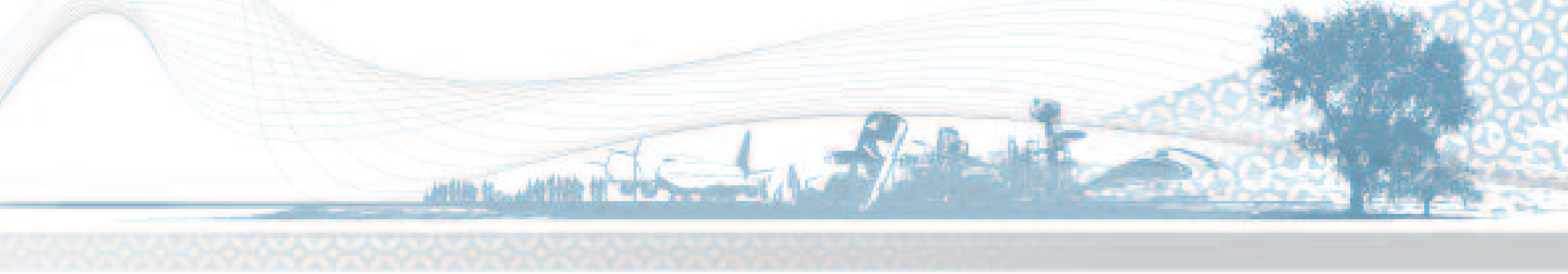
Lastly, improved client support will speed up at the international level and replace acquisitions as a core business strategy. ALTEN has the financial resources needed to carry out its targeted acquisitions programme.

2.1.2. Competitive environment

The market for outsourced R&D is fragmented, made up of approximately ten major players and a multitude of local players. The ten leading companies now only make up 47% of the market (source: PAC), but they are expected to gradually increase their weight owing to the Purchasing Departments' wish to reference engineering providers able to take on complete transnational work packages. Solid project management processes and a satisfactory financial structure will be required to remain on the preferred supplier list.

There are three types of players in the ETC market:

- Major generalist companies such as ALTEN, present both in France and abroad, today have sufficient critical mass to provide specific answers in each business sector, involved in both consulting and in workpackage/fixed price projects;
- Design offices, which are oriented to mechanics, employ a significant number of technicians working on detailed engineering phases and computer aided design, most often in a fixed price mode. ALTEN has little presence in this field where plunging demand in France is to the benefit of low-cost countries;



- Highly specialised small companies have increasing problems to resist to the referencing procedures carried out by their clients' Purchasing Departments, and are therefore becom involved as subcontractors of main listed suppliers or seek mergers with listed companies.

As a consequence of the serious crisis in 2009, there were few consolidations occurring in our business sector in 2010. Nevertheless, ALTEN acquired a 19% equity stake in PHOEBE-INGENICA, thereby creating a strategic partnership for its Energy Division. As a specialist in industrial engineering and energy, PHOEBE-INGENICA developed a services line, offering products, design and systems enabling it to position itself mainly in standardised developments. It operates mainly in the areas of processes, general installations, design basis, command and control and instrumentation.

ALTEN has also formed a joint venture with Critères Systèmes, thereby creating the company ALTEN SIR-GTS whose goal is to rapidly become one of the market leaders in software testing in France.

At end-January 2011, ALTEN signed a Master Agreement to acquire a company situated in the USA and in India with $22 million in revenue and 580 employees.

The Group's surplus cash together with its intact capacity to take on more debt, give it the means to accelerate its growth through acquisitions in 2011 and to strengthen its positions in France, in addition to its existing market positions, or abroad, mainly in Germany and Northern Europe.

2.1.3. ALTEN assessment and outlook

ALTEN has consolidated its position as the leader in the French Engineering and Technology Consulting market and has continued to gain market share in 2010 as compared with its direct competitors (source PAC).

Total sales came to €916.6 million, up 6.9% (6.3% excluding exchange rate effects). Business rose by 7.7% on a like-for-like basis.

At year-end 2010, ALTEN surpassed its highest level of 2008 and shed the effects the 2009 crisis, the most violent one the Group has encountered since it was created.

The return on investment is improving everywhere in Europe against a backdrop of rapidly accelerating growth, mainly owing to:

- An improving activity ratio;
- A modest rise in prices during the second half and some countries;
- Improved hedging of overhead costs. ALTEN also pursued its structuring efforts to prepare for future growth and to bolster its leadership position:
- Rationalisation of structures to gain operational efficiency, mainly abroad, particularly with the formation of ALTEN Belgium – the result of AXEN's merger with ALTEN Benelux;
- Extension to the United Kingdom of the France and Germany (Toulouse – Hamburg) transnational organisation for AIRBUS engineering under the line responsibility of ALTEN Sud-Ouest's;
- Grouping together the CISIA (France) and AEROTEC Tech Doc (Germany) organisations to form ATEXIS, a transnational solution specialised in documentation engineering and client services engineering, mainly for the aeronautical industry. This company is the leader of its market and also has an office in Spain and in Romania;
- Creation of ALTEN India in order to offer effective offshore solutions in the area of engineering and aeronautical technical documentation as an initial offer;
- Created new specialised solutions to capture high potential markets: ALTEN SIR GTS on the software test and iD.apps on developing mobile telephone applications;

• Bolstered the Integrated Projects Division (Direction des Projets Structurés - DDPS) to follow through on changes in our clients' needs, which are rapidly expanding on work packages and projects under contract (40% of the Group's business at year-end 2010);

The ALTEN Delivery Centre, which directs all the Group's project commitments, at all ALTEN production centres, has received in December 2010 CMMI DEV and SVC level 2 certification, making ALTEN the only French company and one of five in the world to achieve this standard of excellence.

• Creation of an R&D Division to focus our expertise on clients' business segments and to work with the decision-makers in their choice of technologies and innovative strategies for tomorrow's products;

• Installation of new ERP at ALTEN SA one year after ALTEN SIR, which provides a real benefit to the Group in terms of:

- Data security and integrity,

- Management, steering and control tools,

- Working closely with business clients.

Installing this software, processes and methods will allow ALTEN to:

• accelerate the Group's international expansion through targeted acquisitions;

• follow through on the markets' expected growth over the next four years;

• capitalise on "trade" expertise by business sector to affirm ALTEN's position as a leader in Structured Projects (work-packages);

• work on turning around the operating margin.

Embedded

In-vehicle

General

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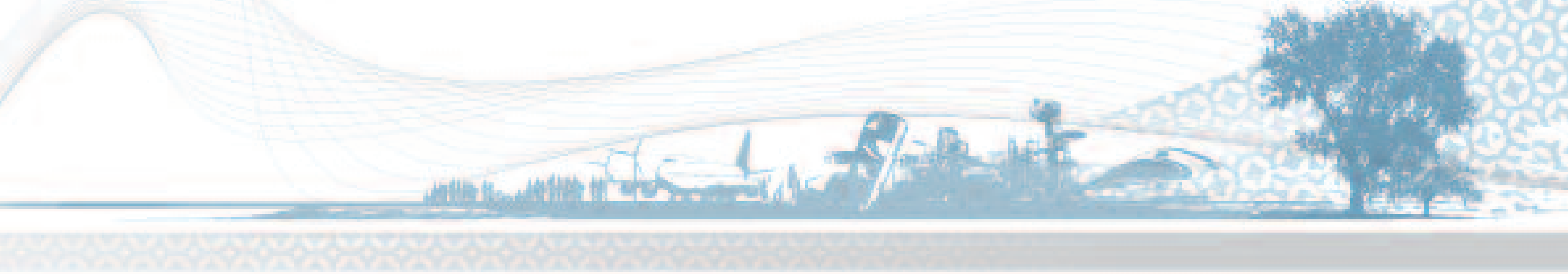
Proje



2.2. ALTEN's offer

2.2.1. Summary

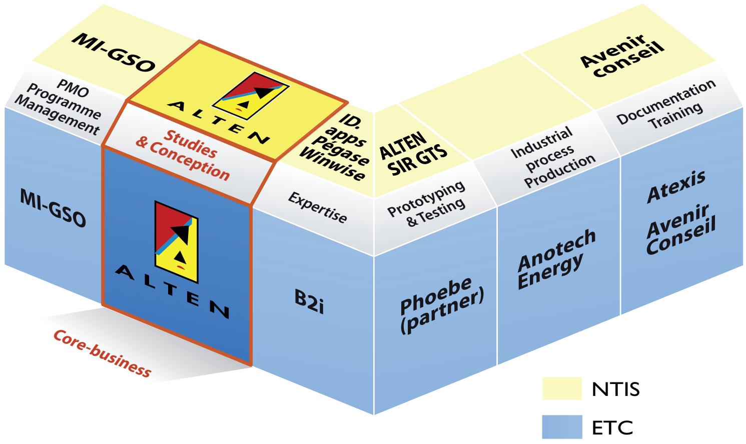
ALTEN's mission is to work closely with its clients' strategic development in the areas of innovation, R&D and IS technologies by helping them to design, develop or refine their products and IT systems with optimal quality, costs and speed. Our positioning therefore focuses on two businesses which frame the packages we provide our clients:

- Engineering and Technology Consulting, mainly for technical divisions at manufacturers on their R&D issues;
- Network and IT Services, relating to the implementation and restructuring of IT systems and service platforms in conjunction with the IT Systems Divisions of industrial clients and the services industry (banking, finance and insurance).

Each of these businesses is based on:

- The ALTEN Core business line: project management, studies and conception, mainly carried out by engineers;
- The Solutions line, which is carried by very specialised companies through local and transnational lines. These companies, which work autonomously, meet a specific client need on the remainder of the development cycle such as PMO/programme management for MIGSO, and technical documentation for ATEXIS.

They can also supplement ALTEN's offer in a comprehensive approach e.g. the implementation or overhaul of a technical IT system by ALTEN's teams followed by training users by AVENIR CONSEIL, which specialises in teaching engineering. This approach involves working together to drive change.



ALTEN's positioning and that of its subsidiaries

Our expertise in various engineering disciplines leads to our involvement across all industrial, public and service business sectors in complex, highly technological issues:

- Sustainable transport: designing and inspecting drive trains for hybrid and electric vehicles, inspecting engines and gearboxes, in-vehicle infotainment, developing aero-structure parts in the context of working towards the use of lighter materials, etc.;
- Energy management: developing manufacturing sites, export operations etc.;
- Overall security and risk control: securing IT departments, financial processes, public areas (biometric systems), communications, avionics systems, etc.;
- Quality of life and consumer services: designing mobile services and applications, optimising products and user interfaces through ergonomic studies, developing ticketing systems, etc.

2.2.2. Types of offer

ALTEN maintains a broad palette of operating methods in order to offer highly customised solutions to each of its clients, mainly based on two parameters:

• Level of commitment (resources, commitment to get results);

• Level of outsourcing: at the client's site in consulting, project or work package mode, outsourced either in whole or in part, or at ALTEN's premises.

Depending on the directions chosen, ALTEN can:

• Through a Consulting approach, by deploying its expertise at the client's facility under an ALTEN manager's responsibility in the following ways:

- functional, by helping with general contracting on the phases requiring a good understanding of the client's organisation, challenges and businesses,

- technical, by strengthening capability in the design and research phases or by technical contributions in tailored, high value-added fields,

- support, by assisting with the general contracting to improve project management in its various components (planning, quality, cost control, steering suppliers etc.) or to work closely with the client in his effort to drive change, for example, through training programs.

• Through a "Project-based" approach:

- through a "workpackage" organisation, providing customers with business-related skills (PMO, technical supervision and project engineers) and logistical resources (facilities, business software, secured links, etc.). This arrangement provides the assurance of an integrated, multi-disciplinary team led by a project manager with commitment levels defined with the customer,

- under a contract, on the basis of a project specification sheet detailing the technical specifications and expected deliverables. Working under the responsibility of the Technical Division, a team takes charge of the project through all of its phases from calling for bids to the end of the guarantee period as well as making deliveries and receiving them.

ALTEN currently conducts nearly 40% of its business in "Project" mode. Depending on the challenges faced by its customers, ALTEN can:

• establish complex project organisations as part of transnational projects, with a given project requiring greater coordination by several customer R&D teams in various countries;

• provide one of its offshore organisations during certain phases of the project (see the "Offshore system" chapter).

	December 2009	December 2010	%	December 2014 (est.)	%
Consulting support for the successful completion of studies and projects, on a time-spent basis	6,530	6,870	61%	4,900	30%
Programme Management – PMO	800	1,000		2,300	
Workpackage (project team and dedicated structure)	1,600	2,100	39%	6,400	70%
Fixed-price package, based on detailed specifications	810	1,000		1,400	
Near-Shore : Romania Off-Shore : India	160	230		1,000	
Total Engineers	**9,900**	**11,200**		**16,000**	

ALTEN will manage 70% of its projects in 2014

"ALTEN Delivery Centre: steering projects with commitment"

ALTEN, which has offices in 12 countries, has invested significant amounts in a CMMI Development and CMMI Services initiative which should lead to the Group receiving a level 3 certification around mid-2012 so as to:

- Step up the expansion of its production centres and best carry out its projects;
- To provide the same quality of service to its clients at all of its geographical locations and also its transnational projects.

In addition, this initiative fits in with the subcontracting strategy sought after by the general contractors, particularly in the aeronautical and defence industries. It will allow ALTEN to consolidate its presence on the preferred lists of its clients.

The CMMI model (Capability Maturity Model + Integration) enables an engineering company to set up an organisation and some processes to carry out its projects in an environment of continuous improvement.

ALTEN has grouped together some production centres within the ALTEN Delivery Centre (ADC). This organisation, which is CMMI certified, directs and delivers all contractual projects with the same level of care.

In order to guarantee the same quality and standards everywhere that ALTEN does business, the CMMI certification initiative has been implemented at the ALTEN DELIVERY CENTRE (ADC), which is the organisation that encompasses all of the Group's production centres.

This will guarantee that identical processes are used throughout a project managed through the ADC, which could for example involve French, German and Indian ALTEN employees.

The productivity drivers will also be more easily identified through feedback on the projects, thereby benefiting the general contractors.

First step achieved: since December 2010, ALTEN has been the first French company with a level 2 CMMI Services certification and one of the world's first companies certified at level 2 in both Services and Development, thereby placing it among the major manufacturing and services companies.

Since January 2011, the level 2 CMMI listing has been deployed on the ADC's new projects. At the same time, our employees are working towards level 3 with the objective of obtaining the certification in mid-2012.

Gérald Attia
Deputy Managing Director
Head of Business & Technical Development

« By 2014, the ALTEN Group will complete 70% of its projects in Project mode compared to 30% today. Indeed pursuing policies of listing clients leads to additional requirements: it is essential to be able to control the completion of major projects in both a local and transnational context, to identify productivity gains and to capitalize on people's expertise. The Group's size and the deployment of the ALTEN Delivery Centre will meet these needs while benefiting general contractors.

Level 2 CMMI certification in the Development and Services clusters already gives ALTEN a serious competitive advantage and we will continue to work hard to achieve our goal, which is level 3 in mid-2012. »

ALTEN's production centres

ALTEN carries out its projects at several production centres located in France and abroad. These centres are involved in all business sectors and are managed by the Integrated Projects Division through the ADC.

Mechatronics	System and Software Real Time
Boulogne	Massy
Guyancourt	Rennes
Toulouse	Toulouse
Gothenburg	Vietnam
Hamburg	
Romania	
India	

Telecom	IT Systems
Boulogne	Boulogne
Barcelona	Rennes
Madrid	Toulouse
Milan	Madrid
	Valladolid
	Milan
	Brussels
	Romania

The Starpark

The Starpark is conveniently situated near the principal aeronautical contractors. ALTEN's work teams carry out projects under contract with the aeronautical industry in the areas of aero-structure or avionics systems, for example.

The building is entirely secured with nine independent wings on three stories. It has large meeting rooms equipped with the most modern communications equipment to lead transnational project work groups and has capacity for 300 workstations.

An initiator as regards commercialisation of work package arrangements, ALTEN provides a high-performance solution to its customers' integrated project outsourcing needs through its Starpark infrastructure.

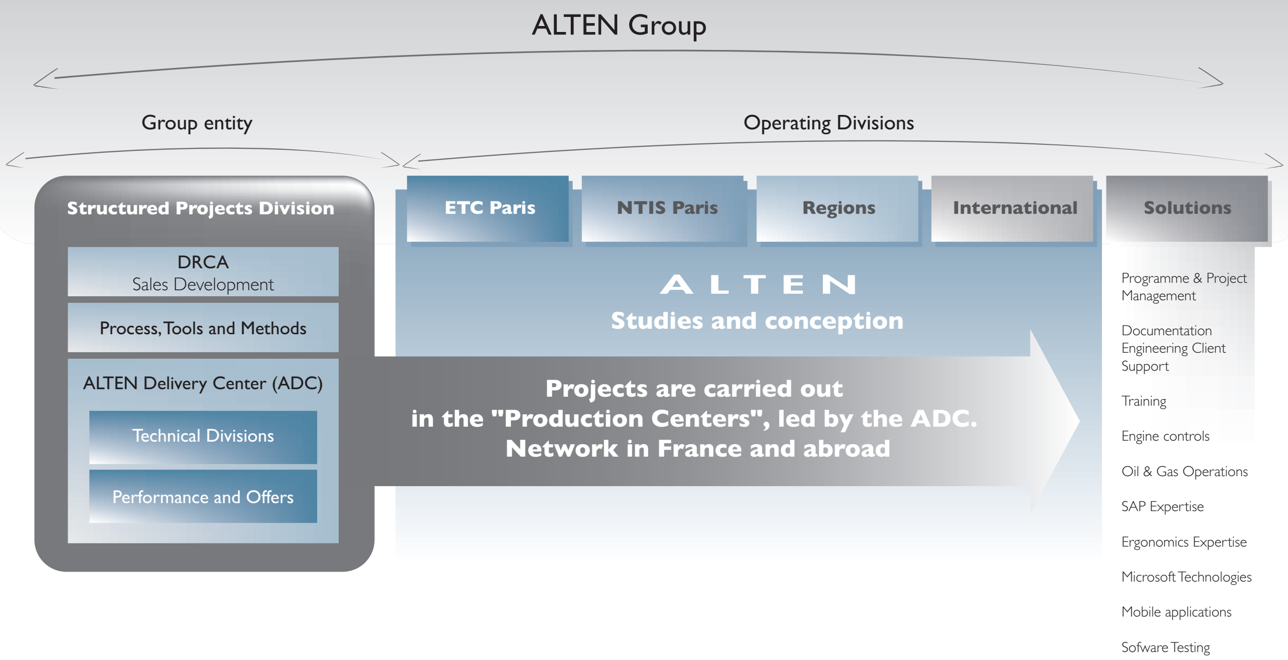
Organisation of the Technical Divisions

- **Systems Engineering**
  - Command & Control
  - System
  - Verification & Validation
  - Software
  - Products
  - Diagnostics & Reliability
- **Mechatronics**
  - Electronic Product Engineering & Electricity
  - Mechanical Product Engineering
  - Aero-structure Product Engineering
  - Engineering, Process & Production
- **Real Time Software & Systems**
  - Software
  - Electronics
  - System
  - Means, Methods & Tools
- **Telecom**
  - Telecom & Networks Services
  - Telecom Software & Multimedia
  - Production Operation/Support
  - User Experience
- **Information Systems**
  - Business Support & and Consulting
  - Software Development & the Web
  - Decision-making System & Data Management
  - IT Production

2.2.3. Organisation

The quality of the ALTEN Group's organisation follows the offer:

- The core business of studies and conception is supported by four ALTEN operating divisions organised along geographical lines. They are supported by the ALTEN Delivery Centre, performing projects with commitments;
- The specialised offers are delivered by independent companies that address local and transnational operating divisions, grouped together within the Solutions division.



Organis

The core business offer: studies and conception

ETC Paris division

2010 Sales: €152.8 million

Number of consultants at the end of 2010: 1,859

The ETC Paris division performs studies, conception, development and manufacturing of products and systems. It draws on the strong expertise in systems engineering and onboard electronics as well as real-time software, control command, electricity and process engineering.

It is structured around three operations divisions and organised by market:

- The TT division (Terrestrial Transport) encompasses the Car and Railway activities;
- The ASD division, in addition to aeronautical, space and defence activities, also leads the consumer electronics activities;
- The Energy division is positioned in nuclear, oil and gas as well as new energies.

Despite a very competitive market characterised by recruitment difficulties against a backdrop of a shortage of engineers, the ETC division has grown in the car and aeronautics sectors. In the energy sector, the division has been successful with certain clients and is now in a leading position.

Our product lines have continued to evolve owing to our work in developing skills across all business segments while expanding our services centres. The new ALTEN Delivery Centre at Massy will be inaugurated in the first half of 2011 and will house all of the car and avionics projects under contract for the Paris area.

In 2011, the objective is to step up development through transnational support for major clients in countries like China or Brazil.

NTIS Paris division

2010 Sales: €169.4 million

Number of consultants at the end of 2010: 1,777

The NTIS (Networks, Telecom and Information Systems) Paris division supports all industrial and

service sectors through several packages:

- Implementation and reconception of information systems to optimise industrial performance, business processes and management and customer relations;
- Conception and operation of IS and Telecom infrastructure;
- Business solutions for the Banking, Finance and Insurance sectors, particularly in the fields of security and risk management.

In 2010, a new organisation was set up to increase the effectiveness of marketing and sales. The NTIS division now comprises three divisions:

- The Banking Finance Insurance division which offer specific business products as well as IS products;
- The Industry division;
- The Telecom division.

Furthermore two new structures have arrived to bolster the NTIS division:

- ALTEN Sir GTS, formed early in 2010, offers a leading product range in software testing;
- ID apps, which is specialised in mobile applications.

ation

REGIONS DIVISION

2010 Sales: €191.3 million

Number of consultants at the end of 2010: 2,310

Organised around 5 regional areas (West, Northeast, Rhone-Alpes, PACA and Southwest) and 12 geographic locations, the Regions division deploys all of the Group's packages and ensures full coverage of the industrial and service sectors outside of the Paris region.

It provides customers better responsiveness through closer proximity and a better command of local requirements, ensuring a close relationship with other Group entities.

2010 was a year of very rapid growth, particularly in the Southwest region. AIRBUS's transnational organisation has been extended to France, Germany and the United Kingdom under the direction of the offices in Toulouse. It strengthens our positions in work packages.

As a supplement to the E2S listing for which ALTEN is already part of the A-ranking panel of companies that supply engineering services, EADS has retained the Group for IT services, making for attractive growth prospects over the next two years.

The challenges in 2011 will include:

- Achieving critical size in each of the regions,
- Putting together an ambitious plan to recruit over 1,200 engineers,
- Developing certain high potential clients in telecom, nuclear, transport, pharmaceuticals, etc.,
- Continuing to develop the NTIS business in all the regions.

INTERNATIONAL DIVISION

2010 Sales: €251.6 million

Number of consultants at the end of 2010: 3,612

The division operates in 11 countries, in particular in Germany, Benelux, the Netherlands, Spain, Italy, Sweden and the United Kingdom. It seeks to grow in Europe's key countries and it works closely with its clients and their strategy to enter new markets.

31% of ALTEN's current business takes place overseas (see the chapter dedicated to this subject).

Organ

Specialised offers

SOLUTIONS DIVISION

2010 Sales: €147,3 million

Number of consultants at the end of 2010: 1,375

This division includes subsidiaries which specialise in narrow, high value-added, technology fields (i.e., control laws, Microsoft technologies) or in cross-disciplinary businesses to ensure achievement of project objectives and operational performance of the product throughout its lifecycle (e.g.: project management, ergonomics, documentation engineering, and training).

These multi-disciplinary and multinational solutions are independently expanding their business in coordination with the Group's Development Department, and are also involved in supporting all Divisions in certain projects.

ANOTECH ENERGY

Anotech Energy is involved in all businesses related to the design, exploration, installation and operation of extraction and energy production sites, mainly in the Oil and Gas sector but also in Petrochemicals and other Energy sectors (Nuclear, Electrical Infrastructures, Water and Environment, Renewable Energy, Public Works etc.).

Its teams are composed of experts with extensive international experience in high value-added projects across a wide range of environments. ANOTECH ENERGY has a strong international presence, with 80% of its business carried out on the international market.

At present, around 400 consultants work for ANOTECH ENERGY in some 40 countries spanning five continents: Scotland, Norway, Angola, Nigeria, South Africa, Russia, Kazakhstan, South Korea, Middle East, Brazil and Australia.

In addition to its offices in France, England and Russia, ANOTECH ENERGY is creating a subsidiary in Brazil in order to take part in the major challenges of oil exploration from the country's enormous offshore deposits. Its head office, based in Rio, should be operational at the end of the first half of 2011.

Software testing PMO

Mobile applications

Oil and Gas Projects

Ergonomics Microsoft Expertise

SAP

Documentation engineering Training

Programme management

isation

AVENIR CONSEIL FORMATION

Avenir Conseil Formation specialises in intra and inter-company training, project management and support in the fields of CAE (computer-aided engineering covering the areas of PLM and CAD), management and communication.

Businesses include:

- Training and Engineering education;
- Post-training and help desk assistance for users at their work stations and through call centres;
- E-learning and dedicated sites;
- Assistance with contracting and the undertaking of a contract.

ALTEN's areas of operation:

- Fundamentals of job productivity;
- Customised for customers' information systems;
- Customised for internal applications and technologies.

The business sectors of Avenir Conseil Formation's clients are mainly Cars, Energy, Telecom and Engineering and IT companies.

B2i AUTOMOTIVE ENGINEERING

With over 20 years of experience, B2i has been developing its business in the markets for outsourced R&D in the area of onboard systems for numerous sectors implementing complex systems such as in the automobile sector. It has acknowledged expertise in the real-time onboard systems segment and in simulation and validation equipment. B2i is making an important effort to maintain and expand its technological progress by placing its own R&D at the heart of the scheme. To this end, B2i's engineers research and fine tune new breakthroughs in methods, tools and solutions as compared with other market players.

B2i automotive integrated the ALTEN Group in 2009 and it possesses a recognised expertise in the area of GMP (Groupe Moto Propulseur) onboard control systems for electric, hybrid and thermal (diesel and petrol). B2i does over 70% of its business in its design departments and 30% in technical support/technical assistance centres.

Its package is based on strong "business" capitalisation and a highly industrial approach:

- Systems Engineering;
- Control and development;
- Software;
- Validation engineering;

Its businesses rely on engineering science such as applied physics, automation, electronics, software and mechanics. Support provided by ALTEN Group enables B2i to deploy its package in Europe, especially through collaboration with the German subsidiary, ALTEN GmbH.

« B2i Automotive Engineering and Scienlab's joint product line: a key step for productivity in developing electric and hybrid vehicles »

« Simulation plays a fundamental role for productivity and reliability in developing control systems for batteries and electric and thermal motors which are managed by increasingly complex onboard software that requires mastery of the inspection and validation phases. Together with our German partner, Scienlab, we are now able to integrate battery emulators in our chain of tools. These emulate batteries and electric machines whose behaviour is close to the actual equipment, thereby increasing the capacity for additional research to fine tune electric GMPs.
Since 2006 B2i has been introducing new virtualisation tools for onboard car systems.

This approach allows our clients to reduce the number of physical mock-ups during the development phases. B2i will work more to increase the systems' representational ability, together with its partner Scienlab, to offer an exclusive technological product line to increase systems' quality and to accelerate the highly integrated electronic and electro-technical developments ».

Benoît MAISTRE
Chief Operating Officer
Head of TCE Paris

ATEXIS

ATEXIS specialises in the optimization of operating systems and maintaining equipment in operating order throughout its standard lifetime. ATEXIS is the result of merging CISIA with AEROTEC Tech Doc and focuses on transnational issues. There are four structures operating in France, Germany, Romania and Spain.

ATEXIS is a market leader in:

- Documentation engineering and technical publications;
- Maintenance engineering and logistic support;
- Risk control.

It defines, produces and implements maintenance programmes for equipment and systems:

- By controlling risks through optimising systems, costs, procedures, products, organisations and resources;
- By producing and implementing operational, support and reliability environments.

Whether the need involves an educational or methodological issue and/or relates to the actual completion of a project, ATEXIS applies skills and resources adapted to the needs of its customers. Its experts in various disciplines help Project Managers, who are well versed in participatory management methods, to coordinate multidisciplinary teams with specialties in each area of activity.

ATEXIS's business mainly concerns the Aeronautics, Defence, Naval and Energy sectors, with approaches that are almost exclusively fixed price/service contracts (establishment of work units) that can include a significant offshore and near shore component.

MI-GSO

R&D project management (PMO) is now carried out across all business sectors. This is a very high value-added, narrowly-tailored package which very few companies in the ETC business can offer to industrial customers in terms of Operations, Diagnostics and Consulting and in Training.

Since its creation in 1991, MI-GSO has gained expertise in the fields of Project Management and in running QCDP (Quality-Cost-Delivery-Performance) projects, and currently holds key positions in the Aeronautics, Car, Energy, Defence, and Rail transport sectors.

MI-GSO's staff of engineers, with expertise in both technology and R&D project management, provides its customers with effective operating methods, offering a comprehensive package that helps them steer complex projects forward.

MI-GSO consultants play a role in transnational teams (Engineering and Manufacturing) in every project phase (design, definition, commercial production, tests, rating and certification). Their objective is to assist the customer with management by providing indicators and operating reports to support the decision making process. MI-GSO now operates in France, Germany and the United Kingdom.

During 2010, MI-GSO affirmed its growth strategy, particularly in the energy sector, and confirmed its leading position in its market, growing by over 15% this year

WINWISE

Composed of expert engineers in Microsoft technologies, Winwise is certified as a Microsoft Gold Partner. Winwise has worked closely with its clients for 10 years in their strategic projects and is now the benchmark for high level expertise in the new Microsoft technologies. Winwise is a centre for consulting, expertise, development, training and supporting clients' projects.

Its customers include the research departments of major Groups and innovative companies seeking a competitive advantage using the latest Microsoft design and development technologies.

Through the advice of Winwise experts, they can:

- Control the risk/benefit ratio of their technical strategies;
- Rapidly obtain prototypes for key mechanisms in their strategic and innovative applications;
- Be certain that design choices will enable them to achieve their objectives with minimal specific developments and maximum upgradability;
- Make technical standards available to their development teams which ensure strong productivity;
- Bring about in-depth transfer of skills to their teams.

Winwise also leads the main French training centre for Microsoft development technologies (.NET, Visual Studio, SharePoint, Business Intelligence with SQL Server; etc.). With over 100 trainings on design

and development with Microsoft technologies, Winwise provides its clients with the most exhaustive catalogue on .Net technology.

Thanks to its positioning as an innovator and to its acknowledged technical expertise, Winwise maintains a close relationship with Redmond, the software writer.

« Winwise completes iDTGV's new intranet site »

Winwise, the specialist in developing high value-added solutions based on Microsoft technologies, offers its clients the opportunity to optimize the use of their business portal using SharePoint's™ expertise.
iDTGV chose Winwise to develop its new intranet and turn it into an effective tool for internal communications that is powerful, user-friendly and fun to use.
The portal now centralises the information destined for the entire company including current events, press releases, plans, legal information, provision of in-house documents, etc.
iDTGV had already assigned various strategic projects to Winwise personnel
such as with the YMCA, applying financial reporting aimed at yield management analysts and the extranet with its transport plan. For their new intranet, they deployed SharePoint™ 2010 social network functionalities so that all of their employees could have better discussions among themselves. Furthermore, and also thanks to its SharePoint™ 2010 environment, the new intranet will have a document management space which is still under preparation.
"Winwise quickly entered iDTGV's corporate culture and, thanks to this new intranet, we are going to be able to communicate better, to create new links between us and to use effective work tools that open the door to a future-oriented organisation" emphasised Fabrice Flottes de Pouzols, iDTGV's IT Systems Director.

Pegase SI

Pegase SI is the dedicated solution for providing consultancy and support to implement the SAP software package.

This structure is organised by application domains to cover the broadest spectrum of SAP's abilities:

- Core ERP: Finance, Sales, Purchasing, Execution logistics as well as the Net Weaver platform's technological components;
- Other components of Business Suite 7 (CRM, SRM, SCM);
- Decision-making environments (BI 7 and SAP Business Objects' financial reporting suite).

In this regard, Pegase SI offers a full range of goods and services to validate and implement SAP solutions by control or under a contractual arrangement depending on its clients' requirements.

- General contracting assistance;
- Functional specification;
- Writing specifications;
- Auditing;
- Technical specifications;
- Choice of architecture.

PEGASE SI has a Service Partner arrangement for SAP and it belongs to SAP's PartnerEdge programme.

iD.apps

iD.apps was created to develop mobile applications in a multi-platform environment: Apple/iOS, Google/Android, RIM/BlackberryOS, Nokia/Symbian, Samsung/Bada...

If the year 2010 saw the appearance of new Smartphones made to compete in the market initially pre-empted by Apple, 2011 will probably be the year that Android and BlackBerry takeoff, the latter with its Playbook.

The mobile applications market, moreover, is going to enter a new phase to integrate the world of work. The main challenge for businesses is to be able to offer innovative solutions whether they be B2B2C applications or business applications for in-house use through the plethora of existing terminals or by integrating tablets. By integrating the expertise of a consulting agency with that of the technical service provider, iD.apps sees the client through all or part of a project's life e.g. consulting and research, development, validation and publication, support, changes and carryovers.

iD.apps has already provided innovative solutions that bolster the positioning of its product range in such areas as:

- Media: development of a TV application with a customised video player for accessing videos live or in replay mode, interactions on Facebook, etc. – all dedicated to iPhone and iPad.
- Interactive games: carry over of a successful community game from iPhone to Android terminals in partnership with the software writer.
- Local communities: as a software writer, creation of an iPhone application dedicated to local communities. It offers users streamlined access to diverse information comprising agendas, restaurants, shopping, transport, radio, construction work, etc. on the basis of innovative solutions such as augmented reality, geolocation, etc.

ALTEN SIR GTS

ALTEN and CRITERES Testing formed ALTEN SIR Global Testing Services (ALTEN SIR GTS) in 2011 to bolster their positions in the testing market. ALTEN SIR GTS is a joint venture 51% held by ALTEN and 49% by CRITERES Testing and is the culmination of six years of partnership between the two companies.

Having grown 17% 2008, or €600 million, and with prospects for 10% growth a year over the next four years, the testing market in France is very buoyant, particularly within the telecom and banking sectors which together represent 50% of this market. The testing business moreover represents 30% of project budgets in the United States as opposed to only 14% in France, thus paving the way for significant growth potential.

By drawing on its business expertise, ALTEN SIR GTS offers a product line with a broad spectrum of:

- Testing typologies: integration and functional tests, performance and load tests, code qualimetry;
- Activities undertaken: direction, design and/or performing tests;
- Localisation: ALTEN SIR GTS provides its clients with outsourcing platforms in provincial France and abroad;
- Contractual basis: ALTEN SIR GTS's product line is based on service agreements and a contractual basis featuring the quality of the items tested, the deadlines, and maintaining skills.

« ALTEN is highly committed to supporting its clients in project mode with its industrial product range. ALTEN SIR GTS is the testing component of this venture into IT and management systems, particularly in the telecommunications, banking and insurance sectors. Our objective is to double our business within three years to become the market leader in testing. »

Jean-François GUYOMAR
Executive Vice President
Head of NTIS Paris

2.3. Business sectors

2.3.1. Automotive

Two years after the beginning of the economic and financial crisis, which proved particularly devastating for the car manufacturing sector, 2010 turned out to be a year of change and economic recovery.

New challenges appeared and car manufacturers repositioned themselves strategically, from the standpoint of their brands, the technical specifications of their vehicles, or their target customer segments, whose behaviour is gradually changing. This new repositioning process obviously took the growth experienced by emerging markets in Asia, South America and Russia into account.

R&D efforts to counter these changes focused on a wide range of areas, like hybrid engines, 100% electric engines and battery issues, composite materials, and connectivity, etc.

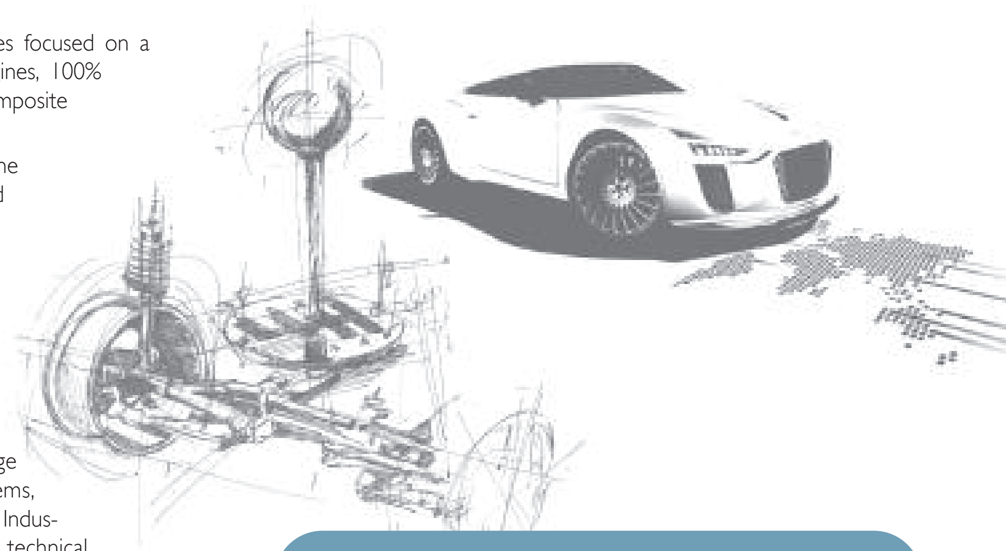
The trend towards globalisation and the development of business-line focused service centres gathered pace in 2010. The ability of engineering companies' to take on projects through offering a global service range is now undeniable. Efforts will now need to be made on industrialising this R&D sub-contracting method and seeking productivity gains.

The expansion of ALTEN's range through various Propulsion Systems, Mechatronics, Telecom & Multimedia, Industrialisation, and Onboard Software technical departments, and their CMMI organisational structure, enabled the company to win contracts with a number of service centres, both in situ and ex situ, and to ensure that these projects were properly managed from a technical and financial standpoint.

B2i Automotive Engineering, which specialises in the engine systems business, was added to the Paris ICT Unit's Car Industry Division, in order to ensure a consistent range of technical and marketing services in the car industry sector.

In addition, ALTEN introduced a partnership policy with innovative SMCs in various countries in 2010, in order to offer its customers advice on additional R&D issues, which meet current and future industrial challenges (electric vehicle simulations, low-cost hybrid engines, electric power systems, etc.).

Overall, ALTEN and its subsidiaries employ almost 2,000 consultants in this area, primarily in France, Germany and Sweden, working on research and design projects in the engineering and calculation (suspension systems, body in white, etc.), and propulsion and electronic systems (connectivity, safety, comfort, driver assist systems, etc.) fields, as well as on supply chain, industrialisation and CAD/CAI projects.



Examples of projects:

ALTEN remains one of the largest European engineering service suppliers to car and car-parts manufacturers and examples of projects in which the company is involved include the following:

- Integrating, approving, developing and maintaining onboard vehicle software;
- Developing an MHI simulator for driver comfort and assist functions;
- Developing software for steering hybrid engine traction systems

2.3.2. Aeronautics, Space and Defence

The Aeronautics, Space and Defence sectors represent 16.5% and 3.5% of ALTEN's business respectively, having a total capacity of over 2,200 engineers. ALTEN provides support to the Aeronautics contracting chain (manufacturers, parts manufacturers and systems manufacturers) in the onboard systems, aero-structure, software, systems installation, integration and industrialisation fields. The company also offers a wide range of services in cross-divisional and engineering support fields, such as project and programme management (MI-GSO), design management and documentation engineering (ATEXIS) fields.

ALTEN's business activities in these sectors primarily focus on the whole of Europe and in "offshore" countries, like India, Romania and Vietnam. Initiatives are underway to extend the company's reach to further locations, like Russia, Brazil and the United States.

The aeronautics sector has made profound changes over the past few years, in order to fund major R&D programmes. Aircraft manufacturers (Airbus, Eurocopter, Dassault Aviation, etc.) have awarded increased responsibilities for designing and manufacturing parts or complete kits to a limited number of Tier 1 companies.

In doing so, they have created powerful systems and parts manufacturers, who control their own systems R&D (Thales, Safran, Diehl, Sagem, Rockwell, etc.) or complete aero-structure components (Aerolia, Latécoère, Premium Aerotec, Sogerma, etc.). These companies position themselves as global subcontractors (GSCs) and manage the Tier 2 suppliers themselves. At the same time, aircraft manufacturers have refocused their role on designing the aircraft's general architecture and systems specifications, integrating the parts, and setting up a high-performance and reliable industrial chain across the sector, in line with the "extended company" concept.

These developments have obviously had a material impact on Engineering and Technology Consulting companies (ETCs), shifting their value-creation capabilities and positioning into new areas.

ALTEN, an engineering and IT technology partner

The shift in industrial companies' make or buy strategies has forced ALTEN to change its business model, and to introduce new solutions among its technical and marketing teams.

A few years ago, ALTEN responded to its customers' commitment and productivity demands by creating the first technology-oriented platforms and then rolling out technology-oriented production centres. Over the past three years, ALTEN's centres specialise according to their customers' business lines, basing themselves on best CMMI practices. ALTEN's intention is not to act as a substitute for its customers, but to identify new productivity areas by capitalising on its business expertise.

ALTEN has therefore put experts in place who are capable of managing international projects with teams spread over several European countries, as well as "offshore" ones.

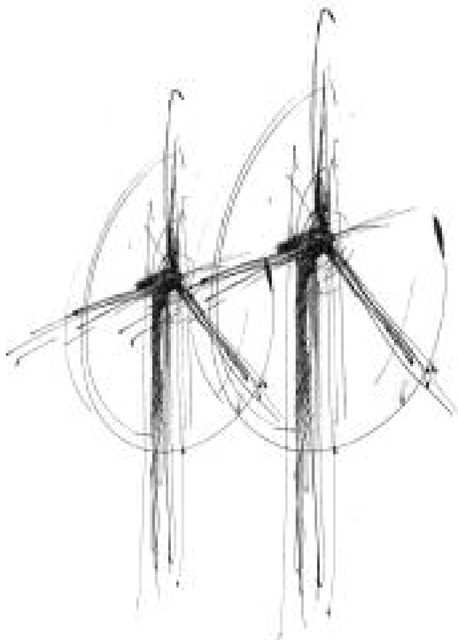
Moreover, companies in the aeronautics sector are adopting an increasingly international outlook in terms of their marketing activities and the design and manufacturing of their products and systems.

ALTEN's range of engineering services covers the full range of business lines, and the company has the capacity to manage commitment-based, international and sizeable projects, by adopting a competitive approach and meeting geographical offset requirements.

ALTEN is therefore among the A-Tier engineering service suppliers that EADS has selected on a worldwide basis as part of its E2S panel, and in late 2010 was also selected to supply IT services over a three-year period to the Group's main Business Units (Airbus, Astrium, Eurocopter, Cassidian, and Head Office), including on a transnational basis. The scope of the services involves both the applications side and the physical/network side, both in the management and business line IT areas.

Examples of projects:

- ALTEN is also involved in the development of three Flight Management Systems with two parts manufacturers. Its understanding of the customer's business enables it to manage the "unwritten rules" of a system specification, to reduce project risk, to shorten the time taken to draft software specifications and approval cycles. This understanding is supported by a proven knowledge capitalisation system;
- Utilities: designing cockpit systems and equipment (ice and rain protection, fire protection, engine interface etc.) for all Airbus aircraft;
- Managing the incorporation of the frame, systems and cabin at the design offices and guaranteeing that design and installation rules are complied with for Airbus in France and Germany.



2.3.3. Energy and Life Sciences

The Energy and Life Sciences sector, which currently represents around 15% of ALTEN's business, saw its revenues increase by over 10% in 2010.

The large nuclear projects (EPR, George Besse 2, etc.) were the main growth drivers, generating a revenue increase of over 20%. Plans for new power stations (India, USA) remain uncertain and the structural organisation of the sector depends on political decisions that are complicated and even sensitive in some countries like Germany. However, extending the power stations' lifespan and boosting safety requirements will lead to additional activity, and major projects are expected to be launched in 2011 (waste treatment plants or export-led enrichment plants, research reactors and installation dismantling projects).

The Oil & Gas sector performance was more variable, depended on the customers and the countries concerned. However, the rebound in the oil price and the recovery in global economic growth enabled investments to be restarted in late 2010. This growth is driven by international transactions.

In the renewable energies field, major wind power (mainly offshore) and hydro-electric projects are a favourable sign for our business. The role of government regulators will remain highly significant, and will create uncertainty about energy policy choices in the short term, depending on the country; however, carbon free energies will continue to grow over the medium and long-term.

Lastly, regulatory constraints and the increasing cost of power are leading industries to invest in modernising their plants and their production processes. More globally, the search for energy efficiency has become an issue for consumers, companies and individuals. Behind terms like "smart grids", "home automation" or "electric vehicle", which are widely used in the media, the whole electric industry is creating a revolution and will generate intensive R&D and maintenance activity.

The sector's fundamentals are promising. ALTEN has been successful in establishing itself as one of the main players on these markets and now enjoys major advantages to guarantee its development, including:

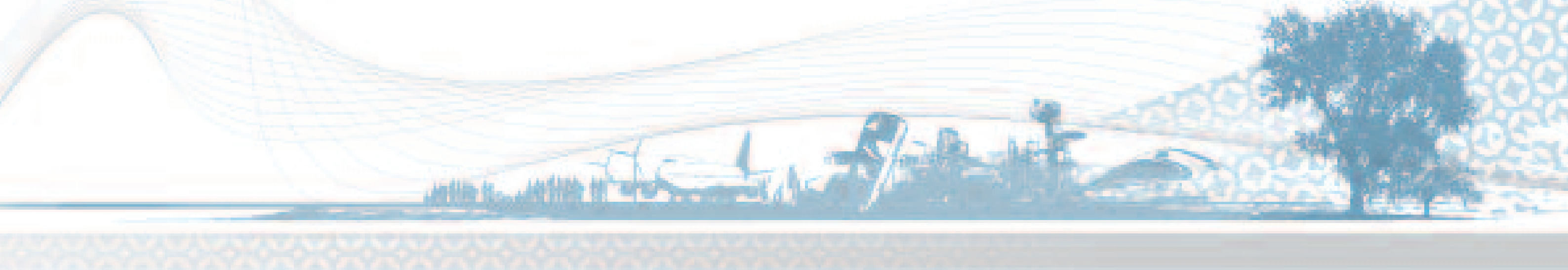
- A very extensive customer portfolio with a sound foundation, which is supported by multi-year contracts with major players in the nuclear and petro-chemical industries: operators, EPC companies, equipment manufacturers and engineering companies;
- A wide range of technical specialities, including in the most highly-specialised areas (deep offshore, subsea engineering, nuclear safety), as well as in support areas (purchasing, QHSE, PMO, and documentation engineering);
- The ability to support our customers, both with engineering studies, which are ALTEN's core business, and in plant building, maintenance and dismantling operations;
- A presence in major R&D and engineering countries and the ability to offer turnkey support for operations on a worldwide basis.

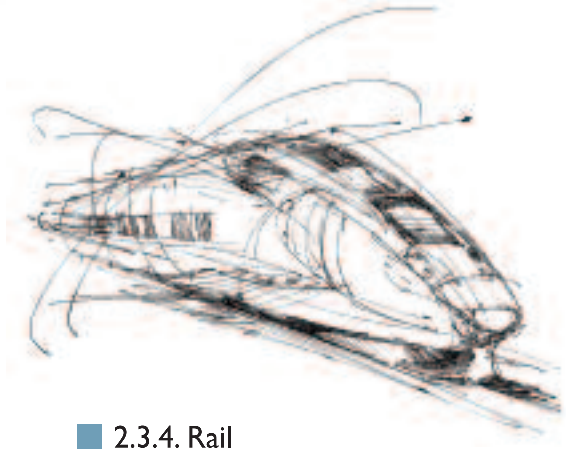
In 2011, our key success factors in this sector will primarily include:

- Developing the share of long-term commitment projects, in order to strengthen our positions;
- Increasing the loyalty of experienced staff for these projects, in an environment where there is a shortage of specialists;
- Boosting geographical and cross-divisional integration ("Solutions" and partner subsidiaries) in order to approach transnational customers;
- Continuing to capitalise on clearly identified business segments, as part of the ADC (ALTEN Delivery Centre), under the management of the Group's Technical Department.

Examples of projects:

- Hydro-electricity: multi-location research and monitoring project for the renovation work on installed French hydro-electric plants (engineering, civil engineering, command & control);
- Nuclear power: overseeing the reactor pool construction work at the EPR OL3 site in Finland;
- Electricity transmission and distribution: planning the project to increase the cross-Channel capacity of the French and British networks;
- Oil & Gas: assisting with the project management and coordination of the structural studies for the sub-sea project (underwater infrastructure) in the Aseng field;
- Sustainability: auditing the energy performance of a hotel chain, and drawing up recommendations to reduce consumption.





2.3.4. Rail

The major European countries, Germany, the United Kingdom, Italy and France, share a common characteristic: multiple infrastructural bottlenecks. Their poor condition or inadequate capacity limit the flexibility of the services on offer at a time when customer and freight demand is increasing.

The problems linked to the saturation of European trunk roads are increasing and urgently require other transportation methods to be developed.

In some major European cities, a large part of the delays on major roads and in suburbs are due to congestion on the train tracks or obsolete signalling systems.

The cost of upgrading the infrastructure is considerable and requires investments of several billion euros in many countries.

The challenge for rail transport is now the development of European networks, in order to improve the competitiveness and safety of rail transport. The solution to this problem primarily involves the rollout the ERTMS (European Rail

Traffic Management System). The aim of introducing a coordinated signalling and control & command system is to promote international use of rail services, enabling the optimal use of the lines' capacity and ensuring a high level of security and reliability.

ALTEN is involved in some of these challenges and supports the main players in the rail sector (builders, equipment manufacturers, and network operators) by being close to their R&D centres in France and abroad.

International projects have multiplied in a number of areas:

- Modernisation of the rolling stock;
- Developing and introducing new equipment;
- Opening new lines, mainly for High Speed traffic and for tramways in major metropolitan areas;
- Modernising train stations and developing new services (ticketing, improving customer relations, rolling out WiFi networks, etc.);
- Interoperability of European railway signalling.

The scope of ALTEN's activities in the rail sector includes:

- Monitoring, signalling and interoperability processes, including: TCMS (Train Control and Monitoring Systems), ATC (Automatic Train Control), CBTC (Communication Based Train Control), Interlocking, and the ERTMS (European Rail Traffic Management System);
- Integrated engineering (designing and costing rolling stock, installing chassis and ceiling equipment, onboard networks, coach fit-outs, defining test beds);
- Electrical systems (developing electrical and/or electronic components, developing electronic functions).

Examples of projects:

As part of extensive rail signalling projects, ALTEN checks the development and calibration work performed by a wide range of SNCF sub-contractors, before full simulations are performed. The studies performed by ALTEN include:

- Researching and checking the ERTMS communication system;
- Checking and approving automatic switch boxes;
- Researching and analysing the way in which the MISTRAL system works;
- Process research and developing tools for improvement.

2.3.5. Telecommunications

After being hit hard in 2009 (overcapacity, slowdown in operators' investments, competition from China), European Telecom equipment manufacturers saw the trend reverse in 2010 and are optimistic about the outlook for 2011. The trend in the operator market remains positive, thanks to the arrival of "quadruple play" services, combined with the explosion of "mobile" applications (which has led in particular to the saturation of telecom networks). The recovery began in late 2009, and has been strengthened by the arrival of the 4th mobile telephony operator on the market. Although the service provider market is still highly fragmented and consists mainly of small or medium-sized organisations, it has kept its momentum, due mainly to new service requirements.

With around 1,700 consultants, based mainly in the Ile de France region and in Western France, in Spain, Italy and Sweden, ALTEN is one of the main players in the ETC and IS markets for the Telecom sector.

The Group provides support to operators, equipment manufacturers, service integrators and suppliers in the following areas:

- Developing mobile (iPhone, Android, BlackBerry, Windows Mobile, etc.), and multi-media (Digital Television, Set-Top Box, onboard multi-media, virtual reality, augmented reality, etc.) applications, as well as IS (Customer Relations, Provisioning, Roaming, Legal Compliance, etc.) applications;
- Rolling out fixed (fibre-optic, etc.) Very High Bandwidth and mobile (LTE, etc.) networks, primarily to support the explosion of mobile data traffic (3G dongles, mobile data) and domestic video services (HDTV and interactive TV);
- Corporate communication systems (video-conferencing, social networks, contact centres, etc.);
- Outsourcing network life services and lowering operating costs;
- Convergence projects (voice/data, fixed/mobile, services, and IS) primarily linked to quadruple play services;
- Service innovations (e.g. operating systems and mobile applications);
- Improving customer relations and reducing time to market in a highly competitive market.

As part of a cost rationalisation process launched several years ago, players in the Telecom sector are continuing to reduce their list of suppliers. This phenomenon encourages the globalisation process and the fixed-price business charges introduced by ALTEN in 2008, and will enable the Group to accelerate its growth in 2011, thanks to:

- Obtaining CMMI Services certification in late 2010;
- Developing new services that are specifically aimed at the Telecom market;
- The strong collaborative momentum between the Group's various (national and international) Telecom entities.

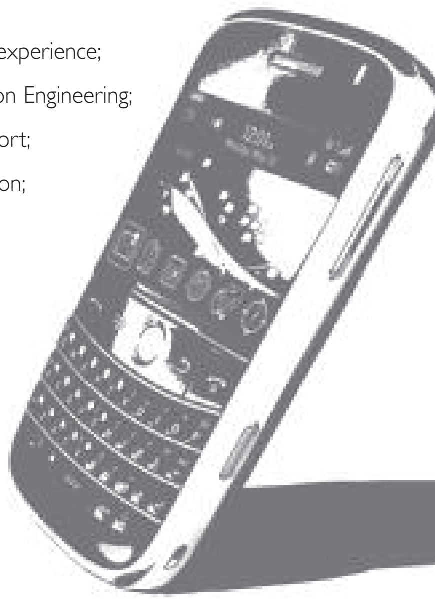
In terms of positioning, ALTEN is mainly involved in four areas and several business lines:

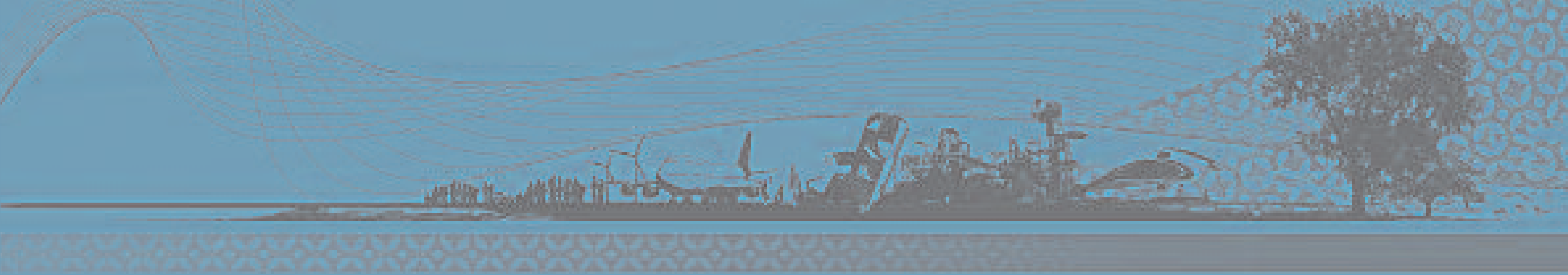
Areas

- Telecom Networks: Voice/Data/IP, Fixed/Mobile/Convergence;
- Service, Applications and Information Systems Platforms;
- Mobility: terminals and mobility solutions;
- Corporate communication networks: PBX, VoIP, unified communications.

Business lines

- project management support;
- Network architecture & services;
- Applications & services development;
- Network & terminal integration and validation tests;
- Software testing;
- End-user ergonomics and experience;
- Deployment and Production Engineering;
- Level 2 & 3 technical support;
- Supervision & Administration;
- Training.

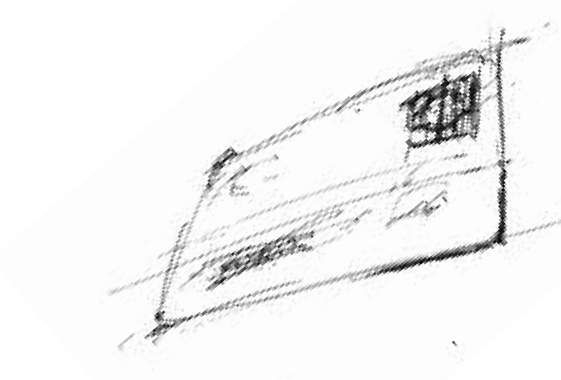




ALTEN is particularly well-known for issues linked to Testing & Validation, service platforms and added-value services as well as the development of business line applications and network administration and oversight (fixed mobile, and IS).

Examples of projects:

- A multi-location ALTEN team (Paris, Toulouse, Grenoble) is responsible for creating and validating technical and operational architectural specifications for customer service platforms, both in terms of internal issues and the customer's (operator) customers;
- Service centres: ALTEN manages the protocol testing centre for terminals and the radio access network for a Telecom operator, based on testing over 150 terminals per year for over four years;
- ALTEN has designed a mobile application to manage a shared car fleet, which enables information statements to be produced and remote checks to be performed through communicating boxes fitted in the vehicles;
- ALTEN handles all IT application testing and acceptance processes for one of its operator customer's ISD.



2.3.6. Banking, Finance, Insurance and Employee Welfare

ALTEN continued to expand in the Banking, Finance and Insurance (BFA) sector in 2010, consolidating its positioning despite the ongoing uncertainty of the economic environment.

Around 1,500 consultants are involved in customers' business line and information system projects, mainly in the Ile-de-France region, but also in other French regions, Spain, Italy and Belgium.

In France, ALTEN enjoys a leading position in IT consultancy and project management support in the investment banking sector (capital markets, asset management, investor services, etc.) in a highly fragmented and competitive environment, as well as very strong positions in retail banking and specialist financial services. Lastly, the company's very significant growth in the insurance sector over the past few years was confirmed in 2010. All our mandates in the banking sector were renewed.

ALTEN's ability to alter its service range in terms of its involvement, due to the maturity of its gradual change management model (service catalogue, fixed-price charges, etc.), enables the company to adapt to its customers' changing requirements.

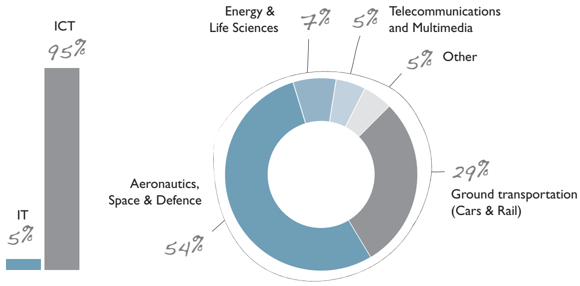
The success achieved in 2010 and the company's growth potential enable it to face 2011 with confidence. The company will pursue its efforts to roll out services and develop skills that meet specific sector challenges:

- Banking: risk management (Basel 2 and 3 operating risk, market risk, systemic risk, etc.), SEPA (cash flow and payment platforms), multi-channel approach (remote banking, etc.), customer loyalty and proximity, and innovation;
- Insurance and employee welfare: ongoing change in prudential standards, changing distribution strategies (multi-channel distribution), developing new product ranges aimed at penetrating new market segments;

Examples of projects:

- Developing a fixed-price collective health care policy management portal using .Net and Sharepoint technology;
- Implementing an operational Third Party Software Testing Process as part of the launch of a Life Insurance policy;
- Setting up a service centre that handles all the voice-channel (customer relations centre) and Internet channel (remote banking) IT activities;
- Setting up a service centre for the rapid development of trading room risk management and control applications.

2.4. INTERNATIONAL PRESENCE



2.4.1. Germany

2010 Sales: €56.9 million

Number of consultants at the end of 2010: 600

ALTEN is one of the main players in Engineering and Technology Consulting in Germany, where the market is characterised by:

- companies that generally specialise in sectors or technical capabilities, and are smaller than in France;
- a highly regionalised market compared with France, involving the need for a powerful regional presence and management of complicated mobility issues;
- a lower share of outsourced R&D than in France, although that share (approximately 15%) is growing;
- a marked division between consulting activities and fixed-price activities, involving separate purchasing teams and pricing policies that may vary widely for the same customer.

2010 saw a recovery in business activity, which consistently gathered strength throughout the year. However, the impact varied widely depending on the business area and business line. The car industry was a significant demand driver, followed by the aeronautics market and capital goods industries.

This recovery was accompanied by increased tension in the job market from the beginning of the second half. This underlying trend is expected to become increasingly marked over the coming years, reaching a critical point in 2013, when the number of engineers who are retiring will exceed the number of new graduates entering the jobs market.

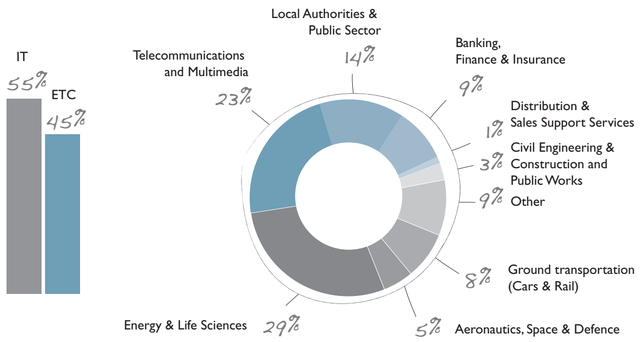
In this environment, the Group's model, which is based on heavy recruiting combined with salary schemes that are novel for Germany, enabled it to capture significant market share, particularly with major German manufacturers.

On the strength of its leading position in the aeronautics sector, ALTEN continued to develop its full range of services in Germany, and scored major successes in various business sectors, which include:

- the new transnational work packages entrusted to us by AIRBUS;
- the strengthening of our business activities and the continuity of our Technical Documentation projects;
- the setting up of new business platforms for the development of hybrid engines;
- the award of major contracts in the car manufacturing, medical, and rail sectors;
- the setting up of strategic partnerships with car parts manufacturers, in order to develop innovative products in the dashboard field;
- the launch of new work packages in the project management field through MI-GSO's PMO business activities.

In future, all the Group's traditional engineering activities will be conducted under the ALTEN Engineering brand, including projects that were performed under the AEROTEC brand in the past. Solutions projects will be conducted under the transnational ATEXIS brand for technical documentation, and under the MI-GSO brand for project management. This strategy should enable the Group to reach critical mass quickly in Germany.

Lastly, targeted acquisitions are being studies in order to accelerate our expansion among major car manufacturing, energy, telecommunications and rail companies.



2.4.2. Belgium

2010 Sales: €36 million

Number of consultants at the end of 2010: 340

The two companies operating in the Belgian market since 2000, ALTEN Benelux (R&D and Process Engineering) and Axen (Information Systems) merged during 2010, in order to create ALTEN Belgium, a single company organised around two divisions that each account for 50% of the business:

• Technology;

• ISNT (Information Systems, Networks & Telecommunications).

The aim is to make all of the Group's services and expertise available to customers, by relying on both local resources, on so-called "Solutions" services, and on ALTEN's Delivery Centres.

ALTEN Belgium has become a reference player in its market. Its business activities are mainly concentrated along the Charleroi-Brussels-Antwerp corridor, where a large number of international companies have their headquarters and subsidiaries, as well as in the Bruges area. Belgium also has a significant number of highly competitive medium-sized companies, which are often leaders in their field. These customers operate mainly in the banking, finance, chemical, pharmaceutical, rail transport and defence sectors.

The technologies offered by ALTEN Belgium cover the full range of the Group's businesses: Industrial

Computing, Electronics, Mechanical Engineering, Systems and Process Engineering for the Technology segment, and Management and Business, Network Engineering, Integration and Application Development for the ISNT business. Since 2008 ALTEN has taken significant steps to diversify into new industrial sectors, namely the pharmaceutical, chemical, petrochemical, nuclear, gas, and building engineering industries. These new businesses offer significant opportunities with the main players in the energy sector, who are well-represented in Belgium thanks to the proximity of the two largest port operations in Europe, namely Antwerp and Rotterdam.

2010 was a transitional year, where ALTEN's overall business activities stabilised, as structural difficulties in the IT sector were offset by the momentum of the Technology business.

The health of the Belgian banking sector remains an issue, as the major banks were particularly exposed to the sub-prime crisis. Fortis Bank, the leading Belgian bank, was taken over by BNP Paribas, while Dexia and KBC were restructured. ING, a Dutch bank with extensive operations in Belgium, was also affected by the financial crisis. ALTEN's business in this sector continued to suffer in 2010. Generally speaking, competition remains much stronger in the IT business than in the Technology market.

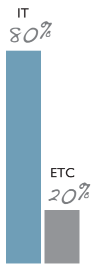
ALTEN Belgium diversified its business activities by increasing its marketing efforts in high-potential sectors that were less affected by the crisis, such as:

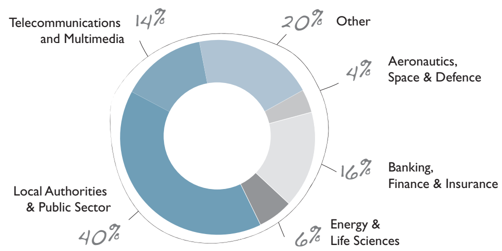
• The pharmaceutical sector (ISNT & ICT);

• The rail sector (ICT);

• The energy sector (ICT).

2011 will therefore be a better year than 2010. The setting up of an "ALTEN Delivery Solutions" platform, an internal unit dedicated to developing the structured project business, in Brussels in 2010, has already enabled us to win a certain number of contracts from strategic customers, as well as several work packages. The unit aims to play a key role this year, since the structured project service range represents a significant growth driver for ALTEN Belgium.





2.4.3. Spain

2010 Sales: €66.3 million

Number of consultants at the end of 2010: 1,280

ALTEN currently has operations throughout Spain, with offices in Madrid, Barcelona, Valladolid, Sabadell and Pamplona.

2009 was characterised by mergers between the Spanish entities, while 2010 saw the opening of a new office in Pamplona, where over 40 consultants are already working.

This new location enables ALTEN Spain to boost its presence in the renewable energy sector, as well as to launch an expansion initiative in Northern Spain, which has a high concentration of industrial companies.

The Madrid organisation was strengthened in order to boost our position with EADS, which is one of the Group's benchmark customers.

All these efforts were made in an environment that saw further economic slowdown in 2010. The IT engineering market was severely affected. There was a slight recovery in business levels in the second half.

The measures taken by ALTEN to position itself on new markets enabled us to maintain our business levels, despite the severe crisis. Moreover, the quality of our service range enabled us to maintain market share in key sectors like public authorities or banking, despite a drastic reduction in budgets, which was the highest in the past ten years.

Against the backdrop of such a recession, ALTEN's ability to support its customers projects through the use of technical platforms, enabled it to round out its consulting range by introducing work packages involving issues like mobility, electronic signatures, governance, e-learning platforms, etc.

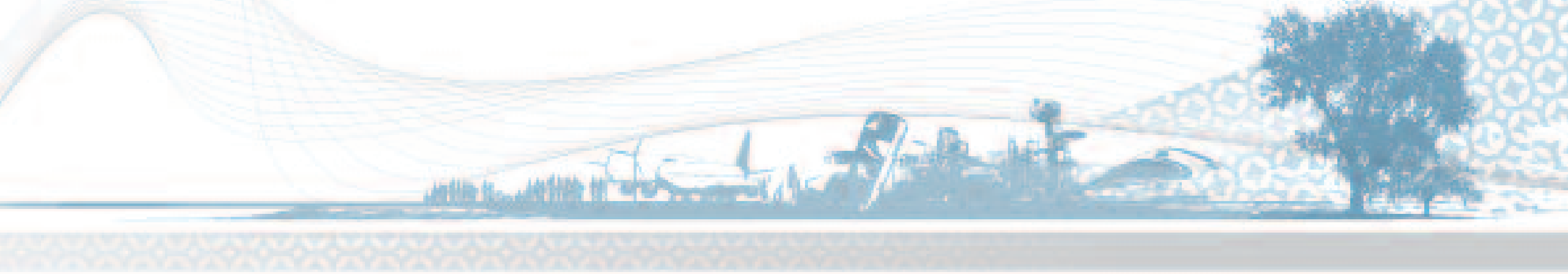
Several technical expertise centres were created in this way, such as the Oracle Technical Expertise Centre, or the Test Platform Expertise Centre.

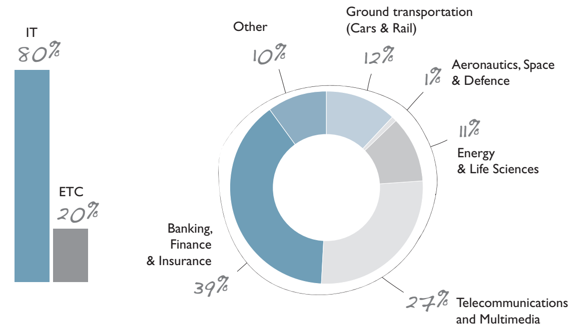
Three sectors enabled us to report higher results:

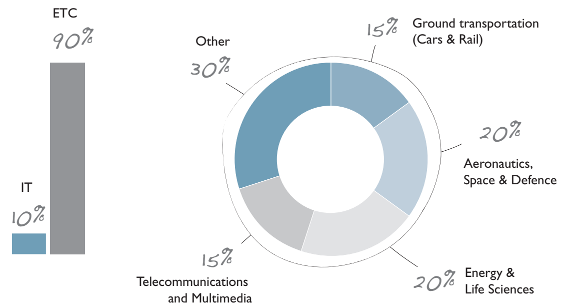
- Services: several new accounts were opened (Mc Donald's, Equifax, Anuntis, LIDL, etc.) and long-standing clients also saw significant growth (Prisacom);
- Energy: key customer accounts were opened in the energy sector, such as those with BP and Union Fenosa-Gaz Naturel (RNB) and Gamesa;
- Telecommunications: our business levels were sustained by Ericsson, Motorola, Atento and Amper.

Conversely, two sectors were particularly affected:

- Local authorities: the Spanish Government introduced severe budget cuts. This situation led to contracts not being renewed and a fall in project pricing against a highly competitive backdrop;
- Banking & finance: the crisis in the financial sector resulted in us losing a large number of projects with long-standing customers.







2.4.4. Italie

2010 Sales: €21.9 million

Number of consultants at the end of 2010: 310

For ALTEN Italia, 2010 was characterised by:

- a flaccid market, which continued to suffer from economic problems;
- the merger between ALTEN Italia and Onion in the first half, within ALTEN Italia;
- a fall in revenues from our main customer, who transferred their R&D centres to low-cost countries;
- an increase in employment costs.

Despite the difficult environment, ALTEN Italia:

- was awarded several projects and opened new customer accounts (diversification into the media sector, telecommunications and operators and into the IT markets);
- maintained a high level of business activity thanks to very close workload management;
- returned to positive organic growth in the second half.

The company's organisational structure was reviewed and strengthened by the ramping-up of the "Solutions" range, based around Microsoft and BMC technologies, a Test Factory, and of corporate governance. Finally, the merger between ALTEN Italia and ONION was a success, and enabled us to introduce a shared vision and genuine cooperation between the various units and Departments.

These developments enable us to expect continued organic growth in 2011.

2.4.5. The Netherlands

2010 Sales: €27.2 million

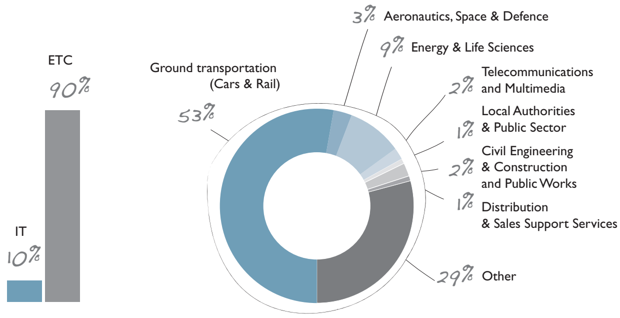
Number of consultants at the end of 2010: 370

Our business in the Netherlands focuses exclusively on Engineering and Technology Consulting.

2010 enabled us to return to growth, albeit to varying degrees, depending on the markets:

- In the South (Eindhoven), business levels recovered at the beginning of the year, especially in the semi-conductor and electronics market. This trend gathered strength in the 2nd half of 2010;
- Growth in the West of the Country (Rotterdam) recovered later, with a rebound in the energy and public procurement sectors. Pricing pressure remained strong in these sectors.

Lastly, a new office was opened in Apeldoorn, in the East of the Netherlands.



2.4.6. Sweden

2010 Sales: €50.1 million

Number of consultants at the end of 2010: 630

ALTEN has had a presence in Sweden since acquiring Xdin in 2009. Xdin, which employs over 600 people, is one of the main Swedish Engineering and Technology Consulting companies.

Xdin, which has offices in Gothenburg and Stockholm, covers the main business sectors in Sweden: energy, the car industry, telecommunications, and the industrial, aeronautics, defence and medical sectors. Xdin also works in the oil & gas sector; which is very significant in Norway, and has a presence in the United States (Virginia Beach), in order to support one of its most important customers.

Nonetheless, the automotive and transport industry (trucks and industrial vehicles) remains predominant, and Xdin's service range is specifically adapted to the following sectors:

- Mechanical engineering;
- Computation and simulation;
- Electronics (hard and soft);
- Software development and IS architecture and networks;
- Documentation engineering.

In addition to this range, Xdin is positioned in the PLM (Product Life Management) sector and offers training on the main 3D digital software publishing tools, which gives the company a strong competitive advantage in the mechanical engineering field.

Xdin recorded growth of over 20% in 2010 and was awarded an AAA rating by Soliditet (a rating agency specialising in Swedish and Norwegian companies) for the 6th year running.

2.4.7. Offshore structure

Nearshore (nearby countries) and Offshore (distant countries) organisations have become a necessary step in addressing customer strategies relating to the following issues:

- Offsets, or obligations related to the offset market with governments, which involve direct and indirect investments that can take various forms (training, carrying out part of the research locally, etc.) as part of sales contracts in these countries;
- the euro/dollar exchange rate, especially for the aeronautics industry, which invoices a significant portion of its sales in dollars and is therefore obliged to carry out part of its product design and manufacturing activities in dollar zone countries, in order to avoid being penalised by the euro exchange rate;
- Costs, in order to achieve productivity gains in some stages of the product design and research process.

The aim of the systems put in place by ALTEN is to provide support to its customers' local R&D centres, as well as to the ALTEN project teams working in Western European countries.

Offshore and Nearshore delivery services are therefore a key part of the integrated system that ALTEN has established to meet its customers' requirements.

Management of these global projects is based on a Front-Office/Back-Office organisational structure and on proven work processes, including:

- Customer relations management, comprehensive programme management and consulting under the direction of the ALTEN Front Office that is geographically close to the customer in Europe;
- Development and detailed design support activities, directed by the delivery teams in the ALTEN Back Office centres that are located offshore;
- Offshore-specific project management (or PMO) services, which are integrated into the Front-Office in order to ensure Back Office support in terms of security, performance, methods and quality assurance, skills development and ramp-up.

structure

Offshore

ALTEN in India

The creation of ALTEN India, which began in 2009, was completed in the 1st quarter of 2010. ALTEN India is involved only on a project basis, and includes an offset component.

The new ALTEN India Private Limited (AIPL) organisation began with a technical documentation project which is managed by Atexis on a global basis. ALTEN Romania employees are involved in a training support capacity. Cooperation between Group entities has enabled the business to be launched on a sound footing, and the 80-consultant threshold was reached in late 2010, while the target for the end of 2011 is at least 200.

In India, 300,000 engineers enter the market every year, of whom 30,000 potentially meet the Group's requirements. The Engineering Consultancy market is dominated by companies with over 100,000 employees (TCS, Infosys, Wipro, etc.), which offer fixed-price services that can involve 1,000 consultants, often for multinational groups based in the USA.

Within this market, ALTEN India's strategy is based on:

- Positioning itself on projects that mainly involve optimisation issues;
- Diversifying its business, by adding engineering, one of the Group's acknowledged areas of expertise, to its current range;
- Opening up commercial targets to other customer business lines. In fact, a number of companies that are already customers of the ALTEN Group have technology operations in India: Société Générale, BNP Paribas, Renault, Alstom, Areva, etc. These are all opportunities for ALTEN India.

Lastly, in late January 2011, ALTEN signed a master agreement to acquire a company based in the USA and India (revenues of $22 million and 580 employees).

ALTEN Romania

ALTEN operates across a broad spectrum of engineering and IS businesses through its ALTEN Romania subsidiary, and also deploys significant resources for technical documentation projects in the aeronautics sector, which are managed on a fixed-price basis by Aerotec SRL.

The ALTEN Group's two Romanian subsidiaries employ around 200 engineers.

Romania offers ALTEN two opportunities:

- A significant local market where a number of the Group's main customers have a presence, and which is enjoying significant investment in its infrastructure thanks to support from the European Union;
- A highly qualified pool of engineers, who are culturally very close to Germany and France, and can be involved either in nearshore consulting offices or seconded abroad.

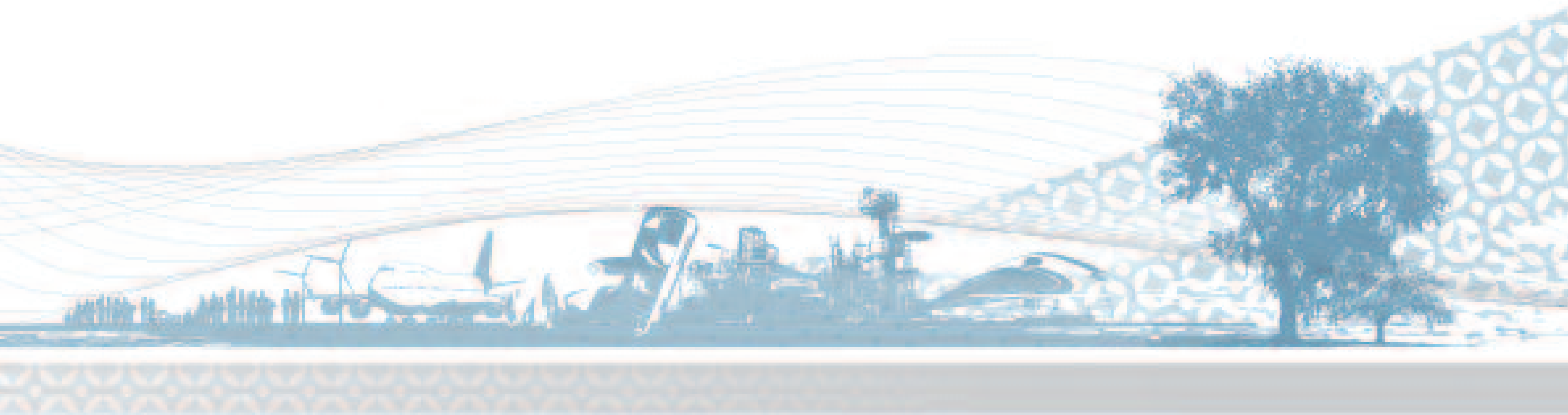
Aerotec SRL is based in Lasi, in North Eastern Romania, where it carries out technical documentation projects as a nearshore consultant. These projects are carried out for ALTEN Group customers in the aeronautics sector, working together with teams in Germany, France and India, who benefit from a qualified, stable and lower-cost skills base.

ALTEN SI Techno Romania, which is based in Bucharest, is the ALTEN Group's marketing subsidiary in Romania. The local market covered by this subsidiary includes both the ICT sector, primarily in the car manufacturing and infrastructure sectors, and ISNT business lines.

ALTEN SI Techno Romania also performs two other activities on behalf of the ALTEN Group:

- Hiring Romanian engineers and seconding them to other European subsidiaries of the ALTEN Group that are short of manpower. The flexibility, the quality of the training and the cultural similarities of Romanian engineers makes them easy to integrate into other ALTEN subsidiaries in Europe;
- Carrying out projects in the ISNT field for the ALTEN Group as a nearshore consultancy. From Bucharest, the ALTEN Group develops all or part of IT development or mobile application projects for its internal requirements or those of its customers.

3. COMMITMENT TO SUSTAINABILITY



Sustainability Report

ALTEN
Sustainable Development

3 - Sustainability Report

3.3. Message from the Chairman

"Our Sustainability approach is a central and strategic concern for the ALTEN Group, an affirmation of our responsible role in the world of engineering."

Simon AZOULAY
Chairman and Chief Executive Officer

The commitment to Sustainability, whether environmental, societal, human, or economic, is now an integral part of our Corporate Social Responsibility policy.

Our leading position in Engineering and Technology Consulting in Europe puts us at the heart of this approach.

With more than twenty years' commitment to enhancing the engineering profession, our innovation, creativity and expertise have naturally made us an exemplary and determined force in Corporate Social Responsibility.

A reference employer, determined to maintain a positive working environment, our commitment to Sustainability is clearly demonstrated by our membership of the United Nations Global Compact in July 2010.

This is our first Sustainability Report, and as such marks a new phase in our commitment. It formalises our 2010 decision put this approach at the heart of our Integrated Management System and to dedicate a team to the implementation of our strategy, working with all company departments.

Our objectives for the coming years do not relate solely to environmental issues (optimisation of waste recycling, energy efficiency of our buildings and infrastructure); they also include the strengthening of our human resources policies in favour of diversity and equal opportunity, as well as societal issues with the creation of the "Alten Fund for Engineering" endowment.

The aim of this document is to enable us to share the choices and commitments of the ALTEN Group with our entire ecosystem.

Issues and strategy

A leader in Engineering and Technology Consulting in Europe, the ALTEN Group boasts a twenty-year commitment to enhancing the engineering profession. Firmly focused on technological excellence, our success depends on our teams' commitment to providing our customers with the best support possible in a spirit of continuous improvement. A reference employer, determined to maintain a positive working environment, ALTEN is committed to social responsibility, with the aim of improving its "human and ecological footprint".

Global challenges

- **An environmental ambition to preserve the Earth's resources**

The challenge laid down at France's Environment Summit (Grenelle de l'Environnement) is to minimise man's impact on nature.

Everyone must engage in the process and contribute to reining in demand for energy and reducing its impact on climate change, preserving biodiversity and natural resources, and creating an environment that respects health, resulting in environmental governance.

- **A social ambition to develop human capital**

Our approach aims to develop the company's human capital and allow the growth, development and fulfilment of employees within the framework of our economic interest. Its founding stones are actions aimed at sustaining skills, strengthening training, improving working conditions and respecting business ethics.

- **A societal ambition for responsible commitment**

Corporate Social Responsibility (CSR) aims to define corporate responsibility in relation to the broader ecosystem (shareholders, local authorities, customers, suppliers, employees, neighbours, etc.) and in respect of environmental, social, and economic issues. The societal challenge is to control the impact of the company's activities on external stakeholders – waste management for local authorities and hiring for engineering schools, for instance.

- **An economic ambition for sustainable balance**

The economic challenge of Sustainability is to strike a sustainable balance between economic growth, social progress and respect for the environment. Such an approach can also represent an economic opportunity: strengthening the offer of environmental goods and information available to consumers, development of eco-technology, and support of research in these areas.

Sustainability is not a static balance, but a process of transformation in which the exploitation of natural resources, the choice of investments, the orientation of technological and institutional change are made consistent with the needs of the future and those of the present.

A strategy in tune with our values

In response to the Sustainability Challenge, ALTEN has initiated a defining process aimed at striking a coherent and sustainable long-term balance, while capitalising on the measures we undertake. A survey carried out in 2010 led to the definition of a strategy built on five pillars, translating into a plan of action:

1 Facilitate and coordinate the Sustainability Approach within the company, with participatory governance;

2 Use Sustainability to innovate, to differentiate ourselves and to grow, reconciling economic growth and customer support by developing innovative eco-design solutions and ideas that promote sustainable mobility;

3 Reduce the environmental impact of our activities and the costs associated with them by means of a responsible approach aimed at preserving natural resources and better managing waste;

4 Strengthen and build on the skills of employees and attract new talent through a policy of skills development, and career and mobility management;

5 Reduce risks and improve our corporate image: commitment to society aimed at helping young graduates find their first jobs through partnerships with leading engineering schools, promotion of the image and values of the engineering profession, support for scientific research and technological innovation.

Strengthened relationships

The ALTEN Group approach involves all stakeholders, employees and partners (customers, suppliers, other members of civil society, schools, etc.):

- **Employees:**
  - ALTEN every year allows hundreds of consultants to devote time to high value-added strategic technical projects in the industrial and tertiary sectors. The company is also strongly committed to promoting diversity in all its forms, to developing skills and integrating new employees through local management processes combined with Group-wide career mentoring and management processes,
- Partners:
  - Customers: ALTEN builds lasting partnerships by measuring customer expectations and satisfaction. The offer of sustainability services ranges from eco-design to support for customers in developing environmentally friendly solutions,
  - Suppliers: ALTEN has factored sustainability issues into its procurement policy, and we ensure that our first-tier suppliers comply with our requirements,
  - Schools: partnerships have been formed with schools to develop an "ALTEN" reflex among students, and to communicate an employer brand that is consistent with their values and identity. Our involvement in the lives of target schools comes in various forms, such as technical or "trade"-based conferences, roundtables on emerging technological themes, presentations of the ALTEN Group, mock interviews, meetings with former students or participation in juries vetting admission applications. Our involvement in schools' community life covers the sponsoring of sporting, humanitarian, environmental and cultural events.

Commitment: the founding texts

In a rapidly changing environment, the ALTEN Group is dedicated to ensuring regulatory compliance with its obligations and is committed to Sustainability.

1. Global Compact

ALTEN signed the United Nations Global Compact in July 2010. The Global Compact is an international initiative that brings together companies, UN agencies, members of business and community groups in support of universal principles bearing on the environment, ethics and labour law. The ALTEN Group has undertaken to comply with the ten principles of the Global Compact:

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence;
2. They must ensure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. They should support the elimination of all forms of forced or compulsory labour;
5. They should strive for the effective abolition of child labour;
6. They should eliminate discrimination in respect of employment and occupation.

Environment

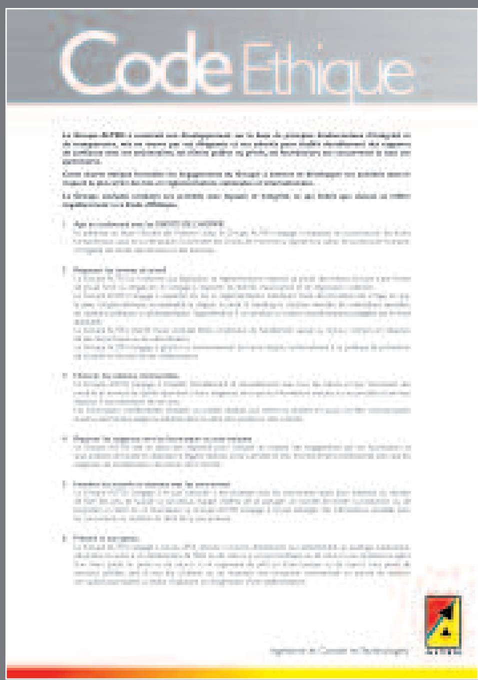
7. Businesses should support a precautionary approach to environmental challenges;
8. They must undertake initiatives to promote greater environmental responsibility;
9. They must promote the development and diffusion of environmentally friendly technologies.

Fight against corruption

10. They should work against corruption in all its forms, including extortion and bribery.

2. Code of Ethics

The Executive Committee has adopted a Code of Ethics, which lays down the principles with which all employees must comply in their relations with stakeholders.


Code Ethique

Code of Ethics

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

The Code of Ethics sets out ethical commitments designed to ensure that the Group pursues and grows its activities in strict compliance with national and international laws and regulations.

The Group wishes to conduct its business with honesty and integrity, which requires that all relevant people refer regularly to the Code of Ethics.

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

2 Comply with labour standards
The ALTEN Group complies with laws and regulations relating to child labour and other forms of forced or compulsory labour, and undertakes to respect the freedom of association and collective bargaining.
The ALTEN Group undertakes to respect the laws and regulations prohibiting discrimination based on age, race, gender, ethnic origin, nationality, religion, health, disability, marital status, sexual preference, political or philosophical beliefs, trade union membership or other characteristics protected by applicable law.
The ALTEN Group prohibits all unlawful conduct constituting sexual or moral harassment, even in situations where there is no hierarchical structure or subordination.
The ALTEN Group is committed to ensuring a suitable working environment in accordance with its preventive health and safety policy for its employees.

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

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

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

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

3. SYNTEC Ingénierie: Voluntary commitment

On 12 February 2010, Syntec Ingénierie signed a voluntary agreement with the French Ministry of the Environment and Sustainable Development. Alongside engineering professionals, the ALTEN Group is committed to developing monitoring and support tools for its Sustainability approach, and to allow all stakeholders to benefit from its leverage.

This agreement stemmed from a project developed jointly by engineering professionals and the various departments of the Ministry. It aims to develop action plans and roll out new tools necessary for the practical, pertinent and timely implementation of the decisions made at France's Environment Summit and, more broadly, sustainability in projects across the board.

4. Defence of the Engineering and Technology Consulting profession before government and French industry

Debate about the abusive practices of industry towards Engineering and Technology Consulting companies led to the publication of a White Paper by Syntec Ingénierie, bearing messages on behalf of the entire profession.

Its purpose is:

- to draw up an objective inventory of the Engineering and Technology Consulting sector, often neglected by government, and to highlight the value it provides to industrial sectors;
- to highlight the abuses that have emerged in recent years between Engineering and Technology Consulting companies and their customers (reverse auctions, etc.);
- To propose solutions in the form of a pact of mutual commitment between partners in industrial sectors (Engineering and Technology Consulting AND industrial companies).

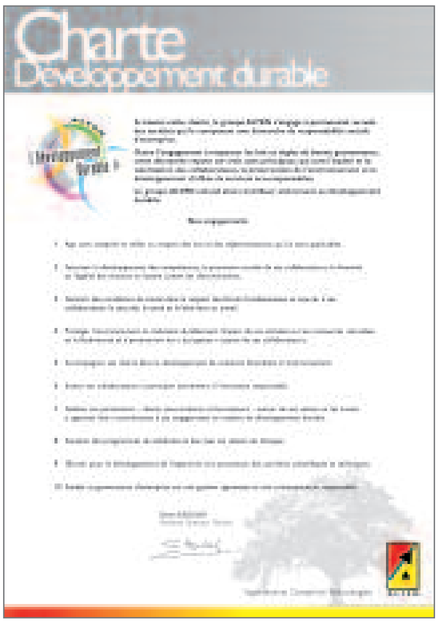
Several of the proposals contained in the White Paper were taken up by Emmanuel Sartorius, the Ombudsman, in a general report on the French engineering sector submitted to the Economic Affairs Minister on 8 February 2011.

The purpose of these proposals is to:

- develop long-term relationships that will facilitate, for Engineering and Technology Consulting companies, the planning and financing of investments necessary to keep up with change and technological developments among their industrial customers;
- ensure balanced contractual relations, maintaining consistency between engineering costs and prices, depending on the nature of the services provided and the responsibilities assumed by Engineering and Technology Consulting companies;
- defend engineering companies' intellectual property in order to strengthen the will and means of Engineering and Technology Consulting companies to develop proprietary R&D programmes, which are sources of innovation, differentiation and, as such, heightened competitiveness for industry players;
- eliminate practices that pose a threat to the sustainability of the profession, such as reverse auctions, the effects of which undermine the engineering profession.

5. Sustainability Charter

The ALTEN Group undertook to promote corporate social responsibility amongst its companies by adopting a Sustainability Charter in 2010.



Sustainability Charter

This Charter commits the ALTEN Group to promoting corporate social responsibility among Group companies.

Aside from the commitment to comply with the rules and laws of good governance, our approach rests on three main pillars, namely equal opportunity and employee development, the preservation of the environment and the development of eco-responsible service offerings.

The ALTEN Group aims to contribute actively to sustainability.

Our commitments

1 Act with integrity and ensure compliance with the applicable laws and regulations;

2 Promote skills development, the social advancement of our employees, and diversity and equal opportunity by fighting against discrimination;

3 Provide working conditions that comply with the Fundamental Rights and ensure the safety, health and welfare of our staff;

4 Protect the environment by making a sustainable reduction to the impact of our activities on natural resources and bio-diversity and by promoting "eco-gestures" among staff;

5 Support customers in developing environmentally friendly solutions;

6 Encourage employees to take an active part in responsible innovation;

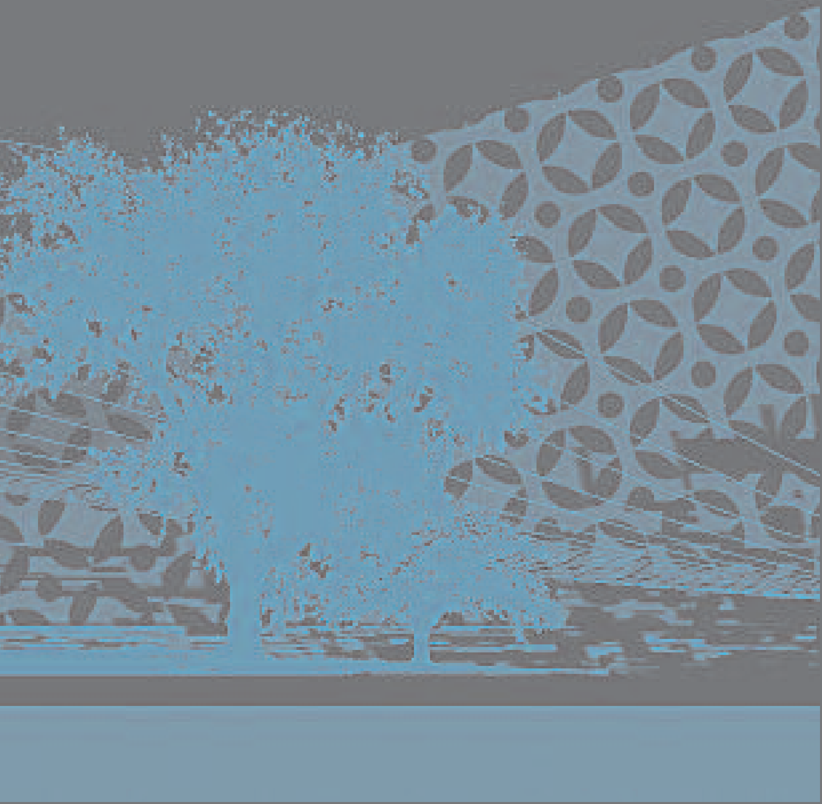
7 Unite partners – customers, subcontractors and suppliers – around our values and encourage them to make contributions to our commitment to Sustainability;

8 Support solidarity programmes consistent with the Group's values;

9 Work for the development of the engineering profession and the promotion of scientific and technical careers;

10 Base our corporate governance on strict management and responsible disclosure.

Simon AZOULAY
Chairman and Chief Executive Officer



Effective and responsible governance

The ALTEN Group has sought to factor Sustainability into its business strategy in the aim of striking a consistent and sustainable long-term balance between challenges in four areas, namely economic, social, environmental and societal.

The Executive Committee lays down and approves the strategic thrusts of the Sustainability policy, and reviews on a biannual basis the results of actions undertaken.

The general management takes all measures necessary to promote Sustainability:

- Creation of a Continuous Improvement and Sustainability Department in the summer of 2010, reporting to the Chairman and Chief Executive Officer;
- Appointment of a Continuous Improvement and Sustainability Manager in September 2010, tasked with coordinating the Group's Sustainability approach, and steering the rollout of actions contained in the project;
- Implementation of Sustainable Governance
  - **A Continuous Improvement and Sustainability Strategy Committee,** comprising operational managers representing business entities within the Group, coordinates the strategic process. Its role is to define the methods used to implement the Quality and Sustainability policy, to lay down strategic objectives and to contribute to setting goals. It sets priorities and approves action plans, bringing its expertise to bear on the choice of strategy. It also seeks to follow the appropriate indicators and their readings, and to take action designed to achieve continuous improvement,
  - **A Continuous Improvement and Sustainability Steering Committee,** comprising operational players in Quality and Sustainability, is tasked with providing indicators to the Strategy Committee and implementing the strategies laid down by that Committee;
- A network of over 50 staff is directly involved in the implementation of the Sustainability strategy.

The approach also relies on external contractors who accompany the Group in defining and implementing its overall Sustainability strategy or specific projects.

Effective and responsible governance

Aware that its greatest asset is the men and women and who take an active part in its growth, ALTEN has reinforced its training policy and made skills management systematic for all employees, in order to capitalise on their expertise.

Employee welfare

In a highly competitive environment, to consolidate its leading position, ALTEN increasingly needs a strong identity and rigorous ethical base, and to ensure the welfare of its employees at work.

As such, management and unions signed an agreement on the prevention of stress in October 2010. In addition to creating a working group on stress prevention, this agreement ushered in awareness raising and training. It also led to the creation of a counselling service for any employee wishing to speak in confidence.

Skills development

In order to offer its customers expertise that matches their needs and to enable its employees to broaden and develop their skills, the ALTEN Group applies a dynamic skills management policy, via:

- its system of annual appraisals, given to all employees, allowing their training needs to be identified and addressed in the form of a customised plan;
- the in-house Amplify university, a training, coaching and exchange venue designed to develop skills and give managers the tools to succeed throughout their careers in the company;
- the training policy, which represented an investment of €5.5 million in France in 2010, more than 2.3% of the total payroll and 0.9% of revenue. It represents 11,517 training days.

The training plan is structured around three major themes: business development, technical specialities and project management, and support roles.

Here are some examples of schemes proposed by the Group:

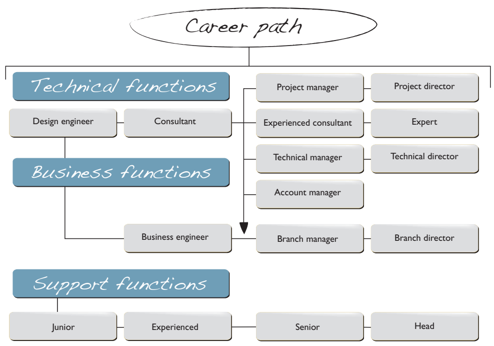
- 30- to 80-day training courses have been created in order to foster the employability of our workforce in areas such as nuclear testing, rail and project management;
- CAP 2013: In 2009, the Structured Project Development Department initiated a debate on the transformation of the model used for organising and carrying out its duties. This resulted in the CAP 2013 project.

The Structured Project Development Department's ambition, through this project, is to carry out all activities on which results are hinged within the framework of Level 2 Capability Maturity Model Integration certification, obtained in December 2010, with Level 3 certification targeted for 2012.

This will make ALTEN one of the first consulting firms in Europe to have CMMI certification for both its services and development activities. It is within this framework that the Structured Project Development Department has launched a training programme for all its employees in two forms – face-to-face delivery and e-learning – with the launch of an online learning platform, the "Campus ALTEN Delivery Centre".

- To give consultants on assignment on customer premises access to vocational training, ALTEN SIR set up evening classes offered within the framework of individual training programmes in 2009. These courses cover project management, languages and professional training.

One hundred and sixty people registered under this voluntary system in 2009. The project was extended in 2010 and attracted similar numbers. It was once again a great success, especially since some courses offer trainees a certificate attesting to the development of skills relating to changing market demand.



Career management and employee mobility

To promote the professional growth of its employees, the ALTEN Group encourages internal mobility. For this, it relies on three types of interviews: annual appraisals, follow-up interviews and career interviews. ALTEN can offer its staff professional development paths with the prospect of promotion.

A structured and dynamic geographic mobility policy also offers opportunities to employees: a biannual review of requests enables employees to move to another region or internationally.

Over 250 employees have benefited from the mobility programme and roughly 650 consultants work on our customers' projects worldwide.

Career management for older employees

The ALTEN Group is committed to a process of enhancing the jobs held by older people and has developed an action plan tailored to their specific needs. Capitalising on the expertise of older staff is crucial for the development of our offer of commitment-based projects, and illustrates the need to value and retain expert staff.
The characteristics associated with the consulting profession, which generally involves engineers in the first part of their careers, mean that our employees have an average age of roughly 30. Staff aged over 45 are eligible for actions undertaken in favour of older employees. Interviews during the second part of their careers allow employees to envisage their future career and voice their wishes and aspirations, providing privileged access to training and mentoring schemes to give value to the experience they have acquired.

Commitment to diversity and equal opportunity

Diversity and equal opportunity are areas in which the ALTEN Group's commitment dates back several years. Nearly 70 different nationalities are now represented in our workforce.

The Group strives to respect equality between men and women and has taken steps to promote the professional development of women and to ensure equal pay.

ALTEN remains committed to its policy of hiring young graduates and plans to develop and promote new forms of recruitment of young people through courses combining tuition with practical experience in the workplace.

Promoting the engineering profession and technological innovation

ALTEN is a key player in the French labour market. In 2010, the Group recruited 2,100 employees, mostly managers and employees under indefinite-term employment contracts.
French R&D represents €40 billion and employs a total of 450,000 engineers and technicians. The Engineering and Technology Consulting sector accounts for €9.3 billion and represents some 100,000 engineers and technicians in France, in all sectors and all technological disciplines, and plays a vital role in professional integration. For instance, hirings of engineers and technicians numbered 20,000 in 2008, including 9,000 young graduates.
These figures highlight ALTEN's weight as a recruiter in this market.

Nearly 15% of new hires concerned people aged under 25: as such, ALTEN plays an active role in helping young people gain access to the labour market.

This has prompted ALTEN to forge partnerships with top-ranking engineering schools. We accordingly have a very strong presence in students' academic and social lives: technical conferences and academic courses devoted to project management, sports (the EDHEC sailing race, the Centrale Paris raid, the 4L Trophy), mock interviews, and promotion of entrepreneurial dynamics through the WinStrat Challenge and the Plug and Start Campus event in partnership with the Aube department technology cluster.

The ALTEN Group is committed to promoting careers in engineering and in science and technology. It also supports innovation.

The "ALTEN Fund for Engineering" endowment

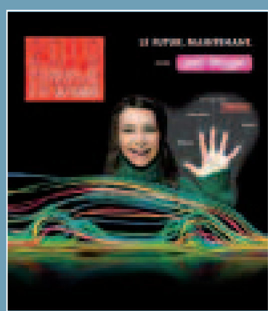
ALTEN created the "ALTEN Fund for Engineering" endowment en 2010, with the aim of:

- Promoting the engineering profession and careers in science and technology;
- Promoting the image and values of the engineering profession through humanitarian action, sport, culture and international exchanges;
- Fostering exchanges between researchers, academics and industry;
- Supporting scientific research and technological innovation;
- Defending, promoting and disseminating French scientific culture and knowledge.

Promoting careers in science and the values of the engineering profession

ALTEN has joined forced with "Elles Bougent", an association, to introduce female students to the fascinating careers of women engineers through a system of meetings with ALTEN mentors.

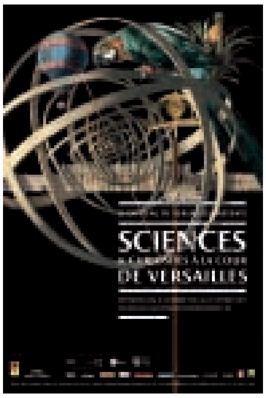
"Elles Bougent" captured the headlines on 7 October 2010 at the Paris Auto Show. A hundred female high-school and higher-education students were invited to discover the world of automobile engineers, with 30 female association members accompanying them on visits to the stands of carmakers and equipment manufacturers, to soak up a culture of innovation and share information on jobs and training as engineers.



Defending scientific knowledge

Being in direct contact with a highly technological innovation-based environment, ALTEN is a natural partner of prizes and awards, such as the Prix des Ingénieurs de l'Année organised by l'Usine Nouvelle, a magazine, or the Prix des DSI, in partnership with 01 Informatique.

ALTEN, a patron of the Palace of Versailles. Technological innovation was central to the development of our country and, more broadly, is a key ingredient in social progress. This was brilliantly demonstrated by the exhibition "Science and Curiosities at the Court of Versailles". Running from 26 October 2010 to 27 February 2011, it looked at science during the reigns of Louis XIV, XV and XVI.



ALTEN chose to lend its name to this event, which reflected its beliefs.

Commitment across borders

Spain

ALTEN Spain has decided, alongside the Adecco and Randstad Foundations, to undertake an action plan designed to ensure that disabled people have greater opportunity to be part of society. This annual programme consists of:

- volunteer activities: Alten employees can take part in social events with disabled people;
- a plan to help people integrate at work;
- benefits (given altruistically by the employer) for the benefit of our "relations" (families of employees or employees directly) with disabilities.

The ALTEN Group initiated a special day known as Vivre en repoussant les limites ("Pushing the limits"), during which Raquel Dominguez, a disabled athlete, explained how motivation is the key to moving forward, physical limits notwithstanding. The aim of the day was to raise awareness about disabilities and eliminate the barriers and stereotypes associated with them.

From Sweden to Nepal

In February 2002, Xdin, the ALTEN Group's Swedish entity, opened the Child Watabaran Centre in Nepal (CWCN), an environmental school for children in Kathmandu. The goal is to help the CWCN bring children back into society after their experience on the streets.

The Centre comprises three buildings used to house the boys and girls, and another building for teaching and administration. John Nordström, Project Manager, took part in the construction of the Centre during the first half of 2008.

The Centre was opened by Nepalese president, Dr Ram Baran Yadav, accompanied by representatives of the various sponsors.

Aside from Xdin's financial support in getting the Centre up and running, the school represents a long-term commitment: by supporting the Centre, Xdin brings to Kathmandu values of learning and local expertise that will endure beyond the duration of the sponsorship.

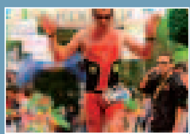
This XDin initiative has set an example for businesses. It shows the importance of a project's sustainability, beyond mere financial support.

Support for employee projects

ALTEN has launched a new internal sponsorship charter and supports projects undertaken by its employees. These projects can be cultural, humanitarian, social or environmental, but they all convey values consistent with those of the Group.

In 2010, ALTEN supported several projects including:

Daniel, ALTEN consultant, 35th International Triathlon at Embrun



Daniel, an ALTEN consultant since 2008 (technical project manager in computer security at SGCIB), took part in the International Triathlon at Embrun on 15 August 2010.

This competition is known as one of the toughest in the world, and includes three disciplines over impressive distances:

- A 3,800-metre swim,
- A 188km bike ride including the formidable Izoard peak,
- A 42.5km run, the same distance as a marathon. Daniel, who wore our colours for the competition, finished in 35th place out of 755 participants, with a time of 11:30.

Sophie, consultant, teacher and novelist

A consultant in web interface development at the ALTEN Ouest office for several years, Sophie combines her job with a teaching post in ergonomics, in a technical university.

Sophie is also a founding member of the "Co-Cyclics" collective. The idea is simple: authors who want to be "beta-read" must in exchange "beta-read" another text. In this way, authors learn to give criticism so as to receive it better. More than 500 members exchange their texts free of charge on the phpBB forum.

Authors who have arrived at the conclusion of a validation cycle that last approximately a year are put in contact with about ten publishers of all sizes. And it works! No fewer than five novels are due out this year and another ten are in the pipeline.

Romain, a consultant with ALTEN Sud-Ouest, Bordeaux, is introducing us to the world of American football, through his club Les Kangourous de Pessac!

The "Kangs de Pessac" American football club has 190 players in four different categories (cadet, junior, senior and cheerleaders) and five teams.

The first senior team (Romain is a quarterback) is in the national second division, the senior reserve team is in the regional championship, the junior team is part of the national junior championship and the cadet team plays in the regional championship.

Patrice, materials engineer, MI-GSO consultant and musician

The musical career of Patrice, aka Keylian DOA, began in childhood, first with the guitar, then bass and singing, from classical to jazz and gospel. A singer-songwriter, he has worked with numerous artists and groups over the last ten years, accompanying them on stage and in the studio.

Defining his work as "a blend of several influences, resulting in hybrid music combining zouk, pop and electro", Patrice recently launched a solo project, with two songs, Envie de Liberté and Fièvre Tropicale, which are odes to travel, conviviality and dance. "Summer hits" that should be listened to the sun!

Reducing our ecological footprint

Given the nature of its businesses, ALTEN's activities do not have as much environmental impact as those of industrial companies. However, the Group is aware that it can act at its own level, and is a driving force for progress aimed at better preserving natural resources.

Some tangible measures, such as waste sorting, offer or would offer a high measure of visibility when implemented, but would not necessarily have major environmental impact. Their implementation is not therefore a priority.

For greater efficiency, ALTEN accordingly started by measuring its carbon footprint, in order to gauge its CO2 emissions and to reduce its environmental impact on the basis of a prioritised action plan.

Reducing our carbon footprint: test results

Concerned about its environmental impact, the ALTEN Group measured its carbon footprint using the ADEME methodology (French Environment and Energy Management Agency).

The aims of the process:

- measure greenhouse gas emissions in order to combat climate change effectively,
- identify sources of emissions,
- implement actions to reduce emissions by acting on identified and prioritised primary sources;

Principles behind the carbon footprint:

- **First phase:** assess current greenhouse gas emissions attributable to the company's activities. The carbon footprint measures greenhouse gas emissions by factoring in observable data, converted on the basis of emission factors:

1. Analysis of the entity's physical flows: flows of people, goods, energy, raw materials, etc. This covers all the physical processes necessary for the existence of the entity, whether they take place within its sites or outside, as long as they are necessary for the activity;
2. Conversion of flows on the basis of emission factors: physical data are converted into greenhouse gas emissions, expressed in kilograms of CO2 equivalent.

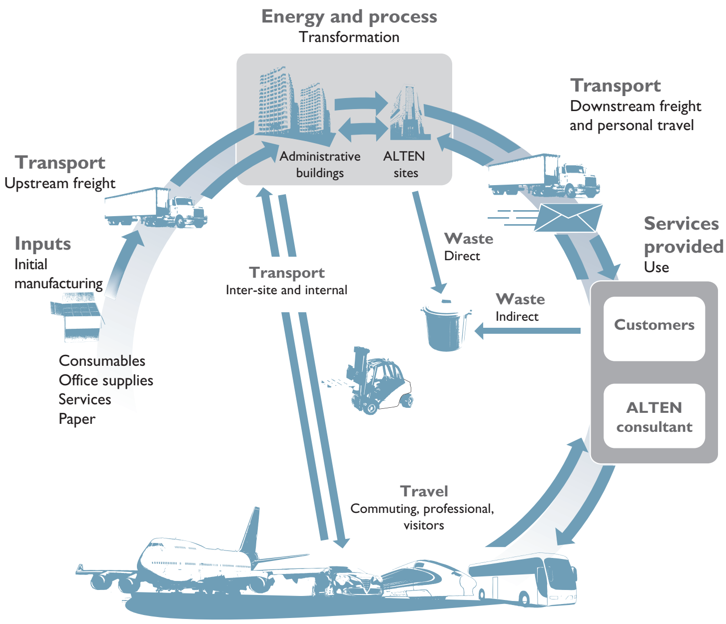
Examples:

- 1 litre of diesel fuel represents 3 kg of CO2 equivalent

- 1 tonne of paper, or 40 reams of A4, represents 1,320 kg of CO2 equivalent

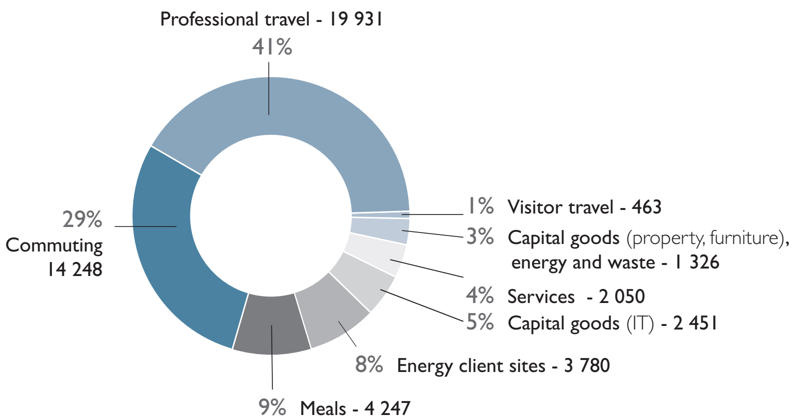
- **Second phase:** develop and implement an action plan for reducing GHG emissions on the basis of the results obtained. Progress is measurable and can be compared with the starting point, which is taken as the reference value.

Results for the ALTEN Group (the study's geographical scope covers all physical entities of the ALTEN Group in France): five representative sites (three sites in Boulogne, two sites in Toulouse) were selected for initial data collection. Results were extrapolated for the whole Group on the basis of the number of employees and the average emission factor per employee.



Reducing our ecological impact
Results of the carbon footprint

CO2 emission sources (tonnes, %)



ALTEN ratios	
Based on the total headcount	5.8 tonnes of CO_2 equivalent per employee
Based on consultant numbers	6.4 tonnes of CO_2 equivalent per consultant

48,500 tonnes represents:	
22,000 km of car travel per employee per year	10,000 km of car travel = 2.5 tonnes of CO_2 equivalent on average
2.6 economy class return tickets to New York per employee per year	10,000 km in economy class = 2 tonnes of CO_2 equivalent
The annual CO_2 emissions of **5,400 French people**	French people emit 9 tonnes of CO_2 equivalent per person per year on average
The annual absorption capacity of **2,700,000 trees**	A tree absorbs 360 kg of CO_2 equivalent over 20 years on average, or 18 kg per year

This first carbon footprint enabled us to identify the sources of CO_2 emissions: actions were then focused on the primary sources generating high CO_2 emissions, ensuring maximum efficiency in reducing our environmental impact.

Reducing the environmental impact of travel

The chief source of CO_2 emissions was commuting by employees between home and work, and business trips (70% of total).

- **Travel policy:** ALTEN has set out a travel policy aimed at encouraging the use of more environmentally friendly modes of transport. Employees working in travel teams have received awareness training in respect of Sustainability and are responsible for collecting data on CO_2 emissions attributable to staff travel,
- **Reimbursements:** ALTEN already reimburses part of the costs generated by commutes between home and work, and encourages its employees to use public transport whenever possible; ALTEN also encourages its employees to use vehicles registered at less than nine horsepower (which generally emit less CO_2 than big cars).
- **Videoconferencing rooms:** ALTEN has equipped all its sites with videoconferencing systems, enabling remote meetings that will reduce the need for travel.

Reducing emissions linked to meals, services and consumables

Food is a major source of CO_2 emissions, the quantity of which depends on the mode of nutrition. A diet rich in meat will generate more emissions than a vegetarian diet. ALTEN plans to run an awareness campaign among its employees on the effects of diet on the environment, and intends to adopt a sustainable procurement policy for meal providers.

A healthy diet (five fruits and vegetables a day) is also a low CO_2 emission diet.

Optimisation of IT equipment

The ALTEN Group's IT Department is committed to the Sustainability approach in response to the following question: how can the use of IT contribute to migration towards more sustainable organisations, economically, environmentally and socially?

The IT Department's action in this area comes on two levels:

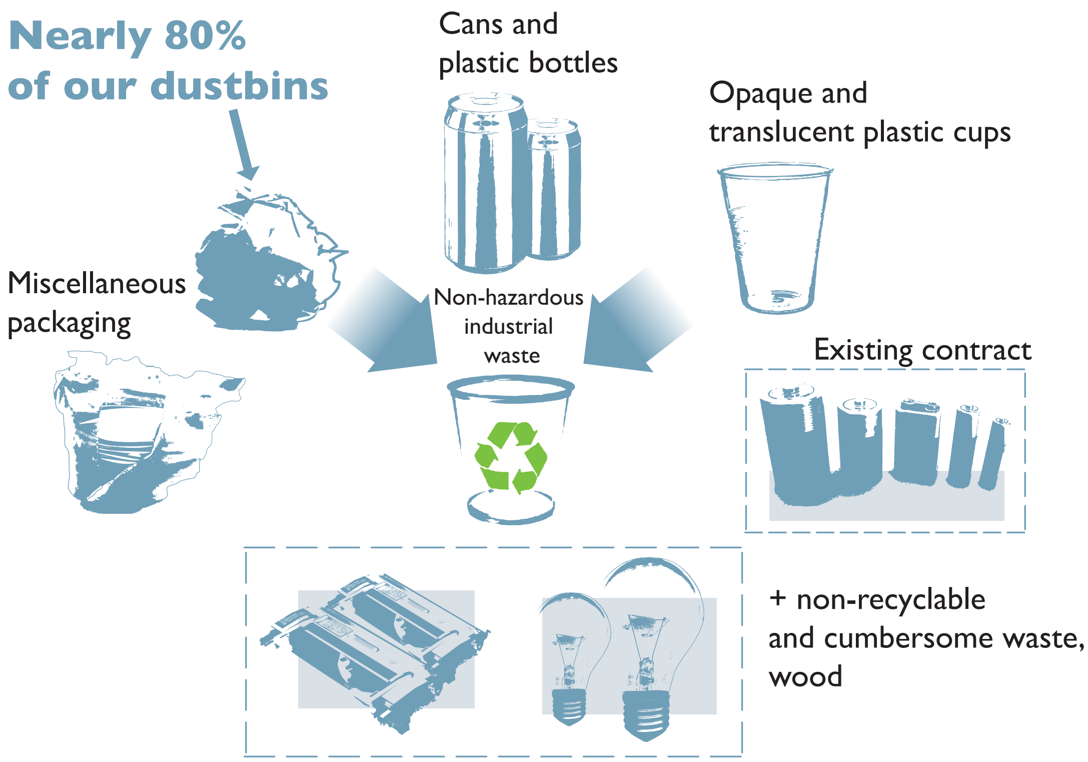
- The first level relates to what can be done within the department itself to support sustainable work practices and behaviour;
- The second level, where there is greater impact for the company, bears on the contribution of IT innovations in the migration to sustainable business practices.

Energy efficiency in buildings

ALTEN's regional headquarters in Toulouse is to relocate at the end of the summer of 2011 to a new office building with floor space of 2,500 square metres at the heart of the Labège Innopole. The new building will have HQE ® (High Environmental Quality) and BBC (Low Consumption Building) certification, allowing the signing of a contract capping power consumption (heating, cooling, ventilation) at 40 kWh per square metre per year.

The new building will be equipped with a computer system governing the active management of energy performance, combining the use of efficient equipment (thermally broken windows, individual heat pumps, low-energy lighting) and centralised computer management. This system will allow monthly analysis of the building's energy-consumption indicators and will generate proposals for optimisation, taking the needs of users into account.

Waste sorting



Paper, plastic cups and other organic waste account for roughly 80% of the waste generated by ALTEN's activities. A sorting system will be implemented in the first half of 2011 on major sites, i.e. those with floor space of more than 1,000 square metres, to separate paper from other waste, which can then be recovered by municipal collection systems.

Developing sustainable solutions to assist customers

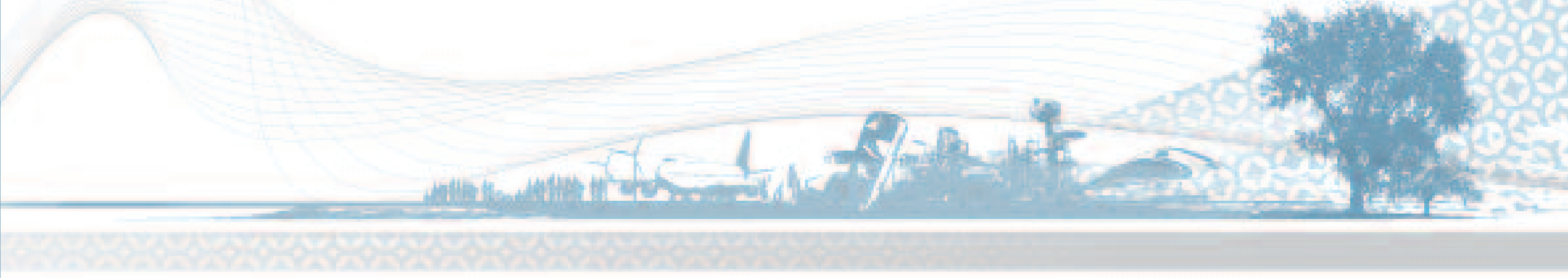
A specialist in Engineering and Technology Consulting, ALTEN works for customers on innovative research projects aimed at reducing the environmental impact of their goods or services.

ALTEN is currently developing a range of services tailored to the CSR needs of its customers. Building on its commitments and its wealth of multidisciplinary expertise, ALTEN supports its customers in developing environmentally friendly solutions, and in that way associates them with its Sustainability approach.

By way of example, the ALTEN Group has recently helped its customers in the following areas:

- sustainable mobility: lighter structures thanks to new materials, control of hybrid and electric powertrains to reduce NOx emissions, work on bio-fuels, etc.;
- environment: systems for optimising the routes of waste-collection vehicles, installation of wind farms, etc.;
- eco-design: virtual validation of mechatronic systems, removing the need for physical testing;
- ALTEN Belgium is taking part in the creation of the "Brussels Mobility" website: the new website gives users real-time information on city traffic and air quality, or advice on the "Mobility of Tomorrow" by simply clicking on websites developed in part by ALTEN.

ALTEN's responsibility is constantly to provide its customers with better support for their projects. To achieve this, ALTEN assesses customer satisfaction and identifies areas for improvement, giving value added to its Sustainability approach.



Sustainable design

The purpose of sustainable design is to take the environmental impact (reduction of consumption of raw materials and energy, waste and rejects, etc.) into account in the early stages of product design. It factors in all phases of the product's lifecycle: design, manufacturing, distribution, operation, maintenance, end of life, recycling.

This approach has become very popular today, thanks simply to the involvement of companies that grasp not only the economic stakes, but also the impact in terms of image and competitive differentiation.

Sustainable design promotes:

- better control of risks and costs throughout the product lifecycle,
- anticipation of the emerging needs of order givers and the emerging expectations of consumers or users by minimising environmental impacts.

It also helps make the environment a factor in the creative design process.

By extension, factoring economic, environmental and societal issues into product design results in sustainable design.

Here are some examples of sustainable design projects undertaken by ALTEN:

Virtual test benches

Virtual integration platforms: an approach to eco-design in the automotive sector.
Concurrent engineering processes make it possible to validate the behaviour of an engine model in development after virtual testing. This method will help significantly reduce the environmental cost of industrial processes.

Systems with increasing complexity

To meet performance and pollution-control standards, the systems comprising today's vehicles have become extremely complex. Designing a car involves hundreds of engineers working together: a single person is no longer capable of understanding all the component systems alone.

We must therefore find a way to achieve concurrent engineering: a very large number of engineers working together at different times and in different places.

Validate each system as part of the seamless integration of different components

The virtual-integration platform can be used to integrate models representing the vehicle's various components. It helps design a virtual vehicle, which will run well before the vehicle itself hits the road. Following a principle of continuous integration, we will be able gradually to integrate the various items until the full vehicle has been developed, with validation every step of the way. This helps avoid the need for real tests. Each system will be validated before the model is actually built, resulting in big reductions not only in the ecological cost of the process, but also in its economic cost. This method allows very complex systems to be tested at a realistic price for the end customer.

Pollution-control techniques for powertrains

Engineering contributes to the eco-design of powertrains by working to reduce the emissions of different engine types: internal combustion, hybrid and electric. Here is a glimpse of the state-of-the-art pollution-control techniques and avenues set to be explored in the near future.

IC engines: cutting CO2 and particulate emissions

Engineering acts primarily on the levels of pollution caused by internal combustion engines, petrol or diesel. Lower consumption means lower CO2 and NOx emissions. Over the last 15 years, significant gains have been made: the average consumption of internal combustion engines has been halved, CO2 emissions divided by three and particulate emissions divided by ten. This is due in large part to the introduction of more systematic information technology and electronics in vehicles. Eighty percent of the software embedded in cars now serves to limit pollution, by adapting the engine's running to various parameters such as driver behaviour or vehicle environment (e.g. different pressures and temperatures in lowlands as opposed to mountains).

Hybrids: looking for a good compromise

Hybrid vehicles allow a compromise to be made between internal combustion and electrical power. Stop-start systems, for instance, use electric ignition with an internal combustion engine. It is possible to electrify more and more of the vehicle ("mild hybrid" models, etc.). In such vehicles, the internal combustion engine is only used to provide extra power.

Electric motors: massive investments for future mass consumption

Electric motors do not emit any CO_2, but they need electricity generated upstream in order to run. This shifts the problem, but does not resolve it. In a country like France, where most electricity is nuclear, electric motors have an attractive carbon footprint. In China, by contrast, coal is still used heavily. Huge investments are now needed to develop new clean technologies. The strength of the automotive sector is its capacity to invest massively, for the production of consumer goods.

Uniting our ecosystem

All company employees are involved in sustainability and work together to meet the prevailing economic, social, societal and environmental challenges. This leads to changes, new strategies involving all levels of the company, and strategic thinking on the role of corporations in a global system.

Implementing a Sustainability approach allows us to:

- anticipate change and provide companies with a new business model ensuring sustainable growth;
- save money by reducing our environmental footprint;
- contribute positively to change in society in all its human components;
- motivate employees by giving meaning and fostering incentive, team emulation and solidarity;
- improve the image of the company or its administration and involve customers and users in our actions.

For ALTEN, the Sustainability approach is a commitment to the future, an affirmation of its responsible role in engineering.

Assessing our performances

ECONOMY

Performance measurement		2009	2010	GRI
Operational profit on activity (as a % of revenue)	%	7.6%	10.2%	
Committee on compliance with laws and regulations	number	0	1	PR6

ENVIRONMENT

CO2 emissions		2009	2010	GRI
CO_2 emissions per person per year	t/person	5.8	ongoing	EN16
Consumption of raw materials and resources				
Total energy consumption per m2 per year	kWh/m2	N/A	101	EN3
Total water consumption per m2 per year	m3/m2	0.6	0.5	EN8
Amount of paper (office and letterhead) used per m2 per year	kg/m2	1.1	1.5	
Amount of opaque and translucent plastic cups consumed per employee per year	employee	110	98	
Waste				
Cost of the overall management of waste	€k incl. VAT	N/A	183.3	
Mobility				
Number of kilometres travelled by car for professional purposes	km/person	N/A	4795	
Number of kilometres travelled by plane per person per year	km/person	N/A	4165	
% of employees using public transport for commuting between home and work each month	%	14.7%	26.7%	

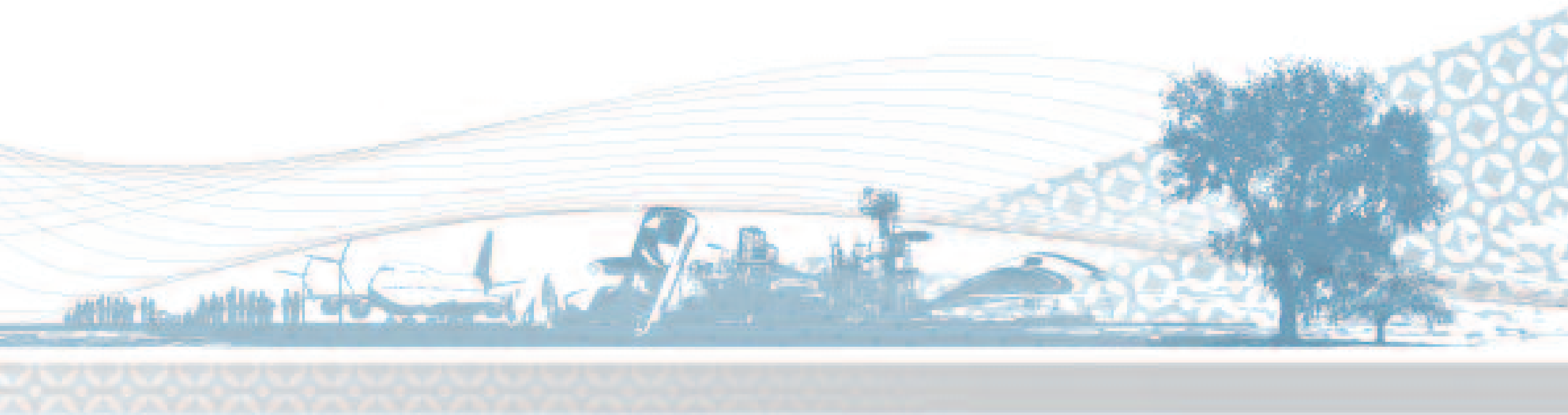
SOCIAL

Jobs		2009	2010	GRI
Number new hires on permanent contracts aged under 25	Units	411	801	
Number of professional training and apprenticeship contracts	Units	10	23	
Management and HR indicators				
% of employees with an annual performance appraisal	%	N/A	77%	LA12
Average rate of absenteeism	%	1.47	1.52	
Average turnover of consultant staff	%	31.59	29.22	LA2
Average turnover of support function staff	%	30.64	34.14	LA2
Training				
Training expenditure as a % of payroll	%	2.24	2.3	LA10
Training expenditure per year	€m	5.5	6.2	
Training expenditure as a % of revenue	%	0.9	0.9	
% of staff benefiting from (at least) one training session per year	%	22.01	26.21	
Number of validations of acquired experience per year	number	0	1	
Work and safety conditions				
Frequency of accidents with time off	ratio	2.24	4.64	LA7
Number of stress agreements signed	Units	2	2	
Diversity				
Percentage of female employees	%	20.97	21.12	
Percentage employees aged over 45	%	3.89	4.15	
Percentage of disabled employees	%	0.24	0.37	

SOCIETAL

Solidarity partnerships		2009	2010	GRI
Budget devoted to partnerships and sponsorship	€k	150	375	

4. INVESTOR INFORMATION



Investor Information

Summary information

Corporate name	ALTEN
Business	Engineering and Technology Consulting
APE code	6202A
RCS (Trade & Companies Register)	348 607 417 Nanterre
Address of Head Office	40, avenue André Morizet – 92513 Boulogne-Billancourt
Established	1988
Nationality	French
Share capital	€32,557,657.65
Number of ALTEN shares issued from Share Capital	32,032,358
Legal form	French société anonyme (public limited company) with a Board of Directors
Fiscal year	1 January to 31 December
Market on which it is listed	ALTEN shares are listed on Compartment B of Euronext Paris
Market indices on which ALTEN shares are included	SBF 120, SBF 250, IT CAC 50, CACMID 100
ISIN code	FR 0000071946

Financial analysts

Aurel Leven
Avenir Finance Securities
Bryan Garnier
CIC Securities
Crédit Agricole Cheuvreux
Crédit du Nord
Deutsche Bank
Exane BNP Paribas
Fortis
Gilbert Dupont
HSBC
Kepler Equities
Natixis
Oddo Securities
Société Générale

Calendrier

Monday 31 January:	Q4-2010 revenue
Wednesday 2 March:	Full-year 2010 results – SFAF meeting at the Maison des Arts et Métiers - Paris
Tuesday 10 May:	Q1-2011 revenue
Wednesday 22 June:	General Meeting, Espace Landowski Boulogne-Billancourt
Thursday 28 July:	Q2-2011 revenue
Wednesday 28 September:	H1-2011 results – SFAF meeting
Wednesday 9 November:	Q3-2011 revenue

Contact

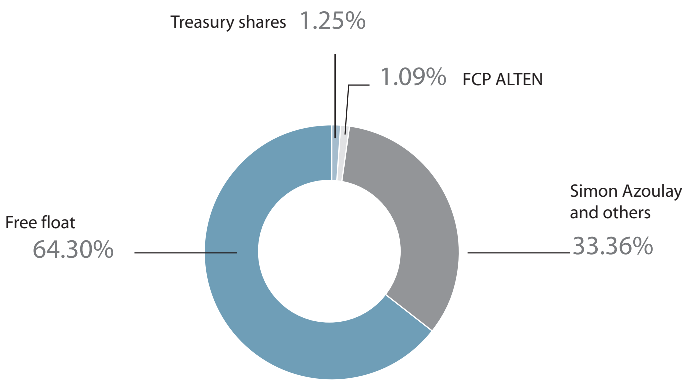
Financial information is available:

On the internet: www.alten.fr ("investors' area")

By email: comfi@alten.fr

Shareholding structure (as at 31 March 2011)

By percentage of share capital



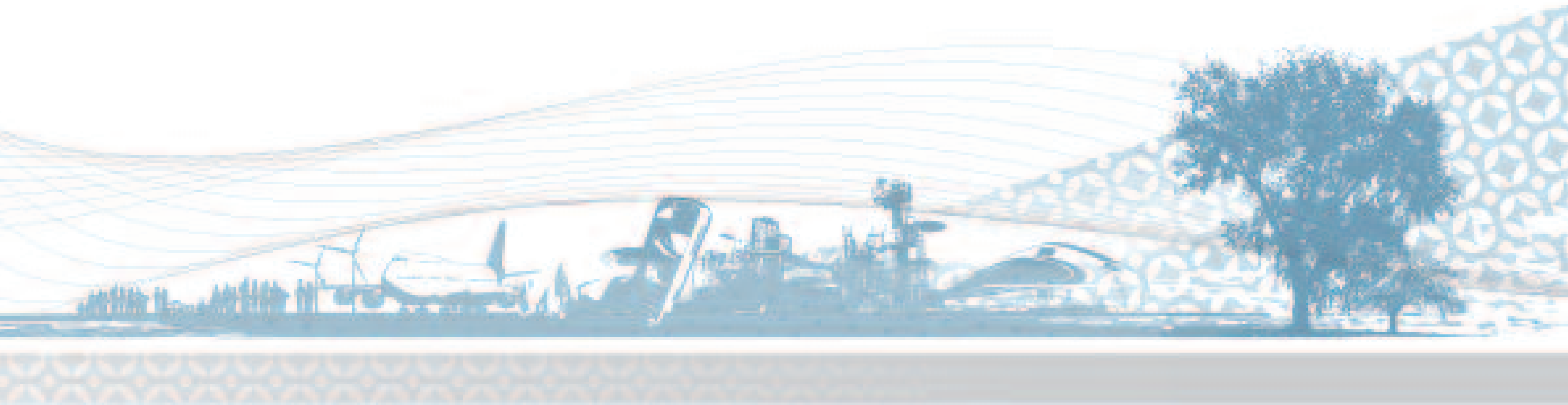
Change in the share price

Date	Monthly trading volumes	€k	Highest	Lowest	Average price	Average trading volumes per day	€k
Jan.-10	1,201,686	25,286,420	21.93	19.31	21.04	54,622	1,149,383
Feb.-10	800,631	16,194,340	21.70	19.06	20.23	38,125	771,159
Mar.-10	1,482,458	32,004,080	21.67	19.57	21.59	78,024	1,684,425
Apr.-10	945,715	20,254,290	22.39	19.71	21.42	45,034	964,490
May-10	1,778,108	38,909,150	24.57	19.63	21.88	84,672	1,852,817
Jun.-10	997,108	20,726,580	22.25	19.40	20.79	49,855	1,036,329
Jul.-10	978,331	21,617,880	22.80	18.83	22.10	44,470	982,631
Aug.-10	841,556	17,755,800	22.99	19.20	21.10	40,074	845,514
Sep.-10	1,473,650	33,282,250	23.79	19.25	22.58	66,984	1,512,830
Oct.-10	934,618	30,427,860	24.90	23.27	32.56	40,636	1,322,950
Nov.-10	1,093,512	26,071,240	24.80	22.39	23.84	54,676	1,303,562
Dec.-10	874,778	20,931,920	24.80	23.10	23.93	41,656	996,758
Jan.-11	1,042,598	26,528,640	26.34	24.45	25.44	49,648	1,263,269
Feb.-11	879,478	23,188,450	26.86	25.61	26.37	43,974	1,159,423

Conception et réalisation **ALTEN**

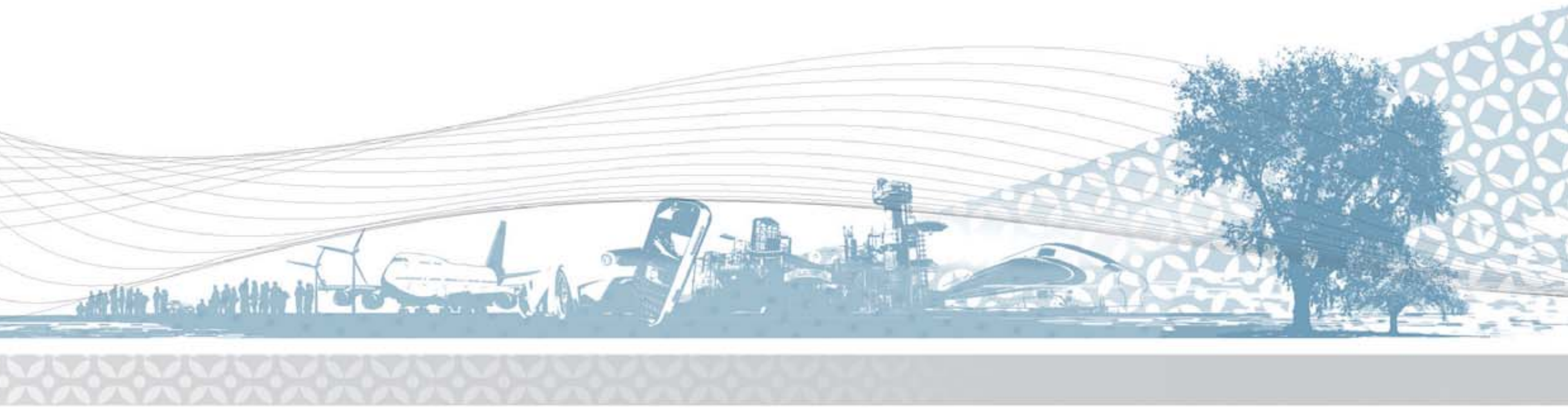
2010 Registration Document

Annual financial report



2010 Registration Document

Annual financial report



Content

The contents of the Annual Financial Report can be clearly identified in the summary table with the help of the pictogram RFA

PERSON IN CHARGE OF THE REGISTRATION DOCUMENT

1

1.1 IDENTITY

Mr Simon Azoulay

Chief Executive Officer

1.2 DECLARATION

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

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

I declare, to the best of my knowledge, that the accounts have been compiled in accordance with the applicable accounting standards and that they provide an accurate picture of the assets, financial situation and results of the company and its subsidiaries, and that the management report (see cross reference table on page 273) offers 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 Document and have read this entire document. The end-of-mission statement contains no comments.

Boulogne-Billancourt, 29 April 2011

Simon Azoulay - Chief Executive Officer

STATUTORY AUDITORS 2

2.1 IDENTITY

2.1.1 STATUTORY AUDITORS

Cabinet Dauge & Associés

Represented by Mr Christian Laplane - 41 avenue de Friedland, 75008 Paris

Initial appointment date: 30 June 1997.

Renewal date: 25 June 2003 and 23 June 2009.

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

Société Grant Thornton

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

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

2.1.2 SUBSTITUTE STATUTORY AUDITORS

Cabinet Kling - substitute for Cabinet Dauge & Associés

Represented by Mr Didier Kling - 41, avenue de Friedland 75008 Paris.

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

Société IGEC, Substitute statutory auditors for Grant Thornton

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

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

2.2 CHANGES

N/A

SELECTED FINANCIAL INFORMATION

3

3.1 PAST FINANCIAL INFORMATION

KEY FIGURES FOR 2008, 2009 AND 2010

(in millions of euros)	2008	2009	2010
Revenue	846.3	857.1	916.6
France	73.7%	69.3%	69.1%
International	26.3%	30.7%	30.9%
Operating profit on activity	97.2	65.5	93.4
Operating profit on activity (as% of revenue)	11.5%	7.6%	10.2%
Operating income after exceptionals	87	32.3	92.9
Net earnings, Group share	54.5	17.3	53.6
Workforce	12,600	11,300	12,600

3.2 INTERMEDIATE FINANCIAL INFORMATION

None.

4 RISK FACTORS

The Group has reviewed its risks and considers that there are no significant risks other than those presented below:

4.1 CREDIT RISK

In April 2010 the Group affirmed its lines of credit as part of a club deal and thus has confirmed a 110 million euro line of credit until end-December 2012. It also has short-term unconfirmed lines of credit that are annually renewable. Thus, the credit risk is null. See also Chapter 20, Note 4, 4.2.

4.2 INTEREST RATE, FOREIGN EXCHANGE AND STOCK MARKET RISKS

ALTEN has short-term unconfirmed bank financing indexed to the Euribor. Confirmed medium-term (over three years) financing established in April 2010 as part of the club deal is indexed to the Euribor.

It therefore incurs an exchange rate risk based on changes in the reference index. Due to low debt levels, the Group has not implemented interest rate hedging.

With the exception of subsidiaries in the United Kingdom, Switzerland, Romania and Sweden, the Group bills for its services in euros. Therefore it has a limited exchange rate risk. During 2010, exchange rate effects on the Group's equity represented 1,628 thousand euros. See also Chapter 20, Note 4, 4.3.

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 397,441 treasury shares, representing 1.24% of its share capital as of 31 December 2010. ALTEN SA purchased 450,241 shares in 2008 within the scope of its Share Repurchase Programme in accordance with the delegations of powers given by the Combined General Meetings of 27 June 2007 and 27 June 2008.

ALTEN acquired no shares during the 2010 fiscal year outside of the liquidity contract.

In addition, securities granting future access to capital issued by ALTEN in 2009 only represent 1.52% of the share capital at 31 December 2010. These securities were issued within the scope of an allocation of stock warrants determined by the Board of Directors at its meeting on 7 September 2009, in accordance with delegations of powers granted by the Combined General Meeting of 23 June 2009.

4.3 LIQUIDITY RISK

As mentioned in Note 4.1, the Group has established a club deal for 110 million euros and has short-term unconfirmed lines of credit that are annually renewable.

As a result, the Group does not present a liquidity risk. See also Chapter 20, Note 4, 4.1.

4.4 LEGAL RISK

ALTEN's services are invoiced mainly on a time-spent basis. In reality, there are few risks related to results-oriented contracts (approximately 8% of revenue).

Internal procedures established by certain major customers with regard to the issue of purchase orders and payment of invoices affected payment timeframes. In light of these ever growing difficulties, the Group had to strengthen its procedures to limit the increase in outstanding customer accounts and the risk of non-payment by customers.

There are no other governmental, judicial or arbitration proceedings, which are pending or threatened which are likely to have, or have had during the past twelve months, a material effect on the issuing entity's and/or the Group's financial position or profitability.

4.5 EXCEPTIONAL CIRCUMSTANCES AND LAWSUITS

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 recognised when the Group has an obligation toward a third party and it is certain or likely that it will lead to an outflow of resources for the benefit of such third party. Provisions are broken down by type, amount and expected maturity in the Notes to the consolidated financial statements.

There are no governmental, judicial or arbitration proceedings, including any proceedings of which the company has knowledge, which are pending or threatened which are likely to have, or have had during the past twelve months, a material effect on the Company's and/or the Group's financial position or profitability.

4.6 RELOCATION RISKS

For the past several years, customers' Purchasing Departments 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. In practice, the number of projects carried out in offshore or nearshore mode remains very limited.

ALTEN currently has organisation in Romania, Poland, Vietnam and India.

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

4.7 BUSINESS ACTIVITY RISKS

The Group's customers are among the largest European accounts. The ALTEN Group derives 39.1% of its sales from approximately ten customers, with its largest customer representing 9.7% of Group sales within various entities in several countries.

There is no identified risk of dependency with regard to a specific client.

4.8 INDUSTRIAL RISKS RELATED TO THE ENVIRONMENT

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

4.9 INSURANCE

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

The main insured risks concern:

- non-consecutive damage to intangibles;
- damage to property and operating losses;
- damages incurred by customers and third parties.

INFORMATION REGARDING THE ISSUER

5

5.1 HISTORY AND EVOLUTION OF THE COMPANY

5.1.1 COMPANY NAME, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS WHERE DIFFERENT FROM THE REGISTERED OFFICE

Issuer's company name: ALTEN

Registered office and Management headquarters: 40 avenue André Morizet, 92513 Boulogne Billancourt Cedex. Registered office telephone number: + 33 (0)1 46 08 72 00.

Sales department: 221 bis boulevard Jean Jaurès, 92514 Boulogne Billancourt Cedex.
Tel. number: + 33 (0)1 46 08 70 00.

5.1.2 ALTEN'S LEGAL FORM AND LEGISLATION

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.

5.1.3 DATE OF INCORPORATION AND TERM

The company was formed on 28 October 1988.

Its duration is 99 years as from its registration in the Trade and Companies Register, except in the case of premature dissolution or extension of such duration.

5.1.4 TRADE AND COMPANIES REGISTER

The Company has been registered in the Nanterre Trade and Companies Register under no. 348 607 417 since 16 November 1988.

5.1.5 HISTORY AND DEVELOPMENT OF THE GROUP STRUCTURE

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

1988

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

1989

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

1991

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

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.

1997

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

1999

On 1 February, ALTEN is taken public on the Second Marché of the Paris Stock Exchange. 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

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

The ALTEN Group continues to grow while maintaining its margins. Another four companies are acquired (SBD Technologies and Siatcom in Spain, Orion in the Netherlands and Groupecyber in France) and the group strengthens its international positions.

2003

International operations account for 20% of the ALTEN Group's turnover for fiscal 2003, thanks to operations launched in Italy (with the acquisition of DEC Informatica) and in Germany (acquisition of IMP GmbH).

ALTEN also acquires a company in France, the GSO Group, which specialises in research and development project management.

2004

ALTEN restores significant organic growth in France and pursues its international development. The Group records more than 25% of its turnover outside France. ALTEN acquires three new companies: Cronos in Spain, Syselog in France and Aerotec in Germany.

This last acquisition enables ALTEN to become a European leader in R&D project management.

2005

ALTEN continues to record sustained growth and 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 turnover outside France. On 1 July 2005, GIST takes over Humelec, and Aptech takes over Cogitel. In September, ALTEN acquires Quaternove in France. Finally, on 30 December ALTEN takes over its subsidiary, Groupecyber, and immediately undertakes a partial asset contribution of Groupecyber activities to ALTEN SI.

2006

ALTEN becomes the European leader in Advanced Technology Consulting.

The ALTEN Group continues its expansion through organic growth and acquisitions while by adapting and enhancing its offerings.

In response to the growing demand from clients for work package (1) and offshore/nearshore (2) services, ALTEN creates a special division dedicated to "Structured Work" packages.

A company specialised in R&D engineering and work package design is acquired in July 2006.

The nearshore package is enhanced by the acquisition of a Company in Romania, and now comprises the Czech Republic, Slovakia, Poland, Romania and Vietnam.

2007

ALTEN reaffirms its status as a leader in technology consulting and engineering.

(1) Sub-contracted services involving the lease of technical resources (premises, IT resources, trade-specific software applications).

(2) Services consumed in France and produced overseas (in nearby countries: nearshore or in distant or very distant countries: offshore).

2008

ALTEN confirms the nearly comprehensive nature of its listings and partnerships in Europe, and is included among EADS' listed E2S service providers throughout the world (the five top engineering service providers for EADS Group). For ALTEN, 2008 also reflects sustained organic growth (16.2%), mainly through the Energy, Rail, Aeronautics and Banking sectors. ALTEN thereby strengthens its position as a leader in the ETC market (source: PAC 2009 [(1)]).

2009

The decline in economic activity is abruptly felt at the very start of 2009. It affects most business sectors but mainly the Automotive sector, where the drop has been significant. The Group has implemented all necessary measures to adjust to this level of activity. It confirms its listings in 2009 and continues its growth in other sectors such as Aeronautics, Energy and Banking/Finance. The ALTEN Group becomes the French leader in integrated projects.

2010

During a slight economic recovery but with visibility remaining low during the first half of 2010, the ALTEN Group continues to relaunch its package through integrated projects. This strategy leads it to strengthen and restructure its Technical Department and to start the CMMI certification process.

2011

In the context of a market which is expected to remain dynamic, ALTEN is quickening the pace of its development in Structured Projects. The improved outlook is expected to enable the Company to carry out new external growth transactions.

5.1.6 KEY EVENTS OVER THE PERIOD

5.1.6.1 Equity investments

The year 2009 was characterised by a freeze on the acquisition market. The recovery in 2010 allowed for the reopening of negotiation processes and alliances.

On 4 February 2010, ALTEN acquired 19% of Phoebe's capital. Phoebe is the holding company of the Phoebe Group which notably owns 100% of Ingenica's share capital, an engineering company in the energy sector.

5.1.6.2 Acquisitions

None except for the equity investments described in 5.1.6.1.

5.1.6.3 Disposals and exits

- ALTEN Europe sold the Swiss company Aston Life Sciences to Aston Group Companies, dated 13 October 2010.

5.1.6.4 Internal restructuring operations

5.1.6.4.1 In Europe (excl. France)

5.1.6.4.1.1 In Spain

- ALTEN SPAIN absorbed BBR following the merger dated 23 November 2010 and retroactive fiscally from 1 January 2010.

5.1.6.4.1.2 In Italy

- ALTEN ITALIA absorbed Onion Spa following the merger dated 30 April 2010 and retroactive fiscally from 1 January 2010.

5.1.6.4.1.3 In Belgium

- ALTEN Belgium (formerly Axen) absorbed ALTEN Benelux following the merger dated 27 July 2010 and retroactive fiscally from 1 January 2010.

1) *Study conducted by Pierre Audoin Conseil.*

5.1.6.4.2 In France

- ALTEN SA completed a merger of assets and liabilities with Dixid (in accordance with the dispositions of Article 1844-5 paragraph 3 of the French Civil Code), dated 31 December 2010, and retroactive fiscally from 1 January 2010. Dixid was wound up after the merger.

5.1.6.5 Incorporation of companies

- Formation of Indian company "ALTEN India" on 20 January 2010 as a Private Limited Company, a corporate form in which shareholders' liability is restricted to the amount of their contributions.
- Formation of a jointly-held company with Groupe Critères on 18 February 2010 in the field of third party application acceptance testing (TRA). ALTEN holds 51% of this company's capital and voting rights, while Groupe Critères holds 49% of its capital and voting rights.
- Formation of the company Id.apps on 17 December 2010. ALTEN SA holds 100% of this company's share capital. Id.apps' main business is the development of applications for mobile phones and smartphones.

5.2 INVESTMENTS

5.2.1 MAIN INVESTMENTS DURING 2010

During 2010, ALTEN made the following main investments:

- acquisition of IT material and infrastructures for a total of 3,229 thousand euros and software licenses for a total of 1,627 thousand euros;
- Equity investments and earn-outs worth 5,448 thousand euros.

These investments were self-financed.

5.2.2 MAIN INVESTMENTS IN THE FUTURE

No investment planned in the future has given rise to a firm commitment on the part of the company's management bodies, with the exception of earn-out clauses relating to acquired subsidiaries, whose amounts were duly recorded in the Group's consolidated financial statements. Corresponding debt of 6,159 thousand euros is recorded as other current liabilities.

OVERVIEW OF ACTIVITIES AND STRATEGY

6

6.1 MAIN ACTIVITIES

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.

The Group operates in only one area: Engineering and Technology Consulting. (See also Chapter 2 of the business report).

6.1.1 ROLE OF ALTEN SA

6.1.1.1 A holding company

ALTEN SA manages all of the Group's equity interests and guides its growth through acquisitions. It provides functional services to all Group companies such as:

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

The subsidiaries are billed for these services on a cost-plus basis.

Furthermore, for the purpose of centralising cash management operations in France, ALTEN has signed cash management agreements with the subsidiaries concerned.

6.1.1.2 Operational entities: ALTEN ICT, ALTEN Régions and ALTEN Telecom

The ALTEN ICT (Paris – Île-de-France), ALTEN Regions and ALTEN Telecom have approximately 3,700 engineers, specifically 1,700 engineers in Paris – Île-de-France, 1,380 engineers in the other regions of France and 590 engineers in Telecom. They are organised through agencies (profit centres), as are all the companies within the Group.

6.1.2 DESCRIPTION OF ACTIVITIES OF THE GROUP'S MAIN COMPANIES

TABLE OF ACTIVITIES FOR THE ALTEN GROUP'S MAIN COMPANIES

ALTEN	Group's holding and management division. ALTEN operational activities for the Île-de-France and Province areas; consulting and engineering services in telecommunications, on-board and real-time systems, physical sciences and mechanics.
ALTEN SIR	Consulting services in information systems and network architecture.
ALTEN Sud Ouest	Engineering and Technology consulting, project management packages (PMP) in the aeronautics, space, energy and telecom sectors.

In its role as the operational holding company, ALTEN SA generates 35% of the Group's consolidated sales. Other companies making significant contributions to consolidated sales are: ALTEN SIR (10% of consolidated sales) and ALTEN Sud Ouest (5.7% of consolidated sales). ALTEN has unrestricted access to the cash flow and income of its subsidiaries.

6.2 MAIN MARKETS

ALTEN's market covers all consulting, technical support, fixed-price project completion and external platforms in the Engineering and Technology Consulting field (ICT). Especially notable fields include on-board software, control and supervision and research and development. The main outlets for these services are the sectors where ALTEN generates the bulk of its revenues: the aeronautics, automotive, space, defence, energy, utility industries, telecom equipment manufacturers, etc.

6.2.1 THE IT SERVICES AND TECHNOLOGY CONSULTING MARKET

ALTEN's market is part of the segment referred to by Pierre Audoin Consultants as "C-IS" (Consulting, Systems Integration). "C-IS" is often referred to in the trade as "System Consulting/Engineering/Integration".

This market represented more than 18.4 billion euros in France in 2010 and covers a wide range of activities and services, such as Management Consulting, the integration of Application systems, Infrastructures, Training (in IT), outsourcing of R&D and Engineering and Technology Consulting (non IT).

ALTEN only addresses a share of the market.

(Source: Pierre Audoin Consultants).

6.2.2 THE TECHNOLOGY CONSULTING MARKET ACCESSIBLE TO ALTEN

Pierre Audoin Consultants believes that ALTEN's scope is positioned between two businesses:

- ALTEN's core business, which corresponds to the technology consulting market and represented 5,620 million euros in 2010;
- ALTEN's total business scope, which also includes a number of IT management consulting and development in the Tertiary sector, and represented 9,566 million euros in 2010;

The Engineering and Technology Consulting market covers the following fields:

  - scientific applications (calculations, simulation),
  - control, command and supervision,
  - real-time applications,
  - "on-board" applications or applications embedded in products, systems, services, etc.

C-IS in Research & Development (R&D) outsourcing includes subcontracted services in "assisted" mode or through engineering and development projects in various fields of technology: chemistry, engineering, electronics, mechanics, aerodynamics, environmental, etc.

The main difference between these two markets is that the first is principally aimed at software development. The second mainly consists of engineering science services.

Respectively, these two markets represent:

- 2,893 million euros with regard to scientific and technical applications (STIE) or Application Management;
- 2,727 million euros for outsourced R&D,

being a total of 5,620 million euros in 2010.

The percentage of the industrial sector within the technology consulting market in ALTEN's scope (67% of the market) is excessively high compared with the IT Services market.

a. 2010: A transitional phase

The financial crisis and the subsequent period sparked new dynamics among customers and service providers with an acceleration in changes of business models. Customers reviewed their sourcing policies, streamlined their suppliers, improved relationships with the latter and became aware of the importance of innovation in their business.

At the same time, service providers reinforced their differentiating and long-term businesses in France and abroad to limit the impact of competition (proximity, partnerships, acquisitions, etc.) and have evolved towards "workpackage" offers.

Despite the financial crisis being a catalyst for these improvements, the pace of change remains slow. Some stakeholders were harder hit than others and are still feeling the impact of the crisis.

The feverishness and lack of responsiveness of some ECT stakeholders in Europe and customers' increasing demand for low daily rates opened the door to low-cost competitors on this offshoring-based market. However, this pressure remains limited and often remains a major argument of Heads of Procurement to lower prices.

b. A gradual rebound

The rebound on the Technology Consulting market came in two phases. The first two quarters of 2010 saw a slight return to growth with the second half of the year registering a marked growth and a return to pre-crisis levels.

PAC noted a gradual recovery in daily rates for most market players, but customers will continue to optimise purchases and will increasingly favour workpackage style, fixed-price services (outsourced platforms) and expect more innovation from their service providers.

An improvement is expected considering the increase in demand in many fields, especially in the automotive, aerospace and energy/utilities sectors and to a lesser extent in electronics/high-tech. The industrial sector will remain far and beyond the largest consumer of Technology Consulting services, with an estimated market worth 3.8 billion in 2010 according to PAC.

c. Competition

There are two types of players in this market:

- on the one hand, systems integrators offer their services on a "fixed price" basis, for example major, complex systems in the fields of Defence, Energy, Transport and others;
- on the other hand are companies specialised in consulting, technical assistance support studies and/or outsourced platforms.

These two types of players are increasingly converging towards fixed price contracts and outsourced platforms ("wokpackage") as requested by their customers.

ALTEN is commonly included in the information technology engineering services competitive environment. In this general context, ALTEN is ranked 10th among service providers based on their Services sales in France (IT Services + Management Consulting + R&D outsourcing) in 2010.

However, it is advisable to position ALTEN among companies that offer the same type of core services. Pierre Audoin Consultants has established classifications for IT Services providers, followed by specialists in the "Technology Consulting" segment.

ALTEN has been, for a few years, a first tier provider in the Engineering and Technology Consulting market.

6.2.3 CONCLUSIONS ON ALTEN'S POSITIONING

The ETC market saw a gradual return to growth in 2010, notably from the summer onwards, following the 2008/2009 financial crisis.

The automotive sector has undergone profound changes but the rebound is marked.

The aeronautical market remains well-orientated.

The rebound should be reinforced in 2011. Restructuring and conversions could be seen among certain players, like the recent Ausy/Aptus merger.

6.2.4 MAIN CUSTOMERS

ALTEN works mainly with major accounts (nearly 95% of sales). Its credit risk is therefore limited. Customer account collection periods were 110 days (115 days in 2009).

MAIN CUSTOMERS' SHARE (AS % OF SALES)

	2008	2009	2010
Largest	8.3	9.7	9.7
Top 5	29.1	25.3	25.5
Top 10	41.7	40.2	39.0

6.3 PROGRESS ACHIEVED AND DIFFICULTIES ENCOUNTERED

In 2010, in a context of recovering growth, the ALTEN Group reinforced its Structured Projects business:

- the ALTEN Delivery Centre (ADC) was deployed around the Performance & Supply Division and five technical departments (Propulsion Systems Engineering, Mechatronics, On-board Systems, Telecoms & Networks, Information Systems);
- implementation of CMMI* certification;
- systematic training of experienced managers and consultants in the management of Structured Work packages;
- management of transnational work packages.

ALTEN is France's first CMMI-SVC-certified player and the fifth to be CMMI DEV and SVC-certified in the world.

The ALTEN Group is still pursuing its objectives as part of its commitment to offer excellence in all services. ALTEN is recognised as one of the leaders in Structured Work packages.

Moreover, ALTEN implemented an ERP within ALTEN SA in 2010 aimed at all audited services within the company's middle and back office. The roll out of this ERP will allow ALTEN SA to continue to develop.

The main difficulty encountered during the 2010 fiscal year was the growth in turnover, mainly in the second half. However, ALTEN capitalised on the necessary expertise to ensure its development.

6.4 DEPENDENCY FOR THE ISSUER

6.4.1 PLEDGE OF ASSETS BY THE ISSUER

The Group has little recourse to finance leases, and assets financed through financial leases amount to some 456 thousand euros.

6.4.2 FINANCING POLICY

With regard to acquisitions, ALTEN generally makes a down payment on the companies it acquires, with the final price established after a period of two or three years. This final price is a multiple of net earnings or operating income of future years less the amount of the down payment. The multiples used depend on the growth rate and profit margins for the years following the acquisition.

* *The Alten Delivery Centre uses the CMMI system and adjusts the most suitable methodology for each intervention (Agile methodologies for development, ITIL for services management, etc) in order to meet the objectives set by clients.*

6.5 COMPETITIVE POSITION

See 2.1.2 of the Business Report.

ORGANISATIONAL STRUCTURE 7

7.1 SUMMARY DESCRIPTION OF THE GROUP

See Note 6 to the financial statements (consolidation scope of the main accounting rules used in the consolidated financial statements)

7.2 LIST OF SIGNIFICANT SUBSIDIARIES

THE ACTIVITIES OF THE GROUP'S MAIN FRENCH SUBSIDIARIES

		Sales *(in thousands of euros)*		Earnings *(in thousands of euros)*		Workforce	
Companies	**Business**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
ALTEN SIR	Consulting Services in Information Systems and Network Architecture	126,625	113,922	3,647	5,875	1,321	1,181
ALTEN Sud Ouest	Engineering, R&D, consulting, project management packages (PMP) in the aeronautics, space, energy and telecoms sectors	77,307	67,511	5,055	5,029	941	742

ALTEN SIR enables ALTEN Group to position itself as a major player in France in the field of information systems and network architecture consulting.

ALTEN Sud Ouest, a subsidiary of ALTEN in the Midi Pyrenees Aquitaine region, offers ALTEN's package to a portfolio of local and international customers.

REAL PROPERTY, FACTORIES AND EQUIPMENT

8

8.1 SIGNIFICANT PROPERTY, PLANT AND EQUIPMENT

N/A.

8.2 ENVIRONMENTAL ISSUES

ENVIRONMENTAL IMPACT OF ACTIVITY

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

Refer also to Chapter 3 of the business report.

8 REAL PROPERTY, FACTORIES AND EQUIPMENT

REVIEW OF THE FINANCIAL POSITION AND PROFITS CONSOLIDATED NET PROFIT

9

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 OPERATING PROFIT

9.1.1 THE ACTIVITY OF THE GROUP OVER THE LAST FISCAL YEAR

9.1.1.1 The market and activity

ALTEN, the European leader in Technology Consulting and Engineering (ECT), carries out design and research projects for the technical and information systems divisions of major industry, telecom and services provider customers.

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

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

2010 showed a return to organic growth across all sectors of activity. By end-2010, ALTEN had overtaken the previous high-point set in 2008.

In effect, growth gathered pace throughout 2010, but particularly from the 2nd quarter. By the 4th quarter, organic growth had reached 14% in France and abroad. In 2010, the organic growth was 7.7%.

The most dynamic sectors remain Aerospace, Automobile, Energy and Electronics, but Insurance was also strong thanks to significant market share gains in 2010. Note the growing contribution of work package-based activity. This creates a real barrier to entry for new players and strengthens the position of the market leaders.

In the 4th quarter of 2010, ALTEN sped up its recruitment drive to accompany the growth (net recruitment was up 40% in 2010). As sales picked up in the 2nd quarter, ALTEN succeeded in finding the expertise required to accompany its development. In total, more than 1,300 engineers and consultants joined the Group in 2010. Furthermore, the growth in turnover during the second half of the year was proof of ALTEN’s ability to bring the skills necessary on board.

9.1.1.2 External growth

After 2009, a year marked by a blocked acquisitions market, resumed activity in 2010 led to a reactivation of negotiation and rapprochement processes.

As regards external growth, on 4 February 2010, ALTEN acquired 19% of the capital of Phoebe. Phoebe is the holding company of Phoebe Group, which holds 100% of the share capital of Ingenica, an engineering specialist with the Energy sector.

9.1.2 REVENUE TRENDS

ALTEN’s consolidated financial statements reveal sales of €916.6 million, up 6.9% (6.3% excl. currency effects) compared to the €857.1 million posted in 2009. Like-for-like growth was 7.7% (+7.5% in France and +8.1% internationally).

9.1.3 EARNINGS TRENDS

The activity ratio stabilised at a very satisfactory 93%. Combined with better coverage of fixed costs, operating profit on activity gained 100 base points in the 2nd quarter, from 9.7% to 10.7% of revenue.

As a consequence, operational profit on activity stood at €93.4 million on 31 December 2010, i.e. 10.2% of revenue, up 42.6% compared with 2009. It should be noted that as of the 2010 fiscal year, CVAE, which partially replaced the "*Taxe Professionnelle*", is recognised under tax expenses. In 2010, the impact is a reclassification of operational expenses for €7.5 million.

Operating profit before exceptionals was €92.9 million after taking into account the cost of stock options amounting to €0.5 million.

Exceptional loss, due primarily to restructuring costs, stood at -€3.9 million.

Loss from divestments amounts to -€0.6 million, after the sale of a Swiss subsidiary.

After taking into account these elements, operating profit stood at €88.3 million (9.6% of revenue). Operating profit stood at €32.3 million in 2009 and represented 3.8% of 2009 revenue.

The financial losses were €1.7 million and income tax expense was - €32.9 million.

Net profit was €53.7 million, and €53.6 million - Group share.

ALTEN generated Free Cash Flow from operations of €82.3 million, up 76.2% compared to 2009 (€46.7 million). This strong increase came on the back of the €51.9 million growth in cash flow (net cash flow) in 2009 to €97.4 million in 2010 and the reduction in the working capital requirement, due primarily to the shortening of collection times from 118 to 110 days.

Investments (€11.5 million) and dividends (€28.3 million) were financed solely with group cash flow.

As a consequence, ALTEN had a cash surplus at end-2010 of €41.7 million.

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

	2009		2010		Change
	In millions of euros	%	In millions of euros	%	%
Revenue	857.1		916.6		+ 6.9
Operating profit on activity	65.5	7.6	93.4	10.2	+ 42.6
Cost of stock options	0.7		- 0.5		
Operating profit before exceptionals	66.2	7.7	92.9	10.1	+ 40.3
Non-recurring profit	-23.2		-3.9		
Impairment of *goodwill*	-10.7		0		
Profit/loss from divestment	0		-0.6		
Operating profit	32.3	3.8	88.3	9.6	+ 173
Financial profit/loss	-1.5		- 1.7		
Taxes	-13.3		-32.9		
Net earnings, Group share	17.3	2.0	53.6	5.8	+ 210

9.2 FINANCIAL POSITION

ALTEN generated free cash flow from operations of €82.3 million, up 76.2% compared to 2009 (€46.7 million). This strong increase came on the back of the €51.9 million growth in cash flow (net cash flow) in 2009 to €97.4 million in 2010 and the reduction in the working capital requirement, due primarily to the shortening of collection times from 118 to 110 days.

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, as of 31 December 2010, the company's accounts payable totalled €35,709,000 and were composed of:

Accounts payable *(in thousands of euros)*	Total accounts payable at 31/12/2010	Total accounts payable at 31/12/2009	Debt due at year end at 31/12/2010	Debt due at year end at 31/12/2009	Total debt not due at year end at 31/12/2010
Operating suppliers	8,021	5,297	1,441	1,512	6,580
Group suppliers	17,109	14,659	7,725	8,615	9,384
Total for all Suppliers	25,130	19,956	9,166	10,127	15,964
Supplier invoices not yet received					
at 31/12/2010	10,579				
at 31/12/2009	8,994				
Total accounts payable					
at 31/12/2010	35,709				
at 31/12/2009	28,951				

9.3 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The General Meeting will be asked to approve the consolidated financial statements for the fiscal year ended on 31 December 2010, showing a profit of €53,607,050.

9.4 MANAGEMENT REPORT OF ALTEN S.A.

9.4.1 THE ACTIVITY OF ALTEN S.A.

9.4.1.1 Comments on the activity of ALTEN S.A. over the last year

Comments concerning ALTEN's activity during 2010 are similar to those made with regard to the ALTEN group earlier in this Management Report.

ALTEN SA reported revenues of €375,601 thousand. Due to the non-retroactive merger between GIST and ALTEN in July 2009, this figure cannot be compared to the end-2009 revenue.

This revenue includes "piggy-back" revenue from services rendered by Group subsidiaries to customers for whom ALTEN SA is the only reference.

Operating income, after staff benefits, was €26,061 thousand, equivalent to 6.9% of revenues.

The financial result came to €5,223 thousand in 2010. This breaks down essentially as €3,226 thousand of dividends and €1,981 thousand of a provision writeback to cover share depreciations.

Non-recurring losses amounted to (-) 2 019 thousand euros.

After €8,785 thousand of corporate tax, net profit came to €20,483 thousand, or 5.45% of revenues.

The General Meeting will be asked to approve the consolidated financial statements for the fiscal year ended on 31 December 2009, showing a profit of €20,483,312.90, in accordance with Article L. 225-100 of the French Commercial Code.

Total unmatured debt at 12/31/2009	Matures in less than 30 days at 12/31/2010	Matures in less than 30 days at 12/31/2009	Matures between 30 and 60 days at 12/31/2010	Matures between 30 and 60 days at 12/31/2009	Matures in 60 days at 12/31/2010	Matures in 60 days at 12/31/2009
€3,785K	€5,860K	€1,542K	€518K	€2,230K	€202K	€13K
€6,044 K	€1,116K	€22K	€8,254K	€6,015K	€14K	€7K
€5,297K	€6,975k	€1,564K	€8,772K	€8,245K	€217K	€20K

9.4.1.2 Approval of the company financial statements

The General Meeting of Shareholders will be asked to approve the unconsolidated financial statements for the year-ended 31 December 2010, which showed a profit of €20,483,312.90.

The General Meeting will also be asked to allocate income from the fiscal year ended 31 December 2010, which totals €20,483,312.90, in the following way:

Origin:

- Earnings for the fiscal year: €20,483,312.90
- Carry forward: €111,545,186.15

Allocation:

- Legal reserve: €10,448.00
- Dividend: 32,070,393 shares at €1 €32,070,393
- Carry forward: €99,947,658.05

Therefore, there will be a €1 return on each share that confers a right to a dividend, it being noted that in the event of a variation in the number of shares conferring a right to dividends compared to the 32,070,393 shares that conferred a right to a dividend on 1 March 2011, the total dividend amount will be adjusted accordingly and the amount allocated to the carry forward account will be determined on the basis of the dividends effectively paid.

It should be noted that the integral amount thus distributed is eligible for the 40% tax reduction described in Article 158-3-2 of the General Tax Code.

The dividend payment date is set at 29 June 2011.

The ex-dividend date is 24 June 2011.

9.4.2 FINANCIAL RESULTS

9.4.2.1 Results for the fiscal year

The result for the year-ended 31 December 2010 was €20,483,312.90.

9.4.2.2 Dividends distributed in prior years

For fiscal year	Revenues eligible for tax deduction: Dividends	Revenues eligible for tax deduction: Other paid out revenues	Revenues not eligible for tax deduction
2007	-	-	-
2008	-	-	-
2009	€28,677,599.10 * Or €0.90 per share	-	-

* *Not taking into account amounts corresponding to dividends not distributed to holders of treasury shares*

9.4.2.3 Non-deductible charges

No non-tax deductible charges or expenses have been recognised during the 2010 fiscal year.

9.4.3 TABLE OF ALTEN'S RESULTS FOR THE PAST FIVE FISCAL YEARS

Financial table *(in thousands of euros)*	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Share capital					
Number of ordinary shares	32,491	32,293	32,246	31,976	31,400
Number of shares with preferred dividends	31,966,790	31,771,921	31,725,735	31,460,390	30,893,171
Maximum number of future shares to be created					
• by convertible bonds					
• by exercising subscription rights	1,681,053	2,062,307	1,842,773	2,137,433	2,861,202
Revenue (net of tax)	375,601	338,958	373,490	291,946	241,027
EBITDA	32,287	52,429	29,903	43,261	31,875
Income tax	8,785	(2,917)	7,120	9,490	6,921
Employee profit-sharing	2,614	0	2,587	2,695	2,269
Net earnings	20,483	46,579	2,546	30,254	20,772
Distributed profit	28,284	0	0	0	0
Earnings per share after tax and before depreciation and provisions	0.65	1.56	0.64	0.99	0.75
Earnings per share after tax, depreciation and provisions	0.64	1.47	0.08	0.97	0.67
Dividend per share	0.90	0	0	0	0
Average workforce during the fiscal year	4,152	3,854	3,726	3,084	2,520
Total payroll	148,882	134,312	130,532	106,430	91,237
Total payroll and employee benefits	67,287	68,564	64,767	51,765	43,097

10 CASH AND CAPITAL

10.1 INFORMATION ON CAPITAL

Information regarding capital is presented in Chapter 20.3.5.

10.2 CASH FLOW

The tables of cash flow are to be found in Chapter 20 of and Note 23 to the consolidated financial statements.

10.3 LENDING LOAN CONDITIONS AND FINANCING STRUCTURE

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 uses short-term credit facilities. However, on 1 February 2010, ALTEN's Board of Directors authorised the signing of a proposed credit agreement in the total maximum amount of 110,000,000 euros.

10.3.2 FINANCING OF INVESTMENTS

See 5.2.

10.4 RESTRICTIONS ON USE OF CAPITAL

None.

10.5 EXPECTED SOURCES OF FINANCING

See 5.2.

11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

ALTEN participates in research and development projects for its clients and only engages is a small amount of research and development on its own behalf.

11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

12 INFORMATION ON TRENDS

12.1 SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FISCAL YEAR

- Signature, at the end of January 2011 of a Master Agreement with the view of acquiring a Telecoms company based in the United States and India (sales of 22 million dollars, 580 employees).
- Creation in Spain, at the beginning of February 2011, of the Engineering and Technology Consulting company Atexis Spain, of which the share capital is owned by ALTEN Solutiones Productos Auditoria e ingienieria SAU (ALTEN SPAIN).

12.2 FORSEEABLE DEVELOPMENTS AND PROSPECTS

The year 2011 has started in the same trend where 2010 left off.

ALTEN's packages and organisation allows the Group to continue to gain market share in a market where demand will remain sustained (between 2011 and 2014) boosted by technological breakthroughs in numerous business sectors (Automotive, Aerospace, Energy, etc.) and accompanied by increased investment in research and innovation as well as more R&D outsourcing.

The Group's size and the strengthening of its Structured Projects Division (DDPS) allows it to answer its customers demand such as the management of large projects, productivity gains in work packages and the capitalisation of customer's clearly identified expertise.

Finally, ALTEN's cost control and ability to monitor its activity are guarantees of its profitability. The Group should reach its organic growth target of at least 8% in 2011.

Moreover, ALTEN will continue with its strategy to develop through acquisitions, mainly overseas.

12 INFORMATION ON TRENDS

13 EARNINGS FORECASTS AND ESTIMATES

None.

13 EARNINGS FORECASTS AND ESTIMATES

ADMINISTRATIVE AND MANAGEMENT BODIES

14

14.1 INFORMATION REGARDING MEMBERS

14.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors is presented in chapter 1.2 of this business report.

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 of Thales, he founded ALTEN in 1988 with Mr Thierry Woog (a graduate of Centrale Paris, and Mr Laurent Schwarz (both of whom have since left the Group).

Mr Gerald Attia (a Hartford MBA graduate) became a partner in 1993. He is currently deputy managing director.

14.1.3 OFFICES AND POSITIONS HELD BY COMPANY OFFICERS AND DIRECTORS

SIMON AZOULAY

Date of first appointment: 22 September 1998 (CEO), 19 February 1997 (Board member)

Date appointment last renewed: 23 June 2009 (CEO and Board member)

Mandate expires: at the General Meeting called to approve the 2012 financial statements (CEO) and General Meeting called to approve the 2012 financial statements (Board member).

Born on 29 May 1956 in Rabat (Morocco)

Number of wholly-owned ALTEN shares: 2,591,550 registered shares

Main position held within the Group

- Chief Executive Officer

Positions held within the Group (excluding ALTEN SA) during the past five fiscal years	Other duties and positions held in any other company (excluding the ALTEN Group) during the past five fiscal years
• Permanent representative of ALTEN, legal entity, Chairman of: - ALTEN Sud Ouest SAS* (2009-2011) - ALTEN Sir SAS* (2009-2011) - ALTEN Si SAS (2005- 1 January 2006) - Develop4@LI SAS (2006-2008) - ALTEN Sud Ouest SAS (2005- 1 January 2007) - Gist SAS (2008-2009) - Anotech Energy SAS (nc-2008) - HPTI (2007-2007) • Permanent representative of ALTEN Europe, legal entity, Director of (Spain): - ALTEN Ingenieria Slu (unspecified - 2009) • Permanent representative of ALTEN Europe, legal entity, Secretary of (Great Britain): - Anotech Energy Ltd* (2008-unspecified) • Director of: - Avenir conseil Formation SA (2010-2011) - Quaternove SA (2006-2009) • Manager of: - ALTEN Training Center SARL (ex-Abilog* (1996-unlimited) - ALTEN Europe SARL* (2004-unlimited) - ALTEN Cash Management SARL* (2004-unlimited) - ALTEN Services SARL (2004-2008) - SGTI SCI (1998-2007) - HRLT (2007-2007) • Director (Spain): - ALTEN Spain Soluciones, Productos, Auditoria e Ingeneria* (2009-2014) - Burke Newco Slu (unspecified - 2009) - Grupo ALTEN Soporte Global Slu (unspecified - 2009) - ALTEN T.I.C. Slu (unspecified - 2009) - ALTEN Ingenieria Slu (unspecified - 2009) • Manager of (Belgium): - ALTEN Benelux Sprl (1999-2010) - Axen Sprl (nc-2010) - ALTEN Belgium (2005-2010) • *Company* director (Great Britain): - ALTEN Ltd* (nc-nc) - SD Partners Ltd (nc-2006)	• Director of: - Des Systemes et des Hommes SA* • Manager of: - Avenir Montmorency SCI* - Simalep Societe civile* - Cakciv Societe civile* • Chairman of: - SGTI SAS* (unlimited)

* *Current term or position.*

GÉRALD ATTIA

Date of first appointment: 21 December 1998 (Deputy Managing Director), 23 January 1998 (Board member)

Date appointment last renewed: 23 June 2009 (Deputy Managing Director) – 21 June 2010 (Board member)

Mandate expires: at the General Meeting called to approve the 2012 financial statements (Deputy Managing Director) and at the General Meeting called to approve the 2013 financial statements (Board member)

Born on 6 April 1962 in Livry-Gargan (France)

Number of wholly-owned ALTEN shares: 11,690 registered shares

Main position held within the Group

- Deputy Managing Director

Positions held within the Group (excluding ALTEN SA) during the past five fiscal years	Other duties and positions held in any other company (excluding the ALTEN Group) during the past five fiscal years
• Chairman of the company: - Avenir conseil Formation SA (2010-2011)* • *Company* director (Great Britain): - SD Partners Ltd* (2001-unspecified) • Director of: - ALTEN Sir GTS (2010-2015)* • *Director* (Spain): - ALTEN T.I.C. Slu (unspecified - 2009) - ALTEN Spain Soluciones, Productos, Auditoria e Ingeneria* (2009-2014) • *Representative* of (Spain): - ALTEN Ingenieria Slu (unspecified - 2009) • *Styrelse ledamot* of (Sweden): - XDin Aktiebolag (Publ)* (2009-2010)* - HRH Consulting Aktiebolag* (2009-2010)* - Recoverrest Aktiebolag* (2009-2010)* - X Din Francisco Aktiebolag* (2009-2010)* - X Din Francisco Aktiebolag* (2009-2010)* • Director of (India): - ALTEN India privale Ltd (2010-unlimited)*	• Permanent representative of ALTEN SA, Director of: - Smart Trade Technologies SA* • Permanent representative of ALTEN SA, member of the Supervisory Board of: - X Ange Capital SA* • Chairman of: - Etic Software • Manager of: - Proxym SARL*

* *Current term or position.*

CATHERINE AZOULAY

Date of first appointment: 28 June 2002 (Board member)

Date appointment last renewed: 27 June 2008

Mandate expires: at the General Meeting called to approve the 2013 financial statements

Born on 18 November 1958 in Paris (XIV arrondissement) (France)

Number of wholly-owned ALTEN shares: 1,500 registered shares

Positions held within the Group (excluding ALTEN SA) during the past five fiscal years	Other duties and positions held in any other company (excluding the ALTEN Group) during the past five fiscal years
N/A	• Manager of: - Cakciv Societe civile*

* *Current term or position.*

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

To the Company's knowledge, and at the date on which this document was prepared, during the past five years (i) no member of the Board of Directors or General Management has been convicted of fraud, (ii) no member of the Board of Directors has been associated with bankruptcy, receivership or liquidation proceedings, (iii) no member of the Board of Directors has been prohibited by any court from acting as a member of an administrative, management or oversight of an issuer of securities or from involvement in managing or conducting an issuer's business activities, and (iv) no member of the Board of Directors or General Management has been charged with a criminal offence or has been the subject of an official sanction handed down by any statutory or regulatory authority.

14.1.5 SPECIFIC INFORMATION REGARDING COMPANY OFFICERS AND DIRECTORS

To the exclusion of the marital relationship between Mr Simon Azoulay and his wife Mrs. Catherine Behar, there are no other related family members among the company's officers and directors.

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.

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 company representatives 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 REMUNERATION PAID AND BENEFITS IN KIND

15.1.1 TOTAL REMUNERATIONS PAID FOR THE FISCAL YEAR ENDED 31 DECEMBER 2010

TABLE 1: REMUNERATION AND STOCK OPTIONS ATTRIBUTED TO EACH COMPANY OFFICER

Simon Azoulay *Chief Executive Officer*	2009	2010
Remuneration due for the fiscal year	€409,080	€259,080
Value of options awarded during the fiscal year	N/A	N/A
Value of performance-based shares awarded during the fiscal year	N/A	N/A
TOTAL	**€409,080**	**€259,080**

Gerald Attia *Deputy Managing Director*	2009	2010
Remuneration due for the fiscal year	€218,224	€312,224
Value of options awarded during the fiscal year	N/A	N/A
Value of performance-based shares awarded during the fiscal year	N/A	N/A
TOTAL	**€218,224**	**€312,224**

15.1.2 SUMMARY OF REMUNERATIONS PAID TO EACH COMPANY DIRECTOR AND OFFICER

TABLE 2: REMUNERATIONS PAID TO EACH COMPANY OFFICER

	2009		2010	
Simon Azoulay	Amount owed	Amount paid	Amount owed	Amount paid
• Fixed remuneration	€109,080	€109,080	€109,080	€109,080
• Variable remuneration	N/A	N/A	N/A	N/A
• Extraordinary remuneration	N/A	N/A	N/A	N/A
• Directors' fees	€300,000*	€300,000*	€150,000**	€150,000**
• Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**€409,080.00**	**€409,080.00**	**€259,080.00**	**€259,080.00**

* *This amount corresponds to:*
- €150,000 paid to Mr Simon Azoulay in June 2009, for 2008, by ALTEN Ltd, a company formed under English law, which is a wholly-owned subsidiary of ALTEN Europe, which itself is a wholly-owned subsidiary of ALTEN SA, for directors' fees for the performance of his duties as Director. This amount is therefore mentioned for 2008 and for 2009 (even if paid only in 2009);
- €150,000 paid to Mr Simon Azoulay in December 2009, ALTEN Tecnologias de la Informacion y Consultoria S.L, a company formed under Spanish law which is a wholly-owned subsidiary of ALTEN Europe, which itself is a wholly-owned subsidiary of ALTEN SA, for directors' fees for the performance of his duties as Consejero.

** *This amount corresponds to the directors' fee paid to Mr Simon Azoulay in December 2010 by ALTEN SPAIN SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as remuneration for his role as Consejero.*

Mr Simon Azoulay is also the majority shareholder and chairman of SGTI, which is bound to ALTEN S.A. through a service provision agreement. SGTI receives annual fees of €480,000 under this agreement.

	2009		2010	
Gerald Attia	Amount paid		Amount paid	Amount owed
• Fixed remuneration	€178,224	€178,224	€178,224.00	€178,224.00
• Variable remuneration	N/A	N/A	N/A	€50,000*
• Extraordinary remuneration	€40,000	€40,000.00	N/A	N/A
• Directors' fees	N/A	N/A	€84,000**	€84,000**
• Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**€218,224**	**€218,224**	**€262,224.00**	**€312,224.00**

* *This amount is the variable remuneration that the Board of Directors, at its meeting of 31 January 2011, decided to allot Mr Gérald Attia for fiscal year 2010. During its meeting of 9 November 2010, the Board of Directors decided to allot Mr Attia a variable performance-based remuneration of no more than one hundred thousand (100,000) euros for the fiscal year 2010 and in addition to his gross fixed salary of one hundred and seventy eight thousand two hundred and twenty four (178,224) euros.*
With a view to ensuring that the performance criteria take into account the challenges faced by the ALTEN Group and the need to ensure its continuity, the Board of Directors decided that the remuneration of Mr Gérald Attia should be linked not only to meeting of short-term objectives, but also to success in medium-long term projects. These short and medium-long term targets each account for 50% of the overall assessment of his success.
Short-term objectives (achieved by 31 December 2010):
- successfully manage and complete structured projects (or fixed-price results-based contracts) deliverable at the latest by 31 December 2010;
- enable ALTEN to obtain Level 2 CMMI Quality certification, the benchmark for best practices developed by the Software Engineering Institute (SEI).
Medium-long term objectives (by 2015):
Manage and develop DDPS and DDCC ensuring that the companies in the ALTEN Group respond appropriately to the offering and that internal management of structured projects is controlled, including recruitment, process design and the implementation of the appropriate tools.

** *The Board of Directors, at its meeting of 31 January 2011, having judged that Mr Attia had achieved the objectives, decided to attribute a variable remuneration of fifty thousand (50,000) euros. This sum will be paid in 2011, for the 2010 fiscal year.*

15.1.3 DIRECTORS' FEES

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

Non-executive corporate officers		Amounts paid in 2009 *(in €)*	Amounts paid in 2010 *(in €)*
Catherine Azoulay	Directors' fees	N/A	N/A
	Other remuneration	N/A	N/A

15.1.4 SHARE SUBSCRIPTION OR PURCHASE OPTIONS

TABLE 4: SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOTTED DURING TERM OF EACH COMPANY OFFICER

Name of company officer and director	Options awarded to each officer or director by ALTEN or by any Group company	Plan number and date	Type of options (purchase or subscription)	Value of options according to the method used for the consolidated financial statements	Number of options attributed during the fiscal year	Exercise price	Exercise period
Simon Azoulay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gerald Attia	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The Board of Directors decided to allocate 16,000 stock options to Mr Gerald Attia at its meeting on 23 October 2006. No other options were allocated to a director or officer.

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

Name of company officer or director	Options exercised by the officers and directors	Plan number and date	Number of options exercised during the fiscal year	Exercise price	Year awarded
Simon Azoulay	N/A	N/A	N/A	N/A	N/A
Gerald Attia	N/A	N/A	N/A	N/A	N/A

No options were exercised by officers and directors during the 2010 fiscal year.

15.1.5: PERFORMANCE-BASED SHARES

TABLE 6: PERFORMANCE-BASED SHARES ATTRIBUTED TO EACH COMPANY DIRECTOR OR OFFICER

	Performance- based shares awarded by the general meeting of shareholders in each fiscal year to each officer or director by ALTEN or by any Group company	Plan number and date	Number of shares awarded during the fiscal year	Value of shares according to the method used for the consolidated financial statements	Acquisition date	Date available	Performance terms
Simon Azoulay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gerald Attia	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 7: PERFORMANCE-BASED SHARES MADE AVAILABLE DURING THE YEAR TO EACH COMPANY DIRECTOR OR OFFICER

	Performance-based shares that became available for the company officers and directors	Plan number and date	Number of shares that became available during the fiscal year	Acquisition terms	Year awarded
Simon Azoulay	N/A	N/A	N/A	N/A	N/A
Gerald Attia	N/A	N/A	N/A	N/A	N/A

15.1.6 SUMMARY OF CONTRACTS AND BENEFITS

TABLE 10: SUMMARY OF OFFICER AND DIRECTORS' EMPLOYMENT CONTRACTS, COMPENSATION AND/OR BENEFITS OWED OR LIKELY TO BE OWED DUE TO TERMINATION OR CHANGE IN THEIR DUTIES OR OTHERWISE

Officers and directors	Employment contract	Supplemental 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
Simon Azoulay	N/A	N/A	N/A	N/A
Gerald Attia	N/A	N/A	N/A	N/A

During the 2010 fiscal year, there were no commitments relating to remuneration, compensation or benefits owed or likely to be owed due to the appointment, cessation or change in an officer's or director's duties, or subsequent to such events.

15.1.7 REMUNERATION AND BENEFITS PAID DURING THE FISCAL YEAR IN THE FORM OF AN ALLOTMENT OF SHARE CAPITAL, DEBT SECURITIES OR SECURITIES CONFERRING ACCESS TO THE SHARE CAPITAL OR A RIGHT TO ALLOTMENT OF DEBT SECURITIES OF THE COMPANY OR CONTROLLED OR CONTROLLING COMPANIES

15.1.7.1 Stock options

At its meeting on 19 October 2010, pursuant to the delegation of authority granted by the Combined General Meeting on 23 June 2009, the Board of Directors decided to award 120,000 stock options to Six employees (equal to 0.37% of the capital on the date of issuance).

This award of stock options was subject to the following terms:

- subscription price of 22.365 euros per share (corresponding to 95% of the average price quoted for ALTEN shares during the past twenty (20) stock market sessions);
- the option exercise period runs from 10 October 2014 to 10 October 2018.

No officers or directors appear on the list of beneficiaries.

However, note that 16,000 stock options were awarded to Mr Gerald Attia during the 2006 fiscal year (plan dated 23 October 2006).

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

Options to subscribe or to purchase shares granted to the ten employees (other than directors and 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	Plan no. 1
Options granted during the year by ALTEN and any company within its Group granting options, to the ten employees of ALTEN and all companies included in the group which grant options, with the highest number of options granted. (Comprehensive information)	60,000	22,365	19/10/2010
Options for ALTEN and other aforementioned companies previously exercised during the fiscal year by the ten employees of ALTEN and such other companies, with the highest number of options thus purchased or subscribed for. (Comprehensive information)	123,542	10.73	06/01/2004
		7.30	27/07/2003
		5.90	13/03/2003
		17.98	24/03/2005
		15.72	25/01/2002

TABLE 8: RECORD OF PAST STOCK OPTION ALLOTMENTS

Date awarded by the Board	Date of Meeting	Number of beneficiaries	First possible exercise date	Plan maturiy date	Number of options awarded	Exercise price in €	Number of options waived	Number of options exercised	Number of options Voided	Number of options which may be exercised
27/01/1999	07/01/1999	34	27/01/2003	28/01/2007	27,950	6,860	0	18,880	9,070	0
16/12/1999	07/01/1999	190	16/12/2003	17/12/2005	292,900	27,400	0	17,150	275,750	0
27/09/2000	07/01/1999	50	27/09/2004	28/09/2008	174,250	27,200	85,000	1,750	87,500	0
09/01/2001	07/01/1999	180	09/01/2005	10/01/2009	283,000	28,000	64,500	14,670	203,830	0
28/03/2001	07/01/1999	3	28/03/2005	28/03/2009	30,000	26,000	0	0	30,000	0
21/08/2001	07/01/1999	2	21/08/2005	21/08/2009	28,500	16,850	0	28,500	0	0
25/01/2002	07/01/1999	214	25/01/2006	25/01/2010	438,400	15,720	60,000	302,205	76,195	0
05/09/2002	07/01/1999	1	05/09/2006	05/09/2010	10,000	6,000	0	10,000	0	0
13/03/2003	07/01/1999	237	13/03/2007	13/03/2011	359,150	5,900	0	312,115	39,900	7,135
25/07/2003	07/01/1999	6	25/07/2007	25/07/2011	450,000	7,300	0	449,500	500	0
06/01/2004	07/01/1999	259	06/01/2008	06/01/2012	318,970	10,730	0	168,460	80,200	70,310
24/03/2005	23/06/2003	356	24/03/2009	24/03/2013	496,500	17,980	0	73,512	218,785	204,203
23/10/2006	27/06/2006	598	23/10/2010	23/10/2014	1 189,780	24,100	30,000	1,920	749,680	408,180
18/02/2008	27/06/2006	794	18/02/2012	18/02/2016	622,790	19,130	30,000	0	201,685	391,105
07/09/2009	23/06/2009	689	07/09/2013	07/09/2017	574,330	15,210	0	0	94,210	480,120
19/10/2010	23/06/2009	6	19/10/2014	19/10/2018	120,000	22,365	0	0	0	120,000
				TOTAL	**5,416,520**		**269,500**	**1,398,662**	**2,067,305**	**1,681,053**

15.1.7.2 Stock warrants

No stock warrants were allotted during the fiscal year 2010.

Pursuant to the delegation of authority granted to the Combined General Meeting on 23 June 2009, the Board of Directors, in its meeting on 7 September 2009, decided to award 487,000 stock warrants (representing 0.33% of the capital as of the issue date) to seven (7) beneficiaries, i.e. seven managers, whether or not officers or directors, and management employees of the Company and of companies related to it within the meaning of Article L. 225-180 of the French Commercial Code. More specifically, the beneficiaries are Group managers, including Mr Simon Azoulay, Chief Executive Officer (150,000 stock warrants) and Mr Gerald Attia, Deputy Managing Director (75,000 stock warrants).

These stock warrants, which are not admitted to a regulated market, give their holders the right to subscribe for new common stock at the rate of one (1) new ALTEN share for one (1) stock warrant (maximum number of shares to be issued: 487,000 shares). These new shares shall be comparable to existing shares upon their admission to listing on the Euronext Paris - Compartment B market.

The subscription price was set at one euro nineteen (€1.19) based on a report issued by an independent expert. The exercise price was set at fifteen euros eighty-five (€15.85), an amount determined according to the rule established by the Combined General Meeting of 23 June 2009, i.e.:

"The subscription price of new shares purchased by exercising the stock warrants after accounting for the price of issuing such warrants, if applicable, shall be equal to or greater than a maximum of 20% of the average price of ALTEN shares for the twenty (20) stock market sessions immediately preceding the decision to issue the stock warrants."

The exercise period is established from 7 September 2013 to 7 September 2017. The maximum term of the stock warrants is eight (8) years, beyond which date the warrants shall expire. These share warrants are not transferable.

HISTORY OF PAST AWARDS OF STOCK WARRANTS:

Date of the General Meeting	23.06.2009
Date of the Board of Directors meeting	07.09.2009
Total number of shares that can be subscribed to upon exercise of the warrants	487,000
Number of shares that can be subscribed to by:	
The officers and directors	
Officer/director 1	150,000
Officer/director 2	75,000
Initial exercise date of the warrants	07.09.2013
Expiry date	07.09.2017
Exercise price of the warrants	€15.85
Exercise procedures (when the plan has several tranches)	N/A
Number of shares subscribed to at 31/03/2010 (most recent date)	0
Cumulative number of stock warrants cancelled or voided	0
Remaining stock warrants at the end of the fiscal year	0

Stock warrants awarded during the fiscal year to each officer or director: None.

15.2 PROVISIONS FOR PENSIONS AND RETIREMENT

None.

15.3 TRANSACTIONS BY MANAGERS INVOLVING THE COMPANY'S SHARES

SUMMARY STATEMENT OF TRANSACTIONS REFERRED TO UNDER ARTICLE 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE CONDUCTED DURING THE PAST FISCAL YEAR (TRANSACTIONS INVOLVING THE SHARES OF COMPANY MANAGERS)

Name of manager and/or the person cited in Article L. 621-18-2 of MFC	Duties performed at ALTEN	AMF Reference	Transaction dates	Description of the financial instrument	Type of transaction	Total number of financial instruments sold/ subscribed to	Per unit price in €
Mr Bruno Benoliel	Chief Operating Officer in charge of Finance	210D1711	31/03/2010	ALTEN shares	Exercise of share subscription options	70,000	7.30
Mr Simon Azoulay	Chief Executive Officer	210D2969	18/06/2010	ALTEN shares	Tender of ALTEN shares by beneficiary	1,875,000	0.80
Mr Bruno Benoliel	Chief Operating Officer in charge of Finance	210D4949	01/10/2010	ALTEN shares	Sale	70,000	23.348
SGTI	N/A	210D6085	24/12/2010	ALTEN shares	Sale	418,000	23.85
SGTI	N/A	210D6086	24/12/2010	ALTEN shares	Sale	89,000	23.84

OPERATION OF ADMINISTRATIVE AND MANAGEMENT BODIES

16

16.1 OPERATION

16.1.1 MODE OF OPERATION 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. The Board of Directors has not imposed any specific restrictions on the powers of the Chief Executive Officer.

In its 5th resolution, the 23 June 2009 Combined General Meeting renewed Mr Simon Azoulay's term as director for a period of four (4) years, i.e. for a term expiring at the end of the General Meeting called in 2013 to approve the financial statements for the fiscal year ended 31 December 2012.

The Board of Directors meeting on 23 June 2009 held at the end of the Combined General Meeting confirmed the decision to combine the duties of Chairman of the Board of Directors and Chief Executive Officer and renewed Mr Simon Azoulay's appointment as Chief Executive Officer for the duration of his term as director. The Board of Directors has not imposed any particular restrictions on the powers of the Chief Executive Officer, other than those stated in the Internal Rules.

Note that the Internal Rules of the Board of Directors state that the following transactions are subject to the prior approval of the Board of Directors: (i) acquisitions (of companies or goodwill), (ii) cessation of business (company shares or goodwill), (iii) formation of jointly-held companies with third parties, (iv) issuance of bonds, guarantees and sureties.

Mr Gérald Attia serves as Deputy Managing Director. He was appointed by the Board of Directors on 28 June 2002 at the suggestion of the Chairman. No restrictions have been placed on his powers.

Mr Gerald Attia's term as Deputy Managing Director was renewed by the Board of Directors meeting which followed the 23 June 2009 Combined General Meeting for the duration of the term of Chief Executive Officer, i.e. for a term expiring at the end of the General Meeting called in 2013 to approve the financial statements for the year ended 31 December 2012. The Board of Directors has not imposed any particular restrictions on the powers of the Deputy Managing Director, other than those stated in the Internal Rules.

The Chief Executive Officer and the Deputy Managing Director are vested with the broadest possible powers to act on behalf of the Company in all circumstances. They exercise their powers within the scope of the company purpose, subject to that which the law expressly assigns to the Shareholders' Meeting and to the Board of Directors. They represent the Company in its relations with third parties and before the courts.

16.1.2 APPOINTMENT OF NEW DIRECTORS, RENEWAL OF APPOINTMENTS AND APPROVAL OF DIRECTORS CO-OPTED TO THE BOARD

There were no expiries of any Directors' terms in office at the General Meeting called to approve the financial statements for the year ended 31 December 2010.

However, on 22 June 2011 the Combined General Meeting will be called upon to deliberate on the financial statements for the year ended 31 December 2010 and to appoint new directors in addition to those already sitting on the Board:

Mr Bruno Benoliel, of French nationality, was born on 13 May 1964 in Paris' 17th arrondissement and resides at 131, rue du Faubourg-Saint-Honoré, 75008 Paris.

Mr Bruno Benoliel joined ALTEN in September 1997, as the Chief Financial Officer. He is currently Deputy Managing Director in charge of finance, information systems and legal services. His current duties are as follows:

Details and office	Current Group mandates
Bruno BENOLIEL Born on 13 May 1964 in Paris Deputy Chief Operating Officer responsible for Finance, IT and Legal Services	**Adviser (Consigliere) (Italy):** • ALTEN Italia – Vice-Chairman (2008-2012) • Onion (2009-2012) **Chairman of CA (Poland):** • IMP Engineering Poland S.P. ZOO (2004-current) **Manager (Romania):** • ALTEN SI – Techno Romania SRL (2009-current) ***Director* (Great Britain):** SD Partners Ltd (2001-unspecified) **Adviser (Consejero):** • ALTEN soluciones, productos, auditoria e ingeneria SAU – Chairman (ex-Cronos Iberica) (2009-2014) **Director (Sweden):** XDIN AB ***Managing Director* (Netherlands):** ALTEN PTS BV DDA Engineering BV Orion Engineering BV Galaxy Holding BV

- Ms Emily Luna, of French nationality, was born on 20 July 1948, in Rabat (Morocco) and resides at 9, rue Papillon, 75009 Paris.

Ms Luna was employed by ALTEN for several years as Director of sales administration. Thanks to her efficient organisation of customer administration, Ms Emily Luna was a key aid in terms of audits and the implementation and analysis of procedures. She left the company in September 2007.

These appointments will have a duration of four (4) years and will expire at the end of the General Meeting called to approve the financial statements for the fiscal year ended 31 December 2014.

16.2 EXPIRY DATE OF TERMS IN OFFICE

See 14.1.1 and 14.1.3.

16.3 SERVICE CONTRACTS LINKING MEMBERS OF ADMINISTRATIVE BODIES WITH MANANGEMENT

There are no service contracts linking members of administrative bodies, management or supervisory bodies with the issuer or any of its subsidiaries or stipulating the granting of advantages within the terms of such a contract.

16.4 INFORMATION ON COMMITTEES

See also 16.6. Report of the Chairman of the Board.

16.4.1 EXECUTIVE COMMITTEE

The composition of the Executive Committee is presented in Chapter 1.2 of the business report.

16.4.2 ADMINISTRATIVE COMMITTEE

The composition of the Administrative Committee is presented in Chapter 1.2 of the business report.

16.5 CONFORMITY WITH CURRENT GOVERNANCE SYSTEM

See 16.6.1 Report of the Chairman of the Board – Corporate governance.

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

To our Shareholders,

This report by the Chairman of the Board, approved by the Board of Directors at its meeting on 6 April 2011, in accordance with the requirements of Article L. 225-37 of the Commercial Code, will discuss the composition of the Board and the application of the principle of equal representation between men and women on the Board[(1)], the conditions in which the Board's work is prepared and organised, eventual restrictions on the powers of the CEO, a code of corporate governance, specific procedures relating to shareholder participation at General 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 officers and directors, 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 departments, but also the information systems manager and the heads of other departments that are involved with internal controls.

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

I CORPORATE GOVERNANCE

ALTEN (hereafter referred to as: the Company) operates in accordance with the Middlenext code of corporate governance for small and mid-cap stocks made public on 17 December 2009 (see Reference Code hereafter deliberation of the Board of Directors on 1 February 2010).

The Middlenext code is available on the Middlenext web site at the following address: www.middlenext.com.

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

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

The Board of Directors has started a process to gradually achieve compliance with the recommendations of the Reference Code, specifically:

Appointment of independent Board Members:

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

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

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

The board believes that, as of this date, none of its members fulfils the aforementioned criteria for independence. A search is underway to identify one or more candidates who may join the board as independent directors and provide complementary expertise in certain fields. As part of the Company's commitment to achieving compliance with the provisions of the eighth Recommendation in the Reference Code, the appointment of one (1) independent director is required. Henceforth the Board will be composed of at least five (5) directors.

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

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 bylaws whose purpose is to specify the manner in which the Board is organised and operates, along with rules applicable to securities transactions involving company representatives and their families.

These bylaws were amended by the Board of Directors dated 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 bylaws were enhanced in March 2008 by information specifically referring to corporate governance.

Finally, given the adoption of the new Middlenext Reference Code by the Board of Directors, the Board's bylaws were subject to certain changes at the 1 February 2010 meeting of the Board of Directors.

The Board of Directors' bylaws complies with the sixth Recommendation of the Reference Code concerning content and publication of the bylaws. It is available on the Company's website (*http://www.alten.fr/finance/informations-reglementees-alten.htm*).

1.1 Rules of operation and organisation

1.1.1 Composition of the Board of Directors

Article 15 of the Company's bylaws provides that the Board of Directors is composed of no fewer than three (3) and no more than eighteen (18) members.

The Board of Directors is composed of:

- Mr Simon Azoulay, who also serves as Chief Executive Officer;
- Ms Catherine Behar (married name Azoulay);
- Mr Gérald Attia, who also serves as Deputy Managing Director.

Mr Simon Azoulay, of French nationality, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. On 31 December 2010, he held 8.11% of the Company's share capital (2,591,550 shares) in his own name, and 25.36% (8,105,961 shares) via SGTI, the company in which he has a 100% controlling stake.

Mr Gérald Attia, of French nationality, was born on 6 April 1962 in Livry Gargan (93) and holds an MBA from Hartford. As of 31 December 2010 he held 0.036% of the company's capital (11,690 shares) in his own name.

Mrs Catherine Behar, married to Mr Simon Azoulay, of French nationality, was born on 18 November 1958 in Paris' 14th arrondissement. As of 31 December 2010, Ms Catherine Azoulay held 0.005% of the company's capital (1,500 shares) in her own name.

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.

A motion will be tabled at the Combined General Meeting to be held in June 2011 to consider the appointment of two new directors:

Mr Bruno Benoliel, of French nationality, was born on 13 May 1964 in Paris' 17th arrondissement and resides at 131, rue du Faubourg Saint Honoré, 75008 Paris.

Mr Benoliel joined ALTEN in September 1997, as the Chief Financial Officer. He is currently Deputy Managing Director in charge of finance, information systems and legal services. His current duties are as follows:

Marital status and position	Positions currently held within the Group
Bruno BENOLIEL born 13 May 1964 in Paris Deputy Managing Director in charge of finance, IT systems and legal	**Director (Italy):** • ALTEN Italia – Vice Chairman (2008-2012) • Onion (2009-2012) **Chairman of the Board (Poland):** • IMP Engineering Poland S.P. ZOO (2004-unlimited) **Manager (Romania):** • ALTEN SI – Techno Romania SRL (2009-unlimited) ***Director* (Great Britain):** SD Partners Ltd (2001-unspecified) **Director:** • ALTEN soluciones, productos, auditoria e ingeneria SAU – Chairman (ex-Cronos Iberica) (2009-2014) **Director (Sweden):** XDIN AB ***Managing Director* (The Netherlands):** ALTEN PTS BV DDA Engineering BV Orion Engineering BV Galaxy Holding BV

- Ms Emily Luna, of French nationality, was born on 20 July 1948 in Rabat (Morocco) and resides at 9, rue Papillon, 75009 Paris.

Ms Luna was employed by ALTEN for several years as Director of sales administration. Thanks to her efficient organisation of customer administration, Ms Emily Luna was a key aid in terms of audits and implementation and analysis of processes. She left the company in September 2007.

1.1.2 Representation of men and women on the Board of Directors

The French 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. The Board of Directors, which already has one female director (Ms Catherine Behar-Azoulay), decided at its meeting of 6 April 2011 to ask the General Meeting scheduled for June 2011 to approve the appointment of Ms Emilie Luna as a new director.

If the General Meeting approves the appointment of Ms Luna, the Board will have two women among its five members.

In accordance with the provisions of the law of 27 January 2011, to be applied with immediate effect, the Board of Directors will meet in 2011 to define the Company's policy with regard to achieving professional parity among its workforce, including in terms of salary scales.

1.1.3 Duration and number of terms

The Board of Directors asked the 23 June 2009 General Meeting of shareholders to approve an amendment to the bylaws concerning the terms of the directors, reducing their terms to four (4) years rather than six (6) years. The term of office for members of the Board of Directors is now set in the bylaws at four (4) years. This term complies with the suggestions in the tenth Recommendation of the Reference Code.

Note that the directors' terms of office are staggered (see the summary table of offices).

The list of offices held by members of the Board of Directors during the 2010 fiscal year can be found in Chapter 14.1.3 of this document.

1.1.4 Convening meetings of the Board of Directors

In accordance with law and the bylaws, Directors are convened by simple letter or by e-mail. On average, 2010 Board meetings were convened five (5) days in advance.

Representatives to the Works Council (one management and one non-management representative) were called to all meetings of the Board of Directors by e-mail and by registered letter with acknowledgement of receipt.

In accordance with the provisions of Article L. 823-17 of the French Commercial Code, the Company's statutory auditors are called to all meetings of the Board of Directors convened to review or approve the interim or the annual statements, as well as to the annual Ordinary General Meeting.

In an effort to improve transparency and ensure that the statutory auditors are in a position where they are best able to fulfil their duties, the auditors were invited to attend all the meetings of the Board of Directors in 2010.

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.

The representatives from the Works Committee received the same information within the same timeframe as the members of the Board of Directors.

Minutes of the Board Meetings are drafted following each meeting and are subject to approval of the Board of Directors at its next meeting.

1.1.6 Proxy representation of Directors

Directors may be represented by proxy at meetings of the Board of Directors by another Director. The proxy must be given in writing. Only one Director used this right during fiscal year 2010.

1.1.7 Use of videoconferences and telecommunications

The Company's articles of association and the bylaws of the Board of Directors allow the Directors to take part in the Board's deliberations via videoconference or telecommunication. Directors who take part in Board deliberations using this method are deemed to be present when calculating the quorum and the majority, except when taking decisions where such methods are forbidden by law or regulation (currently financial statements and the management report).

These methods were not used in the course of fiscal year 2010.

1.1.8 Chairmanship of meetings

Mr Simon Azoulay, the Chairman, presided over twelve (12) meetings of the Board of Directors in 2010.

1.1.9 Guests invited to Board meetings

During the 2010 fiscal year, the Group's Chief Financial Officer and the Head of the Legal Department regularly attended Board meetings. The role of Board secretary will be fulfilled by the Head of the Group's Legal department or by the CFO.

1.1.10 Board meetings taking the form of committees

Finally, in accordance with Articles L. 823-19 et seq of the French Commercial Code, the Board of Directors, in the presence of Mr Bruno Benoliel, Chief Operating Officer responsible for finance, convened as an Audit committee on 6 April 2011, in order to monitor:

- the process by which financial information is compiled;
- the efficiency of internal control and risk management procedures;
- the control required by law of the annual financial statements and the consolidated statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

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

The Company has adopted some of the recommendations contained in the Poupart-Lafarge report of July 2010 relating to Board meetings in Committee form: it has followed the report's recommendations concerning the duties of the committee and now keeps specific minutes for Board meetings held in Committee form.

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.

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 Committee and the Statutory Auditors. The Board members also verify that the most important questions have been sufficiently prepared, in particular using the expertise of the CFO when the agenda contains a question relating to the activity of the Group, the company or consolidated financial statements or the Company's financial communications.

A procedure aimed at allowing a full and structured assessment will be implemented once an independent director has been appointed to the Board of Directors.

1.2 Frequency of meetings and Directors' average attendance rate

The Board of Directors met twelve (12) times during fiscal year 2010, at the registered office, with an average attendance rate of 66%.

1.3 Main missions

The Board of Directors' primary duty is to determine the direction of the Company's business, define its strategy and monitor its implementation.

It operates in areas which relate to its own areas of competence such as approval of financial statements (annual and interim financial statements), convocation of General Meetings of shareholders, regulated agreements (within the meaning of Article L. 225-38 of the French Commercial Code) and determining remuneration for officers and directors.

In addition, the following transactions are subject to prior approval by the Board of Directors: (i) acquisitions (ii) cessation of business, (iii) creation of jointly-held companies with third parties, (iv) issuance of bonds, guarantees and securities.

In the course of fiscal year 2010, the Board of Directors: approved two (2) projects to create companies controlled at 100%, one (1) acquisition of a minority stake, one (1) internal restructuring operation and one (1) project to create a joint venture, approved the 2009 annual statements and the provisional management documents, examined and approved the financial communiqués, decided on compensation for company officers and delegated authority to the CEO to issue guarantees, bonds and sureties under certain conditions and limitations.

1.4 Mode of operation 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. The Board of Directors has not imposed any specific restrictions on the powers of the Chief Executive Officer.

The Combined General Meeting of 23 June 2009, in its fifth resolution, renewed the director's mandate of Mr Simon Azoulay for a period of four (4) years, expiring at the end of the General Meeting convened to approve the financial statements for the year ending 2013.

The Board of Directors meeting on 23 June 2009 held at the end of the Combined General Meeting confirmed the decision to combine the duties of Chairman of the Board of Directors and Chief Executive Officer and renewed Mr Simon Azoulay's appointment as Chief Executive Officer for the duration of his term as director. The Board of Directors has not imposed any particular restrictions on the power of the CEO, with the exception of those already contained in the Company's bylaws.

In effect, the Company bylaws require that the following operations must receive prior approval by the Board: (i) external growth operations (acquisitions of companies or business assets), (ii) divestments (company securities or business assets), (ii) the setting up of jointly held companies with third parties, (iv) the issuing of bonds, guarantees and sureties.

Mr Gérald Attia serves as Deputy Managing Director. He was appointed by the Board of Directors on 28 June 2002 at the suggestion of the Chairman. No restrictions have been placed on his powers.

Mr Attia's mandate as Deputy Managing Director was renewed by the Board of Directors that met after the Combined General Meeting of 23 June 2009, for the same term as the CEO, which will expire at the end of the General Meeting held to approve the 2013 financial statements. The Board of Directors did not place any restrictions on the powers of the Deputy Managing Director, with the exception of those already contained in the Company's bylaws.

The Chief Executive Officer and the Deputy Managing Director are vested with the broadest possible powers to act on behalf of the Company in all circumstances. They exercise their powers within the scope of the Company's purpose, subject to that which the law expressly assigns to the Shareholders' Meeting and to the Board of Directors. They represent the Company in its relations with third parties and before the courts.

1.5 Delegations of authority relating to guarantees, bonds and securities - Art. L. 225-35 of the French Commercial Code

At its meeting on 31 January 2011, the Board of Directors renewed its authorisation granted to the Chairman at the meeting of 18 January 2010, to issue, with the right to further delegate its authority, guarantees, bonds and sureties in the Company's name up to a maximum of five (5) million euros. This delegation of authority, issued for a period of twelve (12) months, will expire on 31 January 2012.

This authorisation was only used once in the course of fiscal year 2010.

1.6 Remuneration policy for company officers and directors

The Chief Executive Officer and the Deputy Managing Director receive remuneration for their positions. At the beginning of the year, the Board of Directors declares the amount to be allocated to them for the current fiscal year, as set forth below.

1.6.1.1 Remuneration paid by ALTEN SA

Total fixed remuneration paid to Mr Simon Azoulay in compensation for his service as CEO in 2010 amounted to 109,080 euros. No variable remuneration was paid to Mr Simon Azoulay in 2010.

Mr Simon Azoulay was not awarded any stock options or free shares during the 2010 fiscal year. He did not receive any extraordinary remuneration or benefits in kind paid by the Company during the 2010 fiscal year.

1.6.1.2 Remuneration paid by companies controlled by ALTEN SA (under the terms of Article L. 233-16 of the French Commercial Code).

Mr Simon Azoulay received no remuneration or benefits in kind from any companies controlled by ALTEN SA (under the terms of the Article L. 233-16 of the French Commercial Code) in 2010, with the exception of director's fees as mentioned in paragraph 1.6.3.

1.6.2 Remuneration paid to the Deputy Managing Director during 2010

1.6.2.1 Remuneration paid by ALTEN SA

During the 2010 fiscal year, Mr Gérald Attia received total gross fixed remuneration of one hundred seventy-eight thousand two hundred and twenty-four euros (178,224 euros) for his position as Deputy Managing Director.

The Board of Directors, at its meeting of 9 November 2010, decided to allot Mr Gérald Attia, for the fiscal year 2010 and in addition to his gross fixed salary of 178,224 euros, a variable performance-based remuneration of no more than 100,000 euros.

In order that the performance criteria take into account the challenges faced by the Group and the need to ensure its continuity, the Board of Directors decided that the remuneration of Mr Gérald Attia should be linked not only to the meeting of short-term objectives (by 31 December 2010) but also to success in mid-term projects (by 2015). The short and long-term targets each account for 50% of the overall assessment of his success.

The Board of Directors, at its meeting of 31 January 2011, having judged that Mr Attia had achieved the objectives, decided to attribute a variable remuneration of fifty thousand (50,000) euros.

Mr Gérald Attia was not allocated any stock options or free shares for fiscal year 2010. Neither did he receive any exceptional remuneration, nor any benefits in kind from ALTEN SA over the course of 2010.

1.6.2.2 Remunerations paid by companies controlled by ALTEN SA

Mr Gérald Attia received no remuneration or any benefits in kind from any company controlled by ALTEN SA (under the terms of Article L. 233-16 of the French Commercial Code) during 2010, with the exception of director's fees as described in paragraph 16.3.2 hereafter.

To date, the officers and directors have not received any deferred remuneration, benefits to departing employees or pension obligations.

1.6.3 Directors' fees:

1.6.3.1 Directors' fees paid by ALTEN SA

Company directors have not received directors' fees from ALTEN SA for the 2010 fiscal year.

1.6.3.2 Directors' fees paid by companies controlled by ALTEN SA (under the terms of Article L. 233-16 of the French Commercial Code).

Mr Simon Azoulay received 150,000 euros in Director's fees from the Spanish Private Limited company ALTEN SPAIN.

Mr Gérald Attia received Director's fees of 84,000 euros from the Spanish Private Limited company ALTEN SPAIN.

1.7 Shares owned and securities transactions

The Board of Directors' bylaws 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 stock market authorities and those currently set forth in the AMF instruction dated 3 February 2006) all transactions (transfer, purchase, share, pledge, etc.) concerning Company shares within the statutory period (currently a maximum of five (5) stock market trading days from the transaction date).

  Note that it is recommended that securities held by the members of the Board of Directors must be registered (directly or administered). The Economic Modernisation Act (known as the LME Act) of 4 August 2008 eliminated the requirement that directors hold a Company share. The articles of association may elect to set forth a number of shares that each director must hold.

  A resolution proposing to amend Article 15 of the Company's articles of association will be submitted to a shareholders' vote during the Combined General Meeting on 23 June 2009.
- like any shareholder, members of the Board of Directors shall inform the AMF when it crosses any legal or regulatory threshold related to capital and/or voting rights, whether to the upside or the downside. These declarations must be submitted to the AMF within a maximum period of four (4) stock market trading days. Board members shall also provide the Company's Legal Department with a copy of the declaration submitted to the AMF.

1.8 The Executive Committee and the Administrative Committee

The Board of Directors relies on the work of the Executive Committee and the Administrative Committee in order to be fully prepared before taking decisions.

1.8.1 The Executive Committee

The Executive Committee, which meets at least once (1) a month, comprises the Chief Executive Officer, the operations managers of the Group's different divisions, the CFO and the Head of Human Resources. It is chaired by the Chief Executive Officer.

Its primary missions are:

- define the Group's major sales, organisational and growth strategies;
- analyse its sales and financial performance and determine operational measures to be implemented;
- to monitor ongoing projects.

1.8.2 The Administrative Committee

The Administrative Committee, which meets at least once (1) a month, is composed of the Chief Executive Officer, the CFO and heads of the Legal and Human Resources Departments. It is chaired by the Chief Executive Officer. Depending on the agenda, the Deputy Managing Director, the Director of Information Systems, the subsidiaries' Chief Financial Officers and the Division Operational Directors may be called to appear at meetings of the Administrative Committee.

Its primary missions are:

- to define social and remuneration policies, career paths and management rules for all operational staff, except for sales positions;
- to propose to the Board of Directors the implementation of management, control and internal administrative procedures, management guidelines and delegations;
- to propose the implementation and/or development of information systems in coordination with the operational and administrative management processes defined above.

It is also consulted on policies regarding remuneration and incentives for the Group's senior executives.

In addition, within each of the Group's Divisions, the Executive Committees meet at regular intervals under the leadership of the Division Operational Directors to implement the strategy set by general management.

1.9 The Statutory Auditors

The company and consolidated financial statements were jointly certified by Grant Thornton, represented by Mr Laurent Bouby, and by Dauge & Associes, represented by Mr Christian Laplane.

In its sixth, seventh, eighth and ninth resolutions, the Combined General Meeting of shareholders on 23 June 2009 renewed all of the mandates of the regular and substitute statutory auditors for a term of six (6) fiscal years, expiring at the end of the General Meeting called in 2015 to approve the financial statements for the fiscal year ended 31 December 2014.

2 Terms of participation of shareholders at the General Meeting

The right to take part in General Meetings is subject to the registration of shares in the books under the shareholder's or the agent's name not later than midnight, Paris time, on the third banking day preceding the General Meeting, either (i) in individual accounts managed by the company or (ii) in bearer accounts managed by an authorised agent.

Registration or entry of bearer shares is recorded through a shareholding certificate issued by the authorised agent.

If unable to personally attend the meeting, the shareholder may select one of the following three options: (i) Give a proxy to the natural person or legal entity of his choosing in accordance with the conditions of Article L. 225-106 of the French Commercial Code; (ii) Send a proxy to the Company without identifying an agent or (iii) vote by mail.

Requests by shareholders to submit draft resolutions or points of order to the agenda must be sent to the head office by registered letter with acknowledgment of receipt or by electronic telecommunication no later than twenty five (25) days before the General Meeting. They may not be sent more than twenty days after the publication of the agenda in the BALO.

3 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 page 11 of the management report, show that the key shareholders (SGTI and Mr Simon Azoulay) together hold a majority at the General Meetings in terms of voting rights.

There are no statutory restrictions to the exercise of voting rights, except for the removal of voting rights from shares which were not the subject of a reporting threshold 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).

Moreover, Article 14 of ALTEN's articles of association provide 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, earnings or premiums, this double voting right is also conferred from the time of issue to registered 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 in the event a Board Member ceases to be in office.

ALTEN is also duly informed of any significant investments (direct or indirect) in its share capital:

- by application of Articles L. 233-7 and L. 233-12 of the French Commercial Code;
- by application of Article 9 of the Company's articles of association, which provides that "any physical person or legal entity acting individually or in concert that crosses the threshold (to the upside or the downside) 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. Accordingly, as of 16 October 2009, Mr Laurent Schwarz's departure from the action in concert resulted in the termination of such action in concert which existed since 1999.

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.

II INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The reference framework used to prepare the internal control and risk management section of this report is the subject of an AMF recommendation dated 22 July 2010.

1 Definition and objectives of internal oversight and risk management - Scope

Internal oversight 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 preservation of assets;
- 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 oversight procedures are applied throughout ALTEN Group, which is defined as the parent company ALTEN SA as well as all fully consolidated companies.

The Group relies on its significant past experience and well-established document 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 for Operational Managers.

However, this oversight system cannot provide an absolute guarantee that objectives will be reached 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 oversight system

Internal oversight 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 oversight procedures related to the preparation and presentation of financial information. The production and analysis of financial information relies on the Accounting, Consolidation and Management Oversight departments as well as on the Financial Divisions of the various Group subsidiaries.

All Group companies issue monthly reports on their operations and finances, which are approved by the Management Audit Division. Each quarterly report is subject to close examination.

In the case of foreign entities, additional financial audits are performed annually in accordance with procedures established by the Finance Division based on risk exposure. This is a key tool used by the ALTEN Group to direct its operations. In this way, any discrepancies can be identified, analysed and addressed during the course of the year, which helps ensure that the interim and year-end financial statements are reliable.

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 departments 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, model employment agreements, etc.). Once hired, information on new employees is promptly recorded in the Group's electronic database. Payroll functions for 90% of all employees in France are centrally handled.

Sales

New customer accounts in France are validated by the Group's Cash Management division to ensure that the customers are solvent. All customer accounts are scored and are subject to collection proceedings differentiated according to scoring levels.

For this purpose, ALTEN uses a software application in France and Spain to manage customer accounts and collections. This application operates at various levels beginning with invoicing: identification of late payments, reminder notices, dispute identification and centralisation, collections, etc.

Strict internal guidelines specify how sales are recognised, depending on the nature of the projects (mainly time/materials 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 applicable entities.

The Group benefits from strengthened General Conditions of Sale, which are systematically integrated in replies to calls for tender.

ALTEN has established a process to manage the performance of integrated projects. Upon receipt of a call for tenders, the Business Manager and the Technical Manager examine the commercial risks and the technical risks before deciding how to follow up the call for tenders, with the Director of Operations acting as an arbitrator.

The process continues, if applicable, with the conception, the development of the financial and technical proposals, then a review of the offer with the participation of the Technical Director, the Department Director, Management Control and the Director of Operations.

The Legal Department is systematically integrated into 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 purchase request;

purchase of equipment or services by the Group's applicable department (General Services, IT, etc.);

validation of the service and/or delivery by the applicable department;

validation of the payment slip and invoice by the Accounting Division according to various documents.

Invoice settlement, arranged by the Accounting Department, is validated by an independent third party which 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 Conditions of Sale.

Legal

Legal procedures are in place at Group level to involve the Legal Department 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.

External growth

The identification of targets and their preliminary approval are first handled by a special department and then validated by General Management, the Financial Department and the Operational Department of the applicable Division.

All proposals are reviewed by the Finance Department, the Legal Department and require the prior approval of general management.

Proposed acquisitions are submitted to the Board of Directors for approval following an operational, financial 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 Department, which drafts the supporting documentation.

Acquired entities are immediately incorporated into the Group's operational reporting system and management process. Depending on the entity's size, the Group's information systems may be used to ensure the reliability of the data. They are reassessed on an annual basis.

Property

The first phase involves a statement of requirements and a search for new premises, which is set forth in a form sent by the Region Manager to the Director of Operations (DOP), signed for approval and then sent to the Group's General Services Department for processing. Review of the project and approval of selected premises falls within the purview of General Management.

The Legal Department is also involved in the various stages of lease negotiations, overseeing them with the General Services Department. A property committee meets each week to maintain a constant flow of information between the Legal Department and the General Services Department, providing visibility and ongoing updates of current and future projects.

Financial communications

The ALTEN Group uses all available resources to provide regular, reliable, clear and transparent information to both its shareholders and to financial analysts.

Information is provided via press releases distributed to the press as well as through the quarterly publication of the Group's sales and the biannual and annual publication of its earnings.

The Group organises semi-annual analysts' meetings at the time it publishes its earnings.

Delegations of authority

The existing system for delegating authority has a threefold purpose:

- raising awareness among Operational Directors about their responsibility for health and safety;
- establishing 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:

- achieve productivity gains;
- secure the flow of financial information; and
- oversee operations carried out by the various Group companies and have pertinent operational information which enables responsive management of the business.

The main application software currently in use is:

- Customer Relationship Management ("CRM");
- human resources and consultant recruitment;
- sales management and reporting, monitoring of assignments;
- managing and monitoring employee working time (invoice and payroll validation, personnel management);
- cost management and oversight (in conjunction with time and project management);
- sales management and invoicing;
- payroll;
- 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 2010 – Projects for 2011

The "Vision" ERP project was implemented as planned in 2010 and was effective at ALTEN SA as of 1 January 2010. Two other entities also benefited from the roll out of this new IT system in 2010 (Pégase and Winwyse).

The scope of the "Vision" project currently covers 50% of the Group and further roll outs will take place in other entities during 2011. The Group is also researching and implementing optimisation solutions for ERP tools and their associated management processes in order to improve the efficiency of IT systems, addressing the challenges posed by the Group's expansion in France and abroad.

A project to replace the CRM tool is also underway. In 2010 a draft project was drawn up and the new CRM chosen. The initial delivery of this tool is scheduled for end-2011 on a small scale before its wider implementation at a later date.

In terms of infrastructure, the continuing virtualisation of servers doubled the overall capacity of existing systems in 2010 and allowed their migration as part of the Group's rationalisation and security project.

Cash management

The Group's central cash management department manages the cash of all French subsidiaries. Since 2009, all cash flows are protected by the SWIFT network and high-performance ERP software.

The cash flow of international operations is gradually being integrated into an international cash pool. These flows are monitored on a daily basis and any surpluses are centralised according to current account management regulations, pending the annual dividend payments.

Work completed in 2010 – Projects for 2011

New cash management and banking communication tools were gradually deployed and used to manage cash flow with banks that are integrated into the Group's French bank syndicate.

The deployment of European cash-pooling is underway and will be completed in 2011, starting with the major European subsidiaries.

The centralisation of payments, which is already operational in France, was launched abroad in 2010. The Cash Management division is therefore well equipped to consolidate the Group's subsidiaries and financially support Group growth.

3 Risk Management

Identified risks and the resources used to manage them are described in chapter 4 of this Document.

4 Conclusion – Outlook

Efforts to steadily improve the Group's internal oversight procedures, implemented several years ago, were accentuated in 2010 with the deployment of new management and oversight tools. These initiatives will continue in 2011.

6 April 2011

Chairman of the Board of Directors

Simon Azoulay

16.7 REPORT OF THE STATUTORY AUDITORS ON THE REPORT OF THE CHAIRMAN OF THE BOARD

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ALTEN

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Alten, and in accordance with article L. 225 235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by article L. 225-37 of the French Commercial Code.

Paris, April 26, 2011

The Statutory Auditors

Grant Thornton French member of Grant Thornton International	Cabinet Dauge et Associés
Laurent Bouby Associate	Christian Laplane Associate

17 EMPLOYEES

17.1 KEY FIGURES

17.1.1 ALTEN GROUP WORKFORCE, YEAR END

	31/12/2007	31/12/2008	31/12/2009	31/12/2010
Consultants (1)	9,200	11,000	9,900	11,250
Internal staff (2)	1,280	1,550	1,400	1,450
TOTAL	**10,480**	**12,550**	**11,300**	**12,700**

(1) Salaried employee performing technical projects on customer premises, services billed to customers.
(2) Internal operating staff, not billed to clients.

2010 was notably marked by an economic and social rebound. This rebound can be seen through the rapid growth in customer demand and increased recruitment within ALTEN SA.

17.1.2 EMPLOYMENT WITHIN ALTEN SA

The overall workforce grew by 12%, in part due to the economic rebound following bleak conditions in 2009.

- Total workforce as of 31 December 2010: 4,419.
- Indefinite-term employment contracts: 1,588.
- Fixed-term employment contracts: 113.
- ALTEN SA continued to reduce the rate of employee departures, down 8.6% compared to 2009.
- Total departures: 1,275.
- Resignations: 59.6% of departures.
- Redundancies: 7.37% of departures.
- End of trial period: 17.6% of departures.
- End of fixed-term employment contract: 5.3% of departures.
- Other (including transfers): 10% of departures.
- Overtime worked: 10,586.

External labour: sub-contracted labour for the completion of technology-based projects.

Foreign employees: As of 31 December 2010, there were 308 employees of foreign nationality in the ALTEN workforce, including 241 from outside the European Union.

17.2 HUMAN RESOURCES POLICY

17.2.1 ALTEN SA SOCIAL RESPONSIBILITY REPORT

Pursuant to the provisions of Article L. 2323-68 of the French Labour Code, each year ALTEN SA issues a social responsibility report that is presented to the Works Committee.

17.2.2 COMPANY BYLAWS

ALTEN has drawn up Company bylaws that set out provisions in the fields of health and safety, working conditions, hours, discipline, prevention and other areas.

17.2.3 EMPLOYMENT AND INSERTION OF HANDICAPPED PERSONNEL

With respect to employment of disabled staff, companies within the Group are committed to a voluntary policy to improve the integration of these employees into the company.

The company has ten disabled staff members, but this figure is probably higher in reality as many disabled people do not inform their employers of their disability.

Furthermore, ALTEN subcontracts from certain associations that advocate for the employment of disabled persons and purchases certain supplies from these organisations. ALTEN paid a tax of 1,371 thousand euros to AGEFIPH.

17.2.4 MOBILITY

Given the nature of the company's business, all consultants can move within ALTEN. As of 31 December 2010, 587 consultants were working on short-term overseas assignments to carry out more than 2,000 projects in over 90 countries.

17.2.5 WORKING TIME

At the end of December 1999, ALTEN and its French subsidiaries, which then accounted for more than 90% of the group's activities and staff, implemented a company-wide agreement.

All of the Group's subsidiaries in France have a 35 hour working week.

Hours worked:

- full time: 35 hours a week;
- part time: superior or equal to 20 hours: 64 employees / less than 20 hours: nine employees.

In 2010, access to part time working arrangements was made easier.

The occupation rate of consultants, calculated monthly, is defined as the ratio between the number of days invoiced, and the number of days billable (excluding paid holiday/working time reduction days etc.).

This ratio was 94.8% during 2010, 90.5% during 2009, 93.8% during 2008 and 94.7% during 2007.

Absenteeism and its reasons: the average number of days absent per employee is 7.41 days, whereas the known national average is estimated at 17.8 days.

- Sabbaticals, parental leave, and leave for family events = 35.6%
- Maternity leave = 18.2%
- Sick leave = 45.2%
- Occupational injuries = 0.88%

17.2.6 EMPLOYEE RELATIONS

Companies within the Group actively pursue dialogue with their labour relations partners.

ALTEN SA met with the Works Council 16 times and with employee representatives 12 times during 2010.

17.2.7 HYGIENE AND SAFETY

ALTEN SA's Health and Safety Committee met 14 times in 2010. The other Group subsidiaries that met the regulatory threshold also implemented Health and Safety Committees which met periodically as required by law.

The majority of consultants work on customer premises, in laboratories or offices. Other employees working on Company premises provide functional services.

Given ALTEN's business activities, its employees are not subject to difficult working condition or the performance of repetitive tasks (assembly line work).

During the fiscal year 2010, the ALTEN Group recorded a very low rate of work-related accidents (0.88%).

17.2.8 TRAINING

ALTEN devotes a significant budget to training activities. In 2010, this budget represented 2.47% of its overall payroll.

Training efforts are divided among the following key areas:

- adapting employees to the various divisions' operational needs;
- professional and personal development of employees so they can take full advantage of career opportunities offered by the company;
- strengthening managerial and project management skills.

17.2.9 REMUNERATION, MANDATORY AND DISCRETIONARY PROFIT SHARING AND SAVINGS PLANS

As of 31 December 2010, social security charges related to total payroll were 65,530 thousand euros.

The majority of 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).

17.2.10 WELFARE AND CULTURAL BENEFITS

The budget allocated to welfare benefits represented 0.8% of the total payroll.

17.2.11 SUBCONTRACTING

ALTEN mainly uses subcontractors from within the Group. In 2010, subcontracting expenses amounted to 70,344,422 euros. 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, the ALTEN Group 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.

In 2010, expenses related to the use of temporary workers equalled 1,161,961 euros.

17.2.12 RELATIONSHIPS WITH LOCAL AND REGIONAL COMMUNITIES

In the field of education and training, ALTEN has formed partnerships with numerous engineering and business schools whose programmes relate to the company's needs.

In addition, the Chairman was part of an employment commission established by GEICET, a professional association aimed at promoting the engineering trade.

In partnership with the n+i network, ALTEN has also implemented training courses for Indian students who come to France to complete their engineering studies at prestigious schools.

17.2.13 PATRONAGE

ALTEN supports various charities each year through cash donations. For fiscal year 2010, the total amount of these donations was 1,019,197 euros.

17.3 PROFIT SHARING AND STOCK OPTIONS

See 15.1.7.1 table 8 and 17.4.2.

17.4 AGREEMENT ON EMPLOYEE PROFIT SHARING

17.4.1 DISCRETIONARY PROFIT SHARING PLAN

ALTEN has not implemented any discretionary employee profit sharing plans.

17.4.2 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 S.A.	27/05/1992
ALTEN SIR	12/02/2009
ALTEN Sud Ouest (formerly Anotech)	15/12/2001
Anotech Energy (<50)	06/12/2007
MI-GSO	15/11/2006
Avenir Conseil Formation	20/01/2009

In addition, all companies benefit from the Multipar Securite 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;
- Épargne Entreprise Prudence FCP;
- Épargne Entreprise Équilibre FCPE;
- Multipar Solidaire Dynamique FCP;
- FCP Multipar Sécurité.

All of these funds have been approved by the AMF.

Pursuant to the Labour Revenue Act of 3 December 2008 and Decree numbers 2009-350 and 2009-351 of 30 March 2009, an amendment to the profit-sharing plans was made for companies entitled to participate during 2009, to define the procedures for informing employees of their option to request either immediate payment of their share of the profits or to invest in the FCPE.

In addition, certain acquired companies already have their own employee profit-sharing plans and company savings plans:

Companies	Date of agreement
ECAM*	14/12/2002
Cisia Ingenierie	14/12/2009
B2i	22/05/2004
Winwise	27/03/2009

* *ALTEN South West absorbed Ecam on 01/01/2010 through a merger of assets and liabilities.*

Winwise, acquired in July 2008, has an older PEE agreement (company savings plan) still in effect. In addition, an employee profit-sharing plan was signed on 27 March 2009.

AMOUNTS PAID TO EMPLOYEES UNDER EMPLOYEE PROFIT-SHARING PLANS OVER THE PAST FIVE YEARS

ALTEN SA	2006	2007	2008	2009	2010
Equity stake in euros	2,269,486	2,695,411	2,587,163	0	2,614,083

MAIN SHAREHOLDERS

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18.1 SHAREHOLDING STRUCTURE

18.1.1 SHAREHOLDING STRUCTURE

18.1.1.1 Position as of 31 December 2010

The identity of the individuals directly or indirectly holding more than 3%, 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, or 66.66%, 90% or 95% of the company's share capital and voting rights at General Meetings as of 31 December 2010 is set forth below:

	Number of shares	% of shares	Number of voting rights	% of voting rights
Registered shares				
Simon Azoulay and assimilated (o.w. SGTI*) (1)	10,697,511	33.46%	21,395,022	50.36%
Gérald Attia	11,690	0.04%	23,380	0.06%
FCPE ALTEN	360,000	1.13%	360,000	0.85%
Other	290,010	0.91%	496,216	1.17%
SUBTOTAL	**11,359,211**	**35.53%**	**22,274,618**	**52.44%**
Bearer shares				
Public	18,346,459	57.39%	18,346,459	43.19%
Fidelity International Ltd	1,574,009	4.92%	1,574,009	3.61%
Founders	285,184	0.89%	285,184	0.67%
Treasury shares	401,927	1.26%	(without voting rights)	-
TOTAL	**31,966,790**	**100%**	**42,480,270**	**100%**

(1) Assimilated as provided for by Article L. 233-9 of the French Commercial Code.
** The holding company SGTI is 100% owned by Mr Simon Azoulay.*

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.

18.1.1.1.1 Employee profit-sharing

At the end of the fiscal year 2010, employee share ownership as defined under Article L. 225-102 of the French Commercial Code represented 1.13% of the Company's share capital. These shares are held through the ALTEN FCPE.

18.1.1.1.2 Cash management shares

As of 31 December 2010, none of ALTEN's subsidiaries held ALTEN shares.

18.1.1.1.3 Information concerning holding and disposal of cross-shareholdings

None.

18.1.1.2 Position as of 31/03/2011

	Number of shares	% of shares	Number of voting rights	% of voting rights
Registered shares				
Simon Azoulay and assimilated (o/w SGTI) (1)	10,697,511	33.36%	21,395,022	50.24%
Gérald Attia	11,690	0.04%	23,380	0.05%
FCPE ALTEN	348,500	1.09%	348,500	0.82%
Other	289,006	0.90%	495,032	1.16%
SUBTOTAL	**11,346,707**	**35.39%**	**22,261,934**	**52.27%**
Bearer shares				
Public	18,464,291	57.57%	18,464,291	43.36%
Fidelity International Ltd	1,574,009	4.91%	1,574,009	3.70%
Founders	285,184	0.88%	285,184	0.67%
Treasury shares	400,202	1.25%	(without voting rights)	-
TOTAL	**32,070,393**	**100%**	**42,585,418**	**100%**

* *The holding company SGTI is 100% owned by Mr Simon Azoulay.*
(1) *Assimilated as provided for by Article L. 233-9 of the French Commercial Code.*

There have been no significant changes since 31 March 2011

To the Company's knowledge, no other shareholder holds, directly or indirectly, individually or in concert, more than 3% of the capital or voting rights.

18.1.2 CHANGES IN SHAREHOLDER STRUCTURE

18.1.2.1 Changes to the breakdown of capital over the past three years

	Position as at 31 December 2010			Position as at 31 December 2009			Position as at 31 December 2008		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Simon AZOULAY*	10,697,511	33.46	50.36	3,217,938	10.13	14.83	3,217,938	10.14	14.70
Gerald ATTIA	11,690	0.04	0.06	11,690	0.04	0.03	11,690	0.04	0.05
SGTI				8,612,961	27.11	39.56	9,000,000	28.37	41.11
Other	290,010	0.91	1.17	496,159	1.56	1.23	508,886	1.60	1.24
FCPE ALTEN	360,000	1.13	0.85	384,500	1.21	0.89	374,700	1.18	0.86
Public	18,346,459	57.39	43.19	16,465,687	51.82	37.95	17,625,132	55.55	40.25
Founders	285,184	0.89	0.67	285,184	0.90	0.66	285,184	0.90	0.65
Fidelity International Ltd	1,574,009	4.92	3.71	1,595,506	5.02	3.68	-	-	-
Treasury shares	401,927	1.26	-	450,886	1.42	-	450,795	1.42	-
TOTALS	**31,966,790**	**100**	**100**	**31,771,921**	**100**	**100**	**31,725,735**	**100**	**100**

* *Simon Azoulay and those in the same category (o/w SGTI).*

18.1.2.2 Public purchase or exchange offer

No public purchase offer, exchange offer or standing market offer was launched by third parties for the company's shares.

In addition, the company has launched no public exchange offer on the shares of another company on a regulated market.

18.1.2.3 Action in concert

The action in concert which existed between Mr Simon Azoulay, Mr Laurent Schwarz and SGTI since ALTEN was first listed on the stock exchange on 1 February 1999 ended on 16 October 2009 (AMF declaration recorded under no. 209C1301).

18.1.2.4 Shareholders' agreements

To the best of the Company's knowledge, there are currently no shareholders' agreements in effect.

18.1.2.5 Pledges, guarantees or sureties involving the company's shares

To the best of the company's knowledge, the shares described below are subject to the following pledge arrangements to collateralise bank loans:

Name	Number of ALTEN shares pledged	Maturity date	Type	Percentage of share capital*
Simon Azoulay	562,000	25/06/2011	Bank loan collateral	1.76%
Simon Azoulay	500,000	22/02/2011	Bank loan collateral	1.56%
Simon Azoulay	1,358,000	31/12/2010	Bank loan collateral	4.25%
SGTI	8,550,000	25/06/2011	Bank loan collateral	26.70%

* *As on 31 December 2010.*

18.1.3 CROSSING OF REPORTING THRESHOLDS

To the Company's knowledge, the only reporting thresholds crossed during the 2010 fiscal year were the following:

Declarant's name	Transaction date	AMF Reference	Type of threshold crossing
FIL Limited	10 March 2010	210C0248	Falling below the 5% capital threshold

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 18.1 of this Document, show that the key shareholders (SGTI and Mr Simon Azoulay) together hold a majority at the General Meetings in terms of voting rights.

There are no statutory restrictions to the exercise of voting rights, except for the removal of voting rights from shares which were not the subject of a reporting threshold declaration which can be requested by one or more shareholders holding at least 3% of the share capital.

Moreover, Article 14 of ALTEN's articles of association provide 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, earnings or premiums, this double voting right is also conferred from the time of issue to registered 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 in the event a Board Member ceases to be in office.

Delegations and authorisations granted by the Board of Directors which are currently in effect are described in 21.1.8.10 of this Document.

ALTEN is also duly informed of any significant investments (direct or indirect) in its share capital:

- by application of Articles L. 233-7 and L. 233-12 of the French Commercial Code;
- by application of Article 7 of the Company's articles of association, which provides that "any physical person or legal entity acting individually or in concert that crosses the threshold (to the upside or the downside) 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. Accordingly, as of 16 October 2009, Mr Laurent Schwarz's departure from the action in concert resulted in the termination of such action in concert which existed since 1999.

Voting rights attached to ALTEN shares held by employees through ALTEN FCPE shares are exercised by a representative appointed by the FCPE Supervisory Board to represent it at the General Meeting.

18.3 DIRECT OR INDIRECT CONTROL

The Company is controlled as described above (18.1). However, the Company believes that there is no risk that such control will be exercised in an abusive manner.

18.4 AGREEMENTS WHICH WHEN IMPLEMENTED COULD LEAD TO A CHANGE IN CONTROL

See 18.1.2.

18 MAIN SHAREHOLDERS

TRANSACTIONS WITH RELATED ENTITIES

19

19.1 AGREEMENTS GOVERNED BY ARTICLES L. 225-38, L. 225-39 AND L. 225-42 OF THE FRENCH COMMERCIAL CODE

19.1.1 AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

19.1.1.1 New agreements entered into during the past fiscal year

The General Meeting of shareholders will be asked to approve the following agreements, which are mentioned in the special report of the statutory auditors:

1 Tax consolidation

A tax consolidation agreement was signed on 29 November 2010 between ALTEN and B2I, with retroactive effect to 1 January 2010. This agreement was subject to the prior authorisation of the ALTEN Board of Directors at its 29 November 2010 meeting.

2 Cash advance

2.1 Amendment no. 2 to the cash advance agreement dated 1 July 2009 between ALTEN and its leading shareholder, La Société Générale pour les Technologies et l'Ingénierie ("SGTI"), was signed on 29 July 2010.

The signing of amendment no. 2 was subject to the prior authorisation of the ALTEN Board of Directors at its 29 July 2010 meeting and concerned extending the expiry date of this cash advance agreement from 30 June 2010 to 31 December 2010.

2.2 Amendment no. 3 to the cash advance agreement dated 1 July 2009 between ALTEN and its leading shareholder, La Société Générale pour les Technologies et l'Ingénierie ("SGTI"), was signed on 17 December 2010. The signing of amendment no. 3 was subject to the prior authorisation of ALTEN's Board of Directors at its 17 December 2010 meeting and concerned extending the expiry date of this cash advance agreement from 31 December 2010 to 30 June 2011.

19.1.1.2 Agreements entered into during an earlier fiscal year whose effects continued during the past year

19.1.1.2.1 Cash advance agreement

A cash advance agreement was granted by ALTEN to its leading shareholder, SGTI, on 1 July 2009 for a maximum amount of 8,000,000 euros. This agreement was subject to prior authorisation by ALTEN's Board of Directors at its 30 June 2009 meeting. At its 14 December 2009 meeting, ALTEN's Board of Directors amended the expiry date of this cash advance agreement, initially set at 31 December 2009, to 30 June 2010.

19.1.1.2.2 Service agreement

- 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 not the subject of prior authorisation by ALTEN's Board of Directors and is subject to approval of the Combined General Meeting of shareholders as provided for by Article L. 225-42 of the French Commercial Code. During the 2010 fiscal year, ALTEN invoiced a total of 15,000 euros.
- SGTI and ALTEN entered into a service provision agreement on 16 December 2010. Under this agreement, SGTI provides consulting services to ALTEN in areas such as market analysis and seeking offshore location opportunities. This agreement was subject to prior authorisation by ALTEN's Board of Directors at its 14 December 2009 meeting. The amount invoiced by SGTI for the 2010 fiscal year was 480,000 euros.

19.1.1.2.3 Loan granted by ALTEN to ALTEN GmbH (formerly IMP Engineering)

Following the approval of the Board of Directors on 27 June 2003, ALTEN granted a loan in the amount of 6,591,963 euros to its subsidiary, ALTEN GmbH, a company formed under German law. This loan was reduced to 3,716,963 euros during 2003 following a recapitalisation of ALTEN GmbH in the amount of 2,875,000 euros, and then further reduced to 1,466,963 euros in June 2004 following a further recapitalisation of 2,250,000 euros. In 2005, this loan was reduced by ALTEN GmbH to 1,100,222 euros following two successive payments in November and December 2005, each in the amount of 183,370 euros.

The debt currently stands at 600,000 euros following a payment of 152,184.94 euros made in 2009 and of 348,037 euros made in 2010.

Interest on the loan: EURIBOR 12 month +3%.

Interest for 2010 paid to ALTEN: 37.349.97 euros.

ALTEN holds greater than 10% of ALTEN GmbH's voting rights. These two companies have no common officers or directors.

19.1.1.2.4 Tax consolidation

Companies	Date the Board of Directors authorised the agreement	Signature date of the agreement	Effective date	Common officers and directors	Holds greater than 10% of voting rights
ALTEN TRAINING CENTER (ex-ABILOG)	26/09/2008	29/09/2008	01/01/2008	N/A	Yes
ALTEN AEROSPACE	30/12/2005	02/01/2006	01/01/2006	N/A	Yes
ALTEN CASH MANAGEMENT	03/01/2005	03/01/2005	01/01/2005	Simon Azoulay	Yes
ALTEN EUROPE	03/01/2005	03/01/2005	01/01/2005	Simon Azoulay	Yes
ALTEN SIR	03/01/2000	05/01/2000	01/01/2000	Simon Azoulay	Yes
ALTEN SUD OUEST	06/01/2004	05/01/2004	01/01/2004	Simon Azoulay	Yes
ANOTECH ENERGY	26/09/2008	29/09/2008	01/01/2008	N/A	Yes
AVENIR CONSEIL FORMATION	06/05/2008	07/05/2008	01/01/2008	N/A	Yes
CISIA INGENIERIE	06/05/2008	07/05/2008	01/01/2008	N/A	Yes
HPTI	26/09/2008	29/09/2008	01/01/2008	N/A	Yes
MI-GSO	06/01/2004	05/01/2004	01/01/2004	N/A	Yes
WINWISE	12/05/2009	13/10/2009	01/01/2009	N/A	Yes
DIXID*	12/05/2009	13/05/2009	01/01/2009	N/A	Yes

* Companies dissolved during the fiscal year just ended.

Tax savings realised by ALTEN during the 2010 fiscal year which resulted from tax consolidation equalled 154,161 euros.

Agreements entered into during the fiscal year

- Tax consolidation agreement entered into between ALTEN and DIXID (following the dissolution of the company through a complete transfer of assets and liabilities to ALTEN).

19.1.3 AGREEMENTS GOVERNED BY ARTICLE L. 225-39 OF THE FRENCH COMMERCIAL CODE

We also draw the shareholders' attention to the standard agreements entered into with Group subsidiaries during the ordinary course of business during the past fiscal year:

19.1.3.1 Framework agreements

The meeting of the Board of Directors on 3 January 2003 authorised the signing of a framework agreement between ALTEN SA and its French and foreign subsidiaries under which the Company provides standard services based on the needs of its subsidiaries (Group services) as well as more specific services as need be (subleasing of facilities). ALTEN invoiced a total of 160,214.75 euros within the scope of the only framework agreement signed in 2010.

19.1.3.2 Use of the ALTEN brand

ALTEN invoiced its subsidiaries a total of 642,352 euros for the use of the ALTEN brand within the scope of agreements signed in 2010.

19.1.3.3 Listing agreements

ALTEN signed listing agreements dated 15 January 2010, with retroactive effect to 1 January 2010, with two of its subsidiaries. During the 2010 fiscal year, ALTEN invoiced a total corresponding to 3% of the sales generated by these companies with the listed clients.

19.1.3.4 Carrying agreements

ALTEN and some of its subsidiaries signed carrying agreements on 15 January 2010. Within the scope of these agreements, which were implemented in response to certain customers' request to have one contact person within the Group's subsidiaries, ALTEN SA plays an intermediary role between the customer and the subsidiary. As a result, even if all services are carried out by the subsidiary, ALTEN SA invoices the customer and is invoiced in turn by the subsidiary, and thus carries invoicing costs and default risks. Each subsidiary remunerates ALTEN SA for the service provided and its related costs at a rate of 3% of annual sales generated with the customer for whom the carrying agreement was implemented.

19.2 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS ANNUAL GENERAL MEETING FOR THE APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present you our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements indicated to us or those we may have discovered during the course of our audit, without expressing an opinion on their utility and appropriateness or identifying such other agreements, if any. It is your responsibility, in accordance with article R.225-31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in article L. 225-38 of the French Commercial Code (Code de commerce), relating to the implantation during the past year agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source document.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during the period

In accordance with article L.225-38 of the French Commercial Code (Code de commerce), we have been informed of the following agreements and commitments that have obtained prior authorization from the Board of Directors.

Tax consolidation agreement

Shareholder involved: ALTEN SA

Nature and purpose: On November 29, 2010, a tax consolidation agreement was signed between ALTEN SA and B2I automotive, effective January 1, 2010. This tax consolidation agreement was authorized by the Board during the Meeting held on November 29, 2010.

For the year ended December 31, 2010, this agreement had no impact on your Company's financial statements.

Current account and cash management agreement

Director and shareholder involved: Mr. Simon AZOULAY and SGTI.

Nature, purpose, terms and conditions: two amendments were signed on July 29, 2010 and December 17, 2010 with regards to the cash advance framework agreement entered into on July 1, 2009 between ALTEN SA and its majority shareholder Société Générale pour les Technologies et l'Ingénierie (« SGTI »).

These amendments were authorized by the Board during the Meeting held on November 29, 2010 and December 17, 2010 with effect to postponing the date of reimbursement of the cash advance from June 30, 2010 to December 31, 2010 then to June 30, 2011.

Agreements and commitments already in place but not authorized during the previous Shareholders meetings

We advise you that the following agreements and conventions authorized in 2009, which were included in our statutory auditors' special report on regulated agreements and commitments with related parties for the year ended December 31, 2009, and have not been approved by the Shareholders Meeting, have had continuing effects during the year.

Tax consolidation agreement

Shareholder involved: ALTEN SA

Nature and purpose: the tax consolidation agreement signed between ALTEN SA and some subsidiaries was expanded on October 13, 2009 to WINWISE, effective on January 1, 2009.

For the year ended December 31, 2010, ALTEN SA recorded an income for an amount of 24,460 €.

Advisory agreement

Director and shareholder involved: Mr. Simon AZOULAY and SGTI.

Nature and purpose: pursuant to the terms of the agreement authorized on December 14, 2009 by the Board of Directors, SGTI provides consulting and advisory services to ALTEN SA for market outlook, strategic partnership agreement and growth opportunities.

For the year ended December 31, 2010, ALTEN SA recorded an expense for 480,000 € (excluding taxes) for these services.

Services agreement

Director and shareholder involved: Mr. Simon AZOULAY and SGTI.

Nature and purpose: Following the agreement signed on July 3, 2009, ALTEN provides SGTI general and administrative services.

For the year ended December 31, 2010, ALTEN recorded an income for 15,000 € (excluding taxes) for these services.

In accordance with Article L. 823-12 of the French Commercial Code (Code de commerce), we report you that this convention had not been previously authorized by the Board of Directors.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during previous years and having continuing effects 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 authorized by the Shareholders' Meeting were still in effect during the period.

Cash management agreement

Director and shareholder involved: Mr. Simon AZOULAY and SGTI.

Nature and purpose: pursuant to the agreement signed on July 1st, 2009 and authorized by the board of directors on June 30, 2009, ALTEN granted a cash advance to SGTI for a maximum amount of 8,000,000 €. This cash advance bears interest at Euribor 3 months uprated by 2 %.

Following the authorization of the board of directors dated December 17, 2010, the financial obligations of reimbursement was postponed from December 24, 2009 to June 30, 2011.

As of December 31, 2010, the outstanding balance amounted to 2,266,400 € and the interest income are recorded for an amount of 95,946 €.

Loan agreement with ALTEN GMBH

Indirect shareholder: ALTEN SA

Nature and purpose: Following reimbursements that occurred in 2010, the loan granted by ALTEN SA to ALTEN GMBH, that amounted to 1,100,222€ on January 1, 2010, amounted to 600,000€ at year end.

This loan bears interest at Euribor 12 months uprated by 3 %. For the year ended December 31, 2010, interest amounted to 37 350€.

Tax consolidation agreement

Director and shareholder involved: Mr. Simon AZOULAY and ALTEN SA.

The tax consolidation agreement signed between ALTEN SA and the following subsidiaries: ALTEN SIR, MI-GSO, ALTEN SUD OUEST, ALTEN CASH MANAGEMENT, ALTEN EUROPE, ALTEN AEROSPACE, ABILOG, CISIA INGENIERIE, AVENIR CONSEIL FORMATION, ANOTECH ENERGY FRANCE and HPTI had continuing effect during the year.

In consideration of this tax consolidation agreement, ALTEN SA recorded an income of 129 500 €.

Paris, April 26, 2011

Commissaires aux comptes

Grant Thornton	Cabinet Dauge et Associés
French member of Grant Thornton International	Independent member of Crowe Horwath International
Laurent Bouby Partner	Christian Laplane Partner

19 TRANSACTIONS WITH RELATED ENTITIES

FINANCIAL INFORMATION

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ALTEN Group's consolidated financial statements have been prepared in accordance with the IFRS standards published by the International Accounting Standards Board (IASB) as approved by the European Union. The accounting principles are set forth in detail in the notes to the separate and consolidated financial statements.

20.1 HISTORICAL FINANCIAL INFORMATION

Pursuant to Article 28 of Regulation No. 809/2004 of the European Commission, the following information is incorporated by reference in this Reference Document:

- the company and consolidated financial statements at 31 December 2009, along with the related reports prepared by the statutory auditors and presented on pages 144 through 222 of registration document no. D.10-0478 filed with the *Autorité des Marchés Financiers* on 27 May 2008;
- the company and consolidated financial statements at 31 December 2008, along with the related reports prepared by the statutory auditors and presented on pages 136 through 201 of registration document no. D.09-0473 filed with the Autorite des Marches Financiers on 3 June 2009.

20.2 PRO FORMA FINANCIAL INFORMATION

None.

20.3 2010 CONSOLIDATED FINANCIAL STATEMENTS

20.3.1 CONSOLIDATED FINANCIAL STATEMENTS

Assets

(In thousands of euros)	Notes	31/12/2010	31/12/2009 restated	31/12/2008
Goodwill	7	179,477	177,932	162,561
Intangible assets	8	11,456	11,987	10,211
Tangible assets	8	9,350	10,224	11,428
Non-current financial assets	9	15,035	11,300	15,016
Tax credits	10	7,424	6,711	6,883
NON-CURRENT ASSETS		**222,741**	**218,154**	**206,100**
Trade receivables	11	365,018	333,227	377,096
Other current assets	11	26,651	40,064	27,117
Cash and cash equivalents	12	57,992	52,395	43,719
CURRENT ASSETS		**449,661**	**425,687**	**447,932**
TOTAL ASSETS		**672,402**	**643,841**	**654,032**

Liabilities

(In thousands of euros)	Notes	31/12/2010	31/12/2009 restated	31/12/2008
Authorized capital		32,491	32,293	32,246
Additional paid-in capital		17,219	15,017	14,065
Consolidated reserves		264,426	270,819	216,754
Consolidated earnings		53,607	17,334	54,483
Equity (group share)		**367,743**	**335,463**	**317,549**
Minority interests		**326**	**274**	**0**
TOTAL SHAREHOLDERS' EQUITY		**368,070**	**335,737**	**317,549**
Provisions	17	11,597	10,803	8,205
Non-current financial liabilities	13	2,616	3,456	3,375
Other non-current liabilities	14	3,691	4,986	6,772
NON-CURRENT LIABILITIES		**17,904**	**19,244**	**18,352**
Provisions	17	2,051	1,335	2,225
Current financial liabilities	15	14,994	52,966	58,542
Trade payables		31,858	29,925	32,560
Other current liabilities	16	237,526	204,634	224,803
CURRENT LIABILITIES		**286,429**	**288,859**	**318,131**
TOTAL LIABILITIES		**672,402**	**643,841**	**654,032**

20.3.2 CONSOLIDATED INCOME STATEMENTS

(In thousands of euros)	Notes	31/12/2010	31/12/2009 restated	31/12/2008
REVENUE	**27**	**916,566**	**857,077**	**846,284**
Purchases consumed	18	(76,354)	(63,730)	(46,800)
Payroll expenses	19	(635,290)	(611,916)	(593,824)
External charges	20	(98,399)	(94,544)	(91,946)
Taxes other than on income	21	(5,615)	(12,475)	(12,916)
Depreciation and amortization		(6,075)	(6,621)	(5,473)
Other operating expenses	22	(5,378)	(5,492)	(5,151)
Other operating income	22	3,916	3,220	6,967
OPERATING PROFIT ON ACTIVITY		**93,371**	**65,518**	**97,141**
Share-based payments	23	(468)	646	(4,366)
OPERATING PROFIT BEFORE EXCEPTIONALS		**92,904**	**66,165**	**92,776**
Non-current expenses	24	(3,946)	(24,367)	0
Non-current income	24	0	1,265	0
Profit/loss from disposals		(641)	0	(260)
Impairment of goodwill	7	0	(10,746)	(5,560)
OPERATING PROFIT		**88,316**	**32,316**	**86,956**
Financial expenses	25	(3,437)	(3,373)	(3,132)
Financial income	25	1,734	1,890	1,867
Income tax	26	(32,935)	(13,309)	(30,889)
CONSOLIDATED NET EARNINGS		**53,679**	**17,524**	**54,802**
Of which:				
Minority interests		**72**	**190**	**319**
Group share		**53,607**	**17,334**	**54,483**
Earnings per share in euros (Group share)	28	1.70	0.55	1.72
Diluted earnings per share in euros (Group share)	28	1.68	0.54	1.72

20.3.3 STATEMENT OF COMPREHENSIVE INCOME

(In thousands of euros)	31/12/2010	31/12/2009 restated	31/12/2008
Net earnings, Group share	53,607	17,334	54,483
Earnings attributable to minority interests	72	190	319
CONSOLIDATED NET EARNINGS	**53,679**	**17,524**	**54,802**
Change in fair value of sellable financial assets	2,715		
Neutralization of share-based payments booked in the income statement		177	
Translation adjustments	1,628	353	(426)
INCOME AND EXPENSES BOOKED DIRECTLY UNDER EQUITY	**4,342**	**530**	**(426)**
TOTAL INCOME FOR THE PERIOD	**58,021**	**18,054**	**54,376**
of which:			
• Group share	57,949	17,864	54,057
• Minority interests	72	190	319

20.3.4 CONSOLIDATED CASH FLOW STATEMENT

(In thousands of euros)	Notes	31/12/2010	31/12/2009 restated	31/12/2008
Consolidated net earnings		**53,679**	**17,524**	**54,802**
Depreciation, amortization and operating provisions	29	6,941	19,363	12,147
Share-based payments	23	468	(646)	4,366
Income tax	26	32,935	13,309	30,889
Other		1,688	862	(357)
Financial charges	25	3,437	3,373	3,132
Financial income	25	(1,734)	(1,890)	(1,867)
Net cash flow after cost of financial debt income and tax		**97,413**	**51,895**	**103,112**
Taxes paid		(1,375)	(27,254)	(31,862)
Change in working capital requirements	29	(13,753)	22,041	(19,756)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**82,286**	**46,681**	**51,493**
Acquisition of tangible and intangible assets		(4,731)	(6,938)	(12,628)
Acquisition of financial assets		(1,719)	(698)	(2,300)
Impact of changes in scope and earn-outs	29	(5,820)	(27,435)	(37,080)
Disposals of tangible and intangible assets		85	257	627
Reductions in financial assets		646	813	1,090
NET CASH USED FOR INVESTMENTS ACTIVITIES		**(11,539)**	**(34,002)**	**(50,292)**
Cost of net financial indebtedness	25	(1,479)	(1,914)	(626)
Dividends paid to shareholders		(28,284)	0	0
Capital increase	29	2,499	1,098	2,299
Acquisitions and disposals of treasury shares		212	(225)	(7,465)
Repayment of long-term financial debt		168	(780)	65
Change in current financial liabilities		(38,264)	(2,182)	16,077
NET CASH FROM (FOR) FINANCING ACTIVITIES		**(65,150)**	**(4,002)**	**10,351**
CHANGE IN CASH POSITION		**5,597**	**8,677**	**11,552**
Opening cash	12	52,395	43,719	32,166
Cash at end of period	12	57,992	52,395	43,719
Variation		5,597	8,677	11,552

* *Investments through lease-financing operations in 2010 totaled €232,000.*

In accordance with IAS 7 identifying bank borrowings and loans with financing activities, the table below shows the change in positive cash flow items (see Note 6).

The Group's net cash position breaks down as follows:

(In thousands of euros)	Notes	31/12/2010	31/12/2009 restated	31/12/2008
Cash at end of period	12	57,992	52,395	43,719
Bank overdrafts	15	(13,453)	(51,716)	(54,533)
Bank loans	13, 15	(2,839)	(3,370)	(6,903)
Net cash position		41,699	(2,690)	(17,718)

20.3.5 CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, GROUP SHARE

(in thousands of euros)	Number of shares	Capital	Share premiums	Reserves	Treasury shares	Translation reserves	Earnings (Gp share)	Shareholders' equity
AT 31/12/2008	**31,725,735**	**32,246**	**14,065**	**225,088**	**(7,465)**	**(869)**	**54,483**	**317,549**
2008 allocation of income				54,483			(54,483)	0
Capital increase [(1)]	46,186	47	372					419
Other variations [(2)]			580	(77)				503
Treasury shares (-11,092)					(225)			(225)
Share-based payments				(646)				(646)
Transactions with shareholders		**47**	**951**	**53,760**	**(225)**	**0**	**(54,483)**	**50**
Overall earnings for the period				177		353	18,464	18,994
Profit and income and expenses in shareholders' equity				**177**		**353**	**18,464**	**18,994**
AT 31/12/2009 (REPORTED)	**31,771,921**	**32,293**	**15,017**	**279,025**	**(7,690)**	**(516)**	**18,464**	**336,593**
Error corrections (see Note 5)							(1,130)	(1,130)
AT 31/12/2009 (RESTATED)	**31,771,921**	**32,293**	**15,017**	**279,025**	**(7,690)**	**(516)**	**17,334**	**335,463**
2009 allocation of income				17,334			(17,334)	0
Capital increase [(3)]	194,869	198	2,203					2,401
Dividends paid to shareholders				(28,284)				(28,284)
Other variations [(4)]				(465)				(465)
Treasury shares (+11,559)					212			212
Share-based payments				468				468
Transactions with shareholders		**198**	**2,203**	**(10,947)**	**212**	**0**	**(17,334)**	**(25,669)**
Overall earnings for the period				2,715		1,628	53,607	57,949
Profit and income and expenses in shareholders' equity				**2,715**		**1,628**	**53,607**	**57,949**
AT 31/12/2010	**31,966,790**	**32,491**	**17,219**	**270,792**	**(7,479)**	**1,112**	**53,607**	**367,743**

(1) In 2009, capital increases related to the exercise of stock-options representing 46,186 shares.
(2) Including: issue of stock warrants (€669,000) and reclassification of minority interests (-€166,000).
(3) In 2010, capital increases related to the exercise of stock-options representing 194,869 shares.
(4) Effect of buyback of minority interests (IFR3 and IAS 27 revised).

CHANGE IN SHAREHOLDERS' EQUITY, MINORITY INTEREST SHARE

(in thousands of euros)	Reserves	Earnings	Shareholders' equity
AT 31/12/2008	**(319)**	**319**	**0**
2008 allocation of income	319	(319)	0
Change in scope [(1)]	84		84
2009 earnings		190	190
AT 31/12/2009	**84**	**190**	**274**
2009 allocation of income	190	(190)	0
Change in scope [(2)]	(19)		(19)
2010 earnings		72	72
AT 31/12/2010	**255**	**72**	**326**

(1) In 2009 the change in% ownership corresponds to the subscription to minority interests in the capital of Anotech Energy France and Anotech Energy UK.

(2) In 2010 the change in scope includes the purchase of shares from minority shareholders in Anotech Energy France and Anotech Energy UK (€117,346) and the purchase of minority interests in the capital of ALTEN SIR GTS (€98,000).

It should also be noted that the Company proceeded with the issuance in 2009 of 487,000 share purchase warrants, as disclosed in the Group's financial report.

20.4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 31 DECEMBER 2010

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 PROFILE OF THE ALTEN GROUP

Founded in 1988, ALTEN is the European leader in the Engineering and Technology Consulting (ETC) market.

Services are generally billed on a time-spent basis, with Engineering and Technology Consulting services representing 80% and Information Systems and Network Services representing 20% of its business.

ALTEN works with its customers through various types of packages: consulting, services provided as a “work package” (globalised platforms) and on a fixed price basis. Services are generally billed on a time-spent, resource-oriented basis, except for fixed price projects under which ALTEN is bound by an obligation to achieve results at a fixed price.

ALTEN carries out design and research projects for the Technical and Information Systems divisions of major customers in the industrial, telecom and service sectors.

ALTEN has been ISO-certified since 1998, and for certain sites has begun the CMMI certification process.

The consolidated financial statements presented in this document were approved by the Board of Directors.

NOTE 2 HIGHLIGHTS

2.1 Business

Given the gradual overall pick-up in the economic environment in Europe, with the exception of Spain, customer visibility has gradually improved.

Increased investment in research and innovation is supported by “technological breakthrough” programs in the Aerospace, Energy and Automotive sectors.

The referencing policies of major clients are becoming increasingly demanding (concentration of suppliers, pricing pressure, changes in demand towards more packaged offerings, ability to manage large projects in a transnational context). Within this framework, ALTEN has everything it needs to consolidate its leadership positions in Engineering and Technology Consultancy.

Recruitment remains a major challenge, but ALTEN has succeeded in recruiting over 2,500 people during the year in Europe, thanks to its know-how and the technological content of its projects.

Moreover, ALTEN continued its Group structuring approach, mainly through implementation of the CMMI certification process, strengthening of the Structured Projects Division by skills sectors, systematic training of managers and consultants experienced in “structured project” management and finally the deployment of an ERP for ALTEN SA and ALTEN SIR (which represent 40% of the Group).

2.2 Legal reorganisations

Several legal reorganisations were carried out during 2010, effective as of 1 January 2010:

- in Spain: Cronos Iberica became ALTEN Spain after absorbing ALTEN Ingenieria, ALTEN Tecnologias, Grupo Apex, Algor, Grupo ALTEN Soporte Global, Burke Newco, Burke Formacion and ICS;
- in Italy: ALTEN Italia merged with Onion by pooling assets;
- in Belgium: Axen Sprl became ALTEN Belgium after merging with ALTEN Benelux;
- in France: ALTEN Sud Ouest merged with Ecam by pooling assets;
- in France: ALTEN SA merged with Dixid by pooling assets.

2.3 Acquisitions

ALTEN acquired a 19% stake in the Phoebe-Ingenica engineering group to occupy a major place on all energy markets through its research activity (ALTEN offer) and rollout activity (Ingenica offer).

2.4 Disposals

Abroad: the Swiss company Aston Life Sciences Sàrl was sold on 13 October 2010.

2.5 Creations

In France: Creation of:

- ALTEN Sir Gts as a joint venture of ALTEN group and Critères group, who will hold 51% and 49% respectively.
- Id.Apps, 100% owned by ALTEN, dedicated to deploying applications on mobile platforms.

Abroad: Creation of ALTEN India, 100% owned by ALTEN.

2.6 Dividends

During the first half-year and for FY 2009, €28.3 million of dividends were paid (€0.90 per share).

2.7 Club Deal

In April 2010 the Group affirmed its lines of credit as part of a “club deal” and thus has confirmed a €110 million line of credit

NOTE 3 ACCOUNTING PRINCIPLES

In accordance with EC Regulation 1606/2002 of 19 July 2002, the Group’s consolidated financial statements have been prepared in accordance with IFRS standards (“International Financial Reporting Standards”) as adopted by the European Union. These standards are available on the European Commission website: ec.europa.eu/internal_market/accounting/ias.fr.htm

The accounting principles used to prepare the consolidated financial statements for the year ended 31 December 2010 are identical to those used for the year ended 31 December 2009, it being understood that the new norms and interpretations obligatory as of 1 January 2010 have been applied by the Group:

Standards	Title	Effective date
IFRIC 12	Services concession agreement	29/03/2009
IFRIC 16	Hedging a net investment in a foreign operation:	01/07/2009
IFRIC 18	Transfers of assets from customers	31/10/2009
IFRIC 17	Distributions of non-cash assets to shareholders	31/10/2009
IFRIC 15	Agreements for the construction of real estate	01/01/2010
IFRIC 19	Extinguishing financial liabilities with equity instruments	01/07/2010
Revised IFRS 3	Consortium (phase 2)	01/07/2009
Amendment to IAS 27	Consolidated and separate financial statements	01/07/2009
Amendment to IAS 39	Financial instruments: accounting and valuation – eligible hedged items	01/07/2009
Amendment to IFRS 5	*May 2008 annual* improvements	01/07/2009
Amendment to IFRS 2,IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36	*April 2009 annual* improvements	01/07/2009
Amendments to IFRS 2	Intra-group transactions settled in cash	01/01/2010

None of these standards has had any material impact on the Group.

The Group did not apply in advance any standards, amendments or interpretations published by the IASB but not yet adopted by the European Union, or adopted at European level but whose application was not mandatory on December 31, 2010.

- IFRIC 14 (amendment): prepayments of minimum funding requirements;
- IAS 32 (amendment): classification of rights issues;
- Revised IFRS 24: Disclosures in respect of transactions with related parties;
- IFRS 9: Financial instruments (phase 1: classification and valuation of financial assets and liabilities).

The consolidated financial statements of the issuer are published on its website dedicated to said purpose: www.ALTEN.fr/finance/informations-financieres-ALTEN.htm.

Consortia and subsequent changes in percentage holdings

The coming into effect for fiscal years beginning on or after July 1, 2009 of the revised IFRS 3 – Consortia, and the amendments to revised IAS 27 - *Consolidated financial statements and accounting for investments in subsidiaries*, brought a number of changes to the treatment of consortia and of holdings in controlled companies.

These changes will be applicable to ALTEN from January 1, 2010.

The main impacts identified for the ALTEN group are:

- Revised IFRS-3 - *Consortia*
  - Accounting for earn-outs at fair value as of the date of acquisition, subsequent adjustments being reported in the income statement.
  - Posting of acquisition costs as expenses for the period under “other non-current charges”.
- Amendments to Revised IAS-27 - *Consolidated financial statements and accounting for investments in subsidiaries*
  - Posting as equity (“transactions with shareholders”) of the impact of acquisitions or disposals of minority interests in an incorporated company, where these transactions have no impact on control.

The impacts in the financial statements are presented in the relevant notes.

Accounting treatment of added value (CVAE tax)

The French Finance Act 2010 reformed the business tax (*Taxe Professionnelle*) and replaced it with the *contribution économique territoriale* (CET) or local economic contribution, which consists of two elements:

- the *contribution foncière des entreprises* (CFE) or “contribution for enterprise land value”, assessed on the rental value solely of property subject to property taxes, the characteristics of which are similar to those of the business tax and as such are similar for accounting purposes to an operating expense; and
- the *cotisation sur la valeur ajoutée des entreprises* (CVAE) or “contribution for enterprise added value”, assessed on the added value produced by companies, the characteristics of which are similar to a tax on income under IAS 12.

ALTEN’s opinion was that the CVAE fulfilled the characteristics of an income tax, whereas this charge was previously posted under current operating income as “taxes and charges”. As of December 31, 2010, the CVAE amounted to €7.5 million and represented a positive impact on the operating income of 0.8%.

3.1 Management’s estimates

Despite the general context of a gradual improvement of the economic and financial crisis, the uncertain nature of some estimates may be greater and as such make it more difficult to assess the economic prospects of the Group, notably for forecasting income and cash flow.

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

These estimates may be reviewed if the circumstances on which they are based change or if new information becomes available. Actual results may differ from these estimates. The main estimates made by management when preparing the consolidated financial position concerned measurement of impairment of goodwill (Note 7), earn-outs (Notes 14 and 16), retirement obligations and provisions (Note 17).

3.2 Financial indicators

The Group mainly relies on the following financial indicators:

- revenue;
- “operating profit”, i.e. operating income, which excludes 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 income from ordinary activities” (i.e., operating income after taking into account share-based payments);
- “operating income”, i.e. operating income 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 ratio which is the ratio between operating profit and revenue. This ratio measures the performance of operating activities excluding non-recurring items and those not directly related to the company's business activity;
- the financial debt ratio (net financial debt/equity).

3.3 Operating segments

The ALTEN group has only one business activity: Engineering and Technology Consulting.

IFRS 8 "Operating Segments", which came into force on 1 January 2009, did not lead to a change in the presentation adopted by the Group under the previous standard (IAS 14 "Segment Reporting").

Accordingly, segment reporting is presented by geographic region, distinguished between France and overseas (see Note 27).

3.4 Translation of foreign currency accounts

The items included in the financial statements of each of the Group's entities are valued according to the currency of the main economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euros, the parent company's functional currency.

The financial statements of foreign entities located outside the euro zone are prepared using the entity's functional currency and translated according to the following principles:

- balance sheet items (with the exception of equity) are translated at closing rates;
- equity is translated at the historical rate;
- the income statement is translated using the average rate for the period;
- translation variances are directly recognised under equity in the "translation reserve".

3.5 Goodwill

Acquired companies' assets, liabilities and contingent liabilities that comply with the definition of identifiable assets or liabilities are recognized 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 recognized 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 amortized. The Group has a period of 12 months from the date of acquisition to finalize the valuation of these assets and liabilities. Beyond this period, the effects are recognized directly under earnings.

The goodwill is allocated to cash generating units (CGU) or groups of cash generating units that could benefit from the consortium that generated the goodwill. The ALTEN Group performs impairment tests of goodwill as soon as an indication of impairment is identified and at least once a year. Goodwill impairment losses are not reversible (see Note 3.8).

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

3.6 Intangible assets

According to IAS 38 "Intangible Assets", development costs are considered intangible assets if the company is able to demonstrate:

- the technical feasibility necessary to complete the development project in anticipation of its placement into service or sale;
- its intention and technical and financial ability to complete the development project;
- that the future economic benefits to be derived from these development expenses are likely to go to the Company;
- and that the cost of the asset can be accurately valued.

All expenses directly attributable to the creation, production and preparation of the asset in view of its planned use are fixed. Revised IAS 23, "Borrowing Costs" eliminated the ability to recognise all borrowing costs as expenses, and required their capitalisation when they are directly attributable to the acquisition, production or construction of an eligible asset. As the Group had no eligible assets financed through debt in 2010, this amendment has no effect on the consolidated financial statements.

These expenses are amortised on a straight-line basis according to the applicable asset's probable lifespan.

Information systems are amortised over 6 to 8 years. With regard to the Vision project which covers the implementation of an ERP within the ALTEN Group and whose deployment was started in 2009 by ALTEN SIR with completion scheduled for 2013, it was decided to amortise its cost over a 10 year period, beginning on 1 January 2009.

3.7 Property, plant and equipment

Gross value

According to IAS 16 "Property, Plant and Equipment", the gross value of property, plant and equipment corresponds to their acquisition cost. They are not subject to any revaluation.

Revised IAS 23 related to borrowing costs is applied under the same conditions as for intangible assets.

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.

Amortisation

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: 5 to 10 years;
- buildings: 25 years.

3.8 Impairment of property, plant and equipment

According to IAS 36, "Impairment of assets", the useful value of intangible assets and property, plant and equipment with a fixed lifespan is tested as soon as an indication of loss of value is noted and reviewed at each reporting date. For goodwill, which has an indefinite lifespan, impairment tests are conducted at least annually.

For the purpose of this test, property, plant and equipment are grouped into Cash Generating Units (CGU).

CGUs are homogeneous groups of assets that generate cash inflows through continuous use which are largely independent of the cash inflows from other assets or groups of assets. CGUs mainly correspond to legal entities in France and to groups of legal entities overseas.

The going concern value of these units is the present value of discounted future net cash flows.

When this value is less than the net carrying amount of the CGU, the difference is recorded under operating income; 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 7):

- a four-year financial budget prepared by entity and validated by the Group's finance division, updated when the year-end budged is prepared. Cash flow beyond four years is extrapolated on the basis of a growth rate to infinity;
- low growth rate: this growth rate does not exceed the long-term average growth rate for the business sector;
- weighted average cost of capital, resulting from risk-free interest rates, risk premiums, beta coefficient and additional premiums;
- sensitivity table.

Net tax rates are used as the discount rates.

3.9 Leases

Any agreements for the lease of property, plant and equipment 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.

Assets that are the object of lease-financing agreements are recorded in the statement of financial position under property, plant and equipment. Such assets are amortised over the duration of their estimated lifespan (on the liabilities side, the restated amount of the agreements is recorded under financial liabilities).

Operating leases are recognised as financial commitments (Note 34).

3.10 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.).

Financial assets available for sale represent equity in unconsolidated companies. They are included in non-current assets unless the Group has to sell within twelve months following the closing date. In the absence of an active market, they are kept in the balance sheet at their acquisition cost, which the Group believes represents their fair value. If there is a sustained decline in their value in use, an impairment loss is recognized. The value is determined based on financial criteria such as share equity and profitability outlook.

3.11 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 statement of financial position when they are likely to be recovered.

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.

3.12 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.

3.13 Other current assets

They are valued at nominal value less any impairment arising from recovery difficulties.

3.14 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 statement of cash flows.

3.15 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.

3.16 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 likely or certain to result in an outflow of resources for the benefit of such a third party, with no anticipated consideration of equal value.

Non-current provisions mainly include:

- provisions intended to cover any legal disputes involving the Group that are expected to end in more than one year;
- retirement obligations.

Current provisions mainly include provisions intended to cover any legal disputes involving the Group that are expected to end in the short term.

Provisions are discounted when their maturity is estimated to be over one year and when their amount represents a significant factor for the Group.

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 fiscal 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, 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 mainly involve two types of assumptions (see Note 35):

Financial assumptions

- A financial discount rate.
- An inflation rate.
- A revaluation rate for employees.
- An employer contribution rate.

Demographic assumptions

- The assumption of a retirement age of sixty-five years, the age at which a French employee will have reached the number of years of contributions entitling the employee to the full pension amount granted under the national pension plan.
- INSEE mortality tables.
- Average staff turnover rates, by age and employment category.
- Age of first employment.
- Number of retiring employees.

These estimates take place every year. Actuarial gains and losses resulting from a change of assumption or actual variances (variance between the estimate and the actual situation) in relation to the commitments or financial assets of the pension plan are recognised under earnings by spreading them over the expected remaining life of employees (corridor method).

3.17 Financial liabilities

Financial liabilities concern borrowings, long-term financial debt and bank overdrafts.

The distribution between current and non-current financial liabilities is based on the short-term and long-term maturity of the items in question.

3.18 Other liabilities

Other liabilities include social security, tax, other debt and unearned income and earn-outs.

Non-current liabilities mainly include 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.

3.19 Minority interest obligations

In accordance with IAS 27 "Consolidated financial statements and accounting for investments in subsidiaries" and IAS 32 "Financial Instruments", commitments related to the purchase of non-controlling interests, either firm or conditional, are considered a share purchase and recognised under other liabilities in consideration of a reduction in non-controlling interests. The difference between the fair value of the buyback agreement and the contractual price is recorded as financial earnings.

3.20 Recognition of Revenue

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.

3.21 Subsidies and tax credits

Operating subsidies and tax credits are recorded as deductions under the expenses they are intended to offset.

As the final amount of research tax credits from prior years was known by the Group during FY 2010, the related impact was booked in the 2010 consolidated accounts for a total of €2.061 million.

Because tax credits for research in FY 2010 are still being estimated, the ALTEN Group does not have a reliable assessment at the date of the consolidated accounts.

3.22 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 binomial 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.

In accordance with IFRS 2, only those plans awarded after 7 November 2002 and whose rights were not yet vested at 1 January 2004 are valued and recognised under operating income. Plans prior to 7 November 2002 are neither valued nor recognised.

3.23 Investment income

Financial earnings are broken down into two elements:

- financial charges are composed of:
  - **paid financial charges:** financial charges on bank overdrafts, financial charges on loans, financial charges on lease financing agreements, exchange losses,
  - **calculated financial charges:** provisions for the impairment of securities and receivables of non-consolidated companies, costs related to discounting of provisions and long-term debt;
- financial income is composed of:
  - **earned financial income:** proceeds from the sale of marketable securities, income from investments, income from loans and receivables, exchange gains,
  - **calculated financial income:** reversals that do not involve cash flows, reversals of impairment of securities and financial receivables.

The cost of net financial debt is made up of financial charges paid less financial income earned.

3.24 Information on net earnings per share and diluted earnings per share

Net earnings per share is the ratio of earnings as compared to the weighted annual average number of shares.

Diluted net earnings per share are the ratio of net earnings as compared to the potential weighted average number of shares.

NOTE 4 FINANCIAL RISK FACTORS

4.1 Liquidity risk

In April 2010 the Group conducted a "club deal" and thus has a confirmed line of credit of €110 million for a maximum period of three years. It also has short-term unconfirmed lines of credit that are annually renewable. This "club deal" requires that the following ratios – based on the consolidated data- are met annually while the contract is in force and an advance is outstanding:

- "Net financial debt/Operating profit" ratio. This ratio must be less than 1.7;
- "Net financial debt/Equity" ratio. This ratio must be less than 0.6.

These ratios are assessed at the close of the relevant accounting period and at the end of each 12 month period closing on June 30 of each fiscal year.

In addition, the Group has unconfirmed short term credit lines that are renewable annually and amount to €15 million with five major financial institutions.

4.2 Credit risk

See Note 11 - breakdown of the portfolio of trade receivables by age of the account.

4.3 Interest rate and foreign exchange risks

ALTEN has confirmed bank financing established in April 2010 and indexed to the 6-month EURIBOR.

It therefore incurs an exchange rate risk based on changes in the reference index. Due to the structure of its financing, the Group has not implemented interest rate hedging.

With the exception of subsidiaries in the United Kingdom, Switzerland, Romania and Sweden, the Group bills for its services in euros (€). As most of its services are provided within each country, the exchange rate risk stemming from the flow between currency zones is very limited.

NOTE 5 ADJUSTMENT OF ACCOUNTS PUBLISHED BEFORE 2009

The Group has identified an error related to the calculation of goodwill for Burke as at December 31, 2009 following the merger of the Spanish subsidiaries with ALTEN Spain. This error affects the consolidated financial statements prepared for the year ended December 31, 2009, approved by the General Meeting of June 21, 2010.

In accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors", the financial statements for the year ended December 31, 2009 presented as a comparison have been restated as if the error had been corrected on the first day of the first period presented. Thus, BURKE's goodwill at 31 December 2009, corrected, amounts to 13,374 thousand euros, and the 1,130 thousand remedial amount has been entirely depreciated. The impact of the correction is presented below:

SUMMARY OF THE INCOME STATEMENT AS AT 31 DECEMBER, 2009

(In thousands of euros)	2009 Reported	Restatements	2009 Restated
Sales	**857,077**		**857,077**
Operating expenses	(791,558)		(791,558)
GROSS OPERATING INCOME	**65,518**	**0**	**65,518**
Share-based payments	646		646
OPERATING INCOME FROM ORDINARY ACTIVITIES	**66,165**	**0**	**66,165**
Other non-current operating income and expenses	(23,102)		(23,102)
Impairment of goodwill	(9,617)	(1,130)	(10,746)
NET OPERATING INCOME	**33,446**	**(1,130)**	**32,316**
Other financial income and expenses	(1,484)		(1,484)
PROFIT/LOSS BEFORE TAX	**31,962**	**(1,130)**	**30,833**
Income tax	(13,309)		(13,309)
CONSOLIDATED NET EARNINGS	**18,653**	**(1,130)**	**17,524**
Minority interests	*190*		*190*
Group share	*18,464*	*(1,130)*	*17,334*

SUMMARY OF THE BALANCE SHEET AS AT 31 DECEMBER, 2009

(In thousands of euros)	2009 Reported	Restatements	2009 Restated
Goodwill	177,932		177,932
Fixed assets	33,511		33,511
Tax assets	6,227	484	6,711
NON-CURRENT ASSETS	**217,670**	**484**	**218,154**
Trade receivables	333,620	(393)	333,227
Other current assets	40,064		40,064
Cash and cash equivalents	52,395		52,395
CURRENT ASSETS	**426,080**	**(393)**	**425,687**
TOTAL ASSETS	**643,750**	**91**	**643,841**
Authorized capital	32,293		32,293
Share premiums	15,017		15,017
Consolidated reserves	270,819		270,819
Consolidated earnings	18,464	(1,130)	17,334
SHAREHOLDERS' EQUITY (GROUP SHARE)	**336,593**	**(1,130)**	**335,463**
Minority interests	274		274
TOTAL SHAREHOLDERS' EQUITY	**336,867**	**(1,130)**	**335,737**
Provisions	10,803		10,803
Non-current financial liabilities	3,456		3,456
Other non-current liabilities	4,986		4,986
NON-CURRENT LIABILITIES	**19,244**	**0**	**19,244**
Provisions	1,335		1,335
Current financial liabilities	52,966		52,966
Trade payables	29,925		29,925
Other current liabilities	203,413	1,221	204,634
CURRENT LIABILITIES	**287,639**	**1,221**	**288,859**
TOTAL LIABILITIES	**643,750**	**91**	**643,841**

The accounts as at December 31st 2009 presented as a comparison in the financial statements are the corrected accounts.

NOTE 6 SCOPE OF CONSOLIDATION

The percentage of interest and control set forth below include firm or conditional commitments to dispose of non-controlling interests, even if the disposals are not yet completed, in accordance with IFRS 3 and IAS 27 as revised.

FRANCE

Company name	Siret no.	Basis of consolidation	% interest	% control
ALTEN SA [(1)] [(3)]	34860741700055	IG	100.00	100.00
ALTEN SIR	40035788500021	IG	100.00	100.00
ABILOG	35390354500062	IG	99.70	99.70
ALTEN SUD-OUEST [(2)]	40419144700048	IG	100.00	100.00
MI-GSO	38054561600050	IG	100.00	100.00
ALTEN CASH MANAGEMENT	48011617700019	IG	100.00	100.00
ALTEN EUROPE	48016830100012	IG	100.00	100.00
ELITYS CONSULTING	48420799800010	IG	100.00	100.00
PEGASE SI	48484024400012	IG	100.00	100.00
CISIA INGENIERIE	43904555000019	IG	100.00	100.00
ALTEN AEROSPACE	48761023100019	IG	100.00	100.00
AVENIR CONSEIL FORMATION	40246017400038	IG	100.00	100.00
ANOTECH ENERGY France	49304667600018	IG	98.00	100.00
HPTI	49967035400012	IG	100.00	100.00
WINWISE	39237816200052	IG	100.00	100.00
B2I AUTOMOTIVE	45341899800028	IG	100.00	100.00
ALTEN SIR GTS	52190314600012	IG	51.00	51.00
ID.APPS	52910153700015	IG	100.00	100.00

(1) Consolidating entity.
(2) ECAM was absorbed by ALTEN SUD OUEST on 01/01/2010.
(3) DIXID was absorbed by ALTEN SA on 31/12/2010.

ABROAD

Company name	Consolidation method	% interest	% control	Country of operation
ANOTECH ENERGY UK	FC	97.96	100.00	Great Britain
ALTEN LTD	FC	100.00	100.00	Great Britain
SD PARTNERS	FC	100.00	100.00	Great Britain
EMS LTD	FC	100.00	100.00	Great Britain
ALTEN BELGIUM (1) (2)	FC	100.00	100.00	Belgium
ALTEN SPAIN (3) (4)	FC	100.00	100.00	Spain
ALTEN PTS	FC	100.00	100.00	The Netherlands
DDA GROEP BV	FC	100.00	100.00	The Netherlands
ORION	FC	100.00	100.00	The Netherlands
ELITYS SA	FC	100.00	100.00	Switzerland
ALTEN SWITZERLAND SARL	FC	100.00	100.00	Switzerland
ALTEN CONSULTING SARL	FC	100.00	100.00	Switzerland
AEROTEC ENGINEERING AG	FC	100.00	100.00	Switzerland
ALTEN ITALIA (5)	FC	100.00	100.00	Italy
MI-GSO GMBH	FC	100.00	100.00	Germany
AEROTEC ENGINEERING GMBH	FC	100.00	100.00	Germany
ALTEN GMBH	FC	100.00	100.00	Germany
IMP CZECH	FC	100.00	100.00	Czech Republic
IMP POLAND	FC	100.00	100.00	Poland
ALTEN SI TECHNO ROMANIA	FC	100.00	100.00	Romania
AEROTEC SRL	FC	100.00	100.00	Romania
BBR INGENIERIA DE SERVICIOS	FC	100.00	100.00	Spain
X-DIN	FC	100.00	100.00	Sweden
ALTEN INDIA	FC	100.00	100.00	India

(1) Merger between ALTEN BENELUX and AXEN SPRL.
(2) Former name: AXEN SPRL renamed ALTEN BELGIUM.
(3) Merger of CRONOS IBERICA, ALTEN INGENIERIA, ALTEN TECNOLOGIAS, GRUPO APEX, ALGOR, GRUPO ALTEN SOPORTE GLOBAL, BURKE NEWCO, ICS, and BURKE FORMACION on 1 January 2010.
(4) Former name: CRONOS IBERICA renamed ALTEN SPAIN.
(5) ONION taken over by ALTEN ITALIA on 1 January 2010.

NOTE 7 GOODWILL

Goodwill, allocated by country, breaks down as follows:

GROSS VALUES

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	Total
31/12/2008	**89,325**	**4,879**	**3,104**	**12,852**	**28,711**	**17,218**	**2,682**	**1,813**	**1,376**	**15,418**	**177,377**
Earn-out adjustments	3,533	208		(28)	(2,327)		272	(145)		(885)	628
Acquisitions (1)	19,526				1,130		4,829			4	25,490
Reclassifications											0
Exits from scope (3)	(8,927)										(8,927)
31/12/2009	**103,458**	**5,087**	**3,104**	**12,823**	**27,514**	**17,218**	**7,783**	**1,668**	**1,376**	**14,537**	**194,567**
Earn-out adjustments	653							30	13	1,446	2,143
Acquisitions											0
Reclassifications											0
Exits from scope (3)								(598)			(598)
31/12/2010	**104,111**	**5,087**	**3,104**	**12,823**	**27,514**	**17,218**	**7,783**	**1,100**	**1,389**	**15,983**	**196,112**

IMPAIRMENTS

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	Total
31/12/2008	**7,432**	**3,851**	**0**	**0**	**1,004**	**1,929**	**600**	**0**	**0**	**0**	**14,816**
Provisions (2)	8,832				1,570				344		10,746
Exits from scope (3)	(8,927)										(8,927)
31/12/2009	**7,337**	**3,851**	**0**	**0**	**2,574**	**1,929**	**600**	**0**	**344**	**0**	**16,635**
Provisions											0
Exits from scope											0
31/12/2010	**7,337**	**3,851**	**0**	**0**	**2,574**	**1,929**	**600**	**0**	**344**	**0**	**16,635**

NET VALUES

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	Total
31/12/2008	**81,893**	**1,028**	**3,104**	**12,852**	**27,707**	**15,289**	**2,082**	**1,813**	**1,376**	**15,418**	**162,561**
31/12/2009	**96,120**	**1,236**	**3,104**	**12,823**	**24,940**	**15,289**	**7,183**	**1,668**	**1,031**	**14,537**	**177,932**
31/12/2010	**96,774**	**1,236**	**3,104**	**12,823**	**24,940**	**15,289**	**7,183**	**1,100**	**1,044**	**15,983**	**179,477**

(1) During 2009: The increase of goodwill in the amount of €25,490 K was mainly due to the acquisition of two companies in France, one company in Spain and one in Italy.
(2) During 2009: The exceptional impairment charge relates to CISIA Ingénierie, Groupe Idestyle, Idestyle Technologies, Avenir Conseil Formation and Ecam in France, ALTEN Si techno Romania in Romania and Burke in Spain. These companies showed a loss in value on June 30, 2009.
(3) During 2009: Idestyle Group and Idestyle Technologies were removed from the scope of consolidation. During 2010: Aston Life Sciences Sàrl in Switzerland was removed from the scope of consolidation.

The following key assumptions were used to determine the values in use of the CGUs:

DISCOUNT RATE AND GROWTH RATE

	Discount rate		Growth rate in perpetuity	
Country/year	2010	2009	2009	2009
France	10%	10.75% to 11.75%	2%	2%
Germany	10%	11.25%	2%	2%
Spain	10%	11.25%	2%	2%
Benelux	10%	10.75%	2%	2%
Italy	10.%	10.75% to 11.25%	2%	2%
Sweden	10%	11.75%	2%	2%
Other countries	10%	10.75%	2%	2%

In 2010, the OAT, risk premium and beta rates used as key assumptions by the ALTEN group are 3.5%, 5% and 130% respectively.

At a constant rate of growth, a theoretical deprecation of goodwill is recognised if the discount rate increases by over three percentage points in France. A significant change in the discount rate of CGUs outside France does not have an impact on the valuation of goodwill.

At a constant discount rate, a growth rate of zero does not nullify the valuation of goodwill in the balance sheet.

NOTE 8 NON-CURRENT ASSETS AND DEPRECIATION

GROSS VALUES

	Intangible Assets	Property, Plant and Equipment	Total
31/12/2008	**22,003**	**30,400**	**52,403**
Change in scope	(876)	804	(71)
Exchange rate variations	1	92	92
Acquisitions and transfers	3,584	3,485	7,069
Divestments and disposals	(525)	(3,765)	(4,290)
31/12/2009	**24,187**	**31,015**	**55,203**
Change in scope	(6)	(43)	(49)
Exchange rate variations	14	227	240
Acquisitions and transfers	1,627	3,229	4,856
Divestments and disposals	(126)	(1,483)	(1,609)
31/12/2010	**25,696**	**32,945**	**58,641**

DEPRECIATION AND AMORTIZATION

	Intangible Assets	Property, Plant and Equipment	Total
31/12/2008	**11,792**	**18,971**	**30,763**
Change in scope	(1,206)	116	(1,090)
Exchange rate variations	1	90	92
Provisions and transfers	2,053	4,586	6,640
Decreases	(441)	(2,973)	(3,414)
31/12/2009	**12,200**	**20,791**	**32,991**
Change in scope	(5)	(24)	(29)
Exchange rate variations	13	191	204
Provisions and transfers	2,157	3,812	5,968
Decreases	(125)	(1,175)	(1,299)
31/12/2010	**14,240**	**23,595**	**37,835**

NET VALUES (1)

	Intangible Assets	Property, Plant and Equipment	Total
31/12/2008	**10,211**	**11,428**	**21,640**
31/12/2009	**11,987**	**10,224**	**22,212**
31/12/2010	**11,456**	**9,350**	**20,806**
(1) Including financial leases:			
At 31/12/2008	*2,181*	*711*	*2,892*
At 31/12/2009	*1,874*	*649*	*2,523*
At 12/31/2010	*1,641*	*445*	*2,086*

NOTE 9 NON-CURRENT FINANCIAL ASSETS

	Securities held for sale	Equity interests	Loans	Deposits and guarantees paid	Other fixed financial assets	Total
GROSS VALUES						
31/12/2008	**10,965**	**475**	**223**	**4,351**	**766**	**16,780**
Changes in scope	8,961	0	0	135	(630)	8,466
Exchange rate variations	1	1	3	12		17
Acquisitions and transfers	(1,820)	(335)	34	823	89	(1,210)
Disposals	0	0	(24)	(2,194)		(2,218)
31/12/2009	**18,107**	**141**	**236**	**3,127**	**225**	**21,836**
Changes in scope				(17)		(17)
Changes in fair value (1)	2,715					2,715
Exchange rate variations		6	7	33		46
Acquisitions and transfers	774	82	1	861		1,719
Disposals			(55)	(591)		(646)
31/12/2010	**21,595**	**229**	**189**	**3,413**	**225**	**25,652**
PROVISIONS						
31/12/2008	**1,004**	**2**	**0**	**0**	**758**	**1,764**
Changes in scope	8,812				(630)	8,182
Exchange rate variations		1				1
Provisions and transfers	1,159	20				1,179
Decreases	(590)					(590)
31/12/2009	**10,386**	**22**	**0**	**0**	**128**	**10,536**
Changes in scope						0
Exchange rate variations		3				3
Provisions and transfers			172			172
Decreases	(94)					(94)
31/12/2010	**10,292**	**25**	**172**	**0**	**128**	**10,617**
NET VALUES						
31/12/2008	**9,961**	**474**	**223**	**4,350**	**8**	**15,016**
31/12/2009	**7,721**	**119**	**236**	**3,127**	**97**	**11,300**
31/12/2010	**11,303**	**204**	**17**	**3,413**	**97**	**15,035**

(1) ALTEN owns minority interests in certain entities on which it does not exercise notable influence or control. These unconsolidated securities are treated as securities held for sale and are thus valued at their fair value at each year-end closure. Changes in fair value are recorded under shareholders' equity. The fair value is determined by reference to the last quoted share price for listed securities and based on other methods for unlisted securities.

NON-CONSOLIDATED SECURITIES INFORMATION

FI ASSETS	%	Fair value at opening	Change in fair value	Fair value at closing	Sales	Shareholders' equity	Net Earnings	Comments
AUSY	9.24%	6,310		6,310	95,608	38,602	3,873	30/06/2010
X-ANGE	5.96%	3,750		3,750	N/A	50,221	297	30/06/2010
SMART TRADE	4.19%	634	307	327	4,037	7,801	1,712	31/03/2010
PHOEBE INGENICA	19%	774		774	30,202	N/A	(1,796)	31/12/2010
GROUPE IDESTYLE	100%	9,972	9,972	0				In the process of liquidation
Miscellaneous		155	13	142				
TOTAL		**21,595**	**10,292**	**11,303**				

NOTE 10 TAX ASSETS

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Tax credit *from carry-back losses*			560
Deferred tax assets	7,424	6,711	6,323
TOTAL	**7,424**	**6,711**	**6,883**

Deferred tax is broken down as follows:

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Employee profit-sharing	1,949	813	2,560
Retirement benefits	1,959	1,610	1,336
Other timing differences	795	1,766	953
Tax-loss carry-forwards	2,397	2,498	1,260
TOTAL DEFERRED TAXES	**7,100**	**6,687**	**6,110**
Of which:			
Deferred tax assets:	7,424	6,711	6,323
Deferred tax liabilities:	(324)	(23)	(213)

The variation in deferred taxes is broken down as follows:

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Deferred taxes at opening	**6,687**	**6,110**	**4,758**
Changes in scope	(36)	3,579	1,295
Exchange rate variations	4	(2)	(24)
Expenses (or income) for the period (Note 20)	445	(3,000)	82
DEFERRED TAXES AT FISCAL YEAR END	**7,100**	**6,687**	**6,110**

The amount of recognised deferred taxes related to tax losses carried forward equalled €969,000 at 31/12/2010.

NOTE 11 CURRENT ASSETS

	31/12/2010	31/12/2009	31/12/2008
Trade receivables			
Gross values	374,690	342,465	384,416
Impairment	(9,672)	(9,238)	(7,319)
TOTAL	**365,018**	**333,227**	**377,096**
Other current assets			
Inventory	61	97	146
Social security receivables	1,302	801	1,003
Tax receivables [1]	15,115	25,334	16,351
Other receivables [2]	8,895	14,579	8,450
Impairment of other receivables	(3,210)	(3,325)	(1,978)
Prepaid expenses	4,488	2,577	3,145
TOTAL	**26,651**	**40,064**	**27,117**

(1) Change between 2010/2009: -€10 million of which: repayment of corporate income tax due to excess payments of corporate income tax instalments in 2009 (-€13 million) and value added tax (+€3 million) correlated with the increase in work-in-progress.

(2) Change between 2010/2009: -€ 5.6 million of which: SGTI current account (-€5.2 million), miscellaneous receivables (-€0.4 million).

The following table presents the breakdown of the portfolio of trade receivables by age of the account:

	31/12/2010					31/12/2009					31/12/2008				
(in thousands of euros)	Un-matured	Less than 6 months	6 months to one year	More than 1 year	Balance	Un-matured	Less than 6 months	6 months to one year	More than 1 year	Balance	Unmatured	Less than 6 months	6 months to one year	More than 1 year	Balance
Trade receivables															
Gross values	304,880	49,550	7,270	12,990	374,690	231,084	83,728	14,255	13,398	342,465	300,484	65,806	7,236	10,889	384,415
Provisions		(97)	(165)	(9,410)	(9,672)		(198)	(343)	(8,697)	(9,238)		(272)	(362)	(6,685)	(7,319)
NET VALUES	**304,880**	**48,453**	**7,105**	**3,580**	**365,018**	**231,084**	**83,530**	**13,912**	**4,701**	**333,227**	**300,484**	**65,534**	**6,874**	**4,204**	**377,096**

Based on its experience and given its trade debt collection policies, the Group estimates that the level of impairment for the fiscal year is in accordance with the risks incurred.

NOTE 12 CASH AND CASH EQUIVALENTS

	31/12/2010	31/12/2009	31/12/2008
Marketable securities	19,025	4,531	2,750
Cash and equivalents	38,967	47,864	40,968
TOTAL	**57,992**	**52,395**	**43,719**

Marketable securities are valued at fair value.

NOTE 13 NON-CURRENT FINANCIAL LIABILITIES

	31/12/2010	31/12/2009	31/12/2008
Bank loans	250	980	1,981
Other loans and related debt	1,235	1,341	1,062
Employee profit-sharing	38	34	171
Deposits and guarantees received	1,093	1,102	162
TOTAL	**2,616**	**3,456**	**3,375**

SCHEDULE OF NON-CURRENT FINANCIAL LIABILITIES AT 31 DECEMBER, 2010

	2012	2013	2014	2015	Total
Bank loans	100	100	50		250
Other loans and related debt	1,235				1,235
Employee profit-sharing	38				38
Deposits and guarantees received	1,093				1,093
TOTAL	**2,466**	**100**	**50**	**0**	**2,616**

NOTE 14 OTHER NON-CURRENT LIABILITIES

	31/12/2010	31/12/2009	31/12/2008
Earn-outs (1)	0	2,906	5,278
Social security debt (2)	3,367	2,056	1,281
Deferred tax liabilities	324	23	213
TOTAL	**3,691**	**4,986**	**6,772**

(1) Discounted value of earn-outs related to newly-acquired subsidiaries with maturity greater than one year.
(2) Debt related to time savings accounts, including reclassifications into non-current liabilities (€2.4 million) related to two Group companies that were booked as current liabilities during previous years.

SCHEDULE OF OTHER NON-CURRENT FINANCIAL LIABILITIES AS AT 31 DECEMBER, 2010

	2012	2013	2014	2015	Total
Earn-outs					0
Social security debt	3,367				3,367
Deferred tax liabilities	324				324
TOTAL	**3,691**	**0**	**0**	**0**	**3,691**

NOTE 15 CURRENT FINANCIAL LIABILITIES

	31/12/2010	31/12/2009	31/12/2008
Bank loans	1,050	113	2,000
Other loans and related debt	272	906	1,852
Bank overdrafts	13,453	51,716	54,533
Employee profit-sharing	219	231	157
TOTAL	**14,994**	**52,966**	**58,542**

NOTE 16 OTHER CURRENT LIABILITIES

	31/12/2010	31/12/2009	31/12/2008
Social security debt (1)	104,035	95,992	97,203
Taxes payable (1)	87,512	70,440	88,830
Earn-outs	6,159	5,867	4,318
Other liabilities (1)	20,072	16,225	13,474
Deferred income	19,749	16,109	20,978
TOTAL	**237,526**	**204,634**	**224,803**

(1) The variations are linked to a resumption of organic growth in 2010 after a difficult year in 2009, which took place in the context of an economic crisis.

NOTE 17 PROVISIONS

	Corporate disputes	Commercial disputes	Miscellaneous risks	Retirement benefits	Total
AT 31/12/2008	**2,974**	**2,062**	**1,385**	**4,009**	**10,430**
Changes in scope	(37)		(912)	(255)	(1,203)
Exchange rate variations			0		0
Reclassifications	0				0
Provisions for the fiscal year	1,842	546	2,068	1,076	5,532
Reversal (provisions used)	(448)	(245)	(92)		(785)
Reversals (surplus provisions)	(745)	(816)	(275)		(1,836)
AT 31/12/2009	**3,586**	**1,547**	**2,175**	**4,830**	**12,138**
Changes in scope					0
Exchange rate variations					0
Reclassifications	195	(271)	76		0
Provisions for the fiscal year (2)	2,007	443	1,007	1,046	4,502
Reversal (provisions used)	(593)	(20)	(122)		(735)
Reversals (surplus provisions) (1)	(911)	(1,112)	(233)		(2,256)
AT 31/12/2010	**4,283**	**587**	**2,903**	**5,876**	**13,648**

(1) Reversal of €1,000 K provision for commercial dispute, which became devoid of purpose after the opposing party failed to pursue legal action.
(2) In 2010, the provision for miscellaneous risks (€1,007 K) corresponds to the foreign subsidiaries' re-structuring plans (Belgium: €548 K; Spain: €229 K), and a provision for an URSSAF audit in France (ALTEN SA: €230 K).
Individually insignificant, non-current provisions were not discounted.

NON-CURRENT PROVISIONS

	31/12/2010	31/12/2009	31/12/2008
Corporate disputes	3,128	2,695	1,825
Commercial disputes	73	1,286	1,030
Miscellaneous risks	2,520	1,992	1,342
Retirement benefits	5,876	4,830	4,009
TOTAL	**11,597**	**10,803**	**8,205**

CURRENT PROVISIONS

	31/12/2010	31/12/2009	31/12/2008
Corporate disputes	1,155	891	1,150
Commercial disputes	514	262	1,032
Miscellaneous risks	383	183	43
TOTAL	**2,051**	**1,335**	**2,225**

	31/12/2010	31/12/2009	31/12/2008
Total non-current provisions	11,597	10,803	8,205
Total current provisions	2,051	1,335	2,225
TOTAL PROVISIONS FOR RISKS AND EXPENSES	**13,648**	**12,138**	**10,430**

NOTE 18 PURCHASES CONSUMED

	31/12/2010	31/12/2009	31/12/2008
Purchasing and subcontracting business	(71,832)	(58,113)	(42,324)
Non-stock purchases	(4,522)	(5,616)	(4,476)
TOTAL	**(76,354)**	**(63,730)**	**(46,800)**

NOTE 19 EMPLOYEE BENEFITS EXPENSES

	31/12/2010	31/12/2009	31/12/2008
Salaries and benefits	(620,539)	(599,901)	(577,140)
Corporate disputes (Note 11)	(501)	(648)	(159)
Retirement benefits (notes 11 and 28)	(1,046)	(1,076)	(953)
Taxes levied on wages	(7,681)	(7,909)	(7,786)
Employee profit sharing	(5,523)	(2,382)	(7,786)
TOTAL	**(635,290)**	**(611,916)**	**(593,824)**

At 31 December 2010, social security charges paid under defined contribution pension plans equalled €161,452 million compared with €158,992 million at 31/12/2009 and €152,508 million at 31/12/2008 (company contribution).

As at December 31, 2009, research tax credits relating to prior periods were considered non-recurring items (see Note 24) insofar as the Group considered them particularly significant amounts that should not recur in the future.

As at December 31, 2010, the research tax credits related to the previous year and the current year amounting to €2.639 million are now classified under “salaries and social security charges” on the grounds that these tax credits have become regular.

NOTE 20 EXTERNAL CHARGES

	31/12/2010	31/12/2009	31/12/2008
Rentals, maintenance	(23,178)	(23,904)	(21,554)
External personnel, fees	(12,545)	(12,180)	(11,040)
Transportation and travel	(46,417)	(45,856)	(44,084)
Other external charges	(16,259)	(12,603)	(15,268)
TOTAL	**(98,399)**	**(94,544)**	**(91,946)**

NOTE 21 TAXES AND LEVIES

	31/12/2010	31/12/2009	31/12/2008
Business tax (1)	(453)	(7,669)	(7,915)
Property tax	(760)	(792)	(644)
Other taxes and levies	(4,402)	(4,015)	(4,357)
TOTAL	**(5,615)**	**(12,475)**	**(12,916)**

(1) In 2010 business tax payable was €7.973 million before the reclassification of CVAE, the French corporate value added tax, (€7.520 million) under corporation tax (see accounting principles, Note 2.3).

NOTE 22 OTHER BUSINESS INCOME AND EXPENSES

	31/12/2010	31/12/2009	31/12/2008
Expenses			
Provisions for impairment	(2,628)	(2,548)	(720)
Losses on unrecoverable receivables	(992)	(859)	(953)
Provisions for long-term contingencies	(1,449)	(1,114)	(833)
Book value of fixed assets sold	(310)	(895)	(2,618)
Other expenses	1	(77)	(25)
TOTAL EXPENSES	**(5,378)**	**(5,492)**	**(5,151)**
Income			
Reversal of provisions for receivables	2,322	707	2,534
Reversals of provisions for long-term contingencies	1,487	1,427	539
Proceeds from sale of fixed assets	107	257	2,596
Other income	0	828	1,298
TOTAL INCOME	**3,916**	**3,220**	**6,967**

NOTE 23 SHARE-BASED PAYMENTS

These payments are based on the various plans described below:

STOCK OPTION PLANS

	31/12/2010	31/12/2009	31/12/2008
Cost of stock options	(468)	1,221	(4,366)
Cost of free shares		(574)	
TOTAL	**(468)**	**646**	**(4,366)**

The stock option plans are valued according to the Black & Scholes model.

At its 19 October 2010 meeting, the Board of Directors implemented a stock option plan pursuant to the authorisation granted by the 23 June 2009 General Meeting. The plan has a four-year vesting period and the granting of shares is conditioned at a minimum on the beneficiaries' presence within the Group. The valuation of this plan is set forth below:

Share price on the award date	€23.78
Average exercise price	€22.37
Average fair value of an option [1]	+€0.9
Estimated annual turnover rate	15%
Implied volatility	29.36%
Risk-free financial yield	1.88%
Number of options awarded	120,000

(1) Specifically taking into account a dividend rate of 4% and a non-transferability discount of 15%.

THE FOLLOWING PLANS ARE IN EFFECT:

Plan	1	2	3	4	5
Date of grant by the board	09/01/2001	25/01/2002	13/03/2003	25/07/2003	06/01/2004
Number of beneficiaries	180	214	237	6	259
Number of options awarded	**283,000**	**438,400**	**359,150**	**450,000**	**318,970**
including number of options granted to employees	283,000	438,400	359,150	450,000	318,970
including the number of options awarded to corporate officers					
Fair value of the option in euros			3.59	4.32	7.13
First possible exercise date	09/01/2005	25/01/06	13/03/07	25/07/07	06/01/08
Last possible exercise date	09/01/2009	25/01/10	13/03/11	25/07/11	06/01/12
Date of first possible possible	09/01/2006	25/01/06	13/03/07	25/07/07	06/01/08
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY, 2008	**29,830**	**17,633**	**73,698**	**183,932**	**245,170**
Number of options awarded					
Number of options waived					
Number of options exercised as at 31 December, 2008		3,413	50,248		0
Number of options expired as at 31 December, 2008			(2,000)	93,932	96,796
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER, 2008	**29,830**	**14,220**	**23,450**	**90,000**	**148,374**
2008 annual charge			7,173	0	(19,037)
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY, 2009	**29,830**	**14,220**	**25,450**	**90,000**	**148,374**
Number of options awarded					
Number of options waived					
Number of options exercised as at 31 December, 2009		1,500	6,715	20,000	15,655
Number of options expired as at 31 December, 2009	29,830		1,400		33,156
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER, 2009	**0**	**12,720**	**17,335**	**70,000**	**99,563**
2009 annual charge					
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY, 2010	**0**	**12,720**	**17,335**	**70,000**	**99,563**
Number of options awarded					
Number of options waived					
Number of options exercised as at 31 December, 2010		10,000	8,200	70,000	33,853
Number of options expired as at 31 December, 2010		2,720	2,000		(4,600)
FAIR VALUE OF THE OPTION IN EUROS					
Number of options which may be exercised as at December 31, 2010	*0*	*0*	*7,135*	*0*	*70,310*

STOCK OPTION PLANS (CONT.)

PLAN (cont.)	6	7	8	9	10	Total
Date of grant by the board	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	356	598	794	689	6	
Number of options awarded	**496,500**	**1,189,780**	**622,790**	**574,330**	**120,000**	**4,533,950**
including number of options granted to employees	496,500	1,173,780	622,790	574,330	120,000	4,517,950
including the number of options awarded to corporate officers		16,000				16,000
First possible exercise date	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible sale	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY, 2008	**364,150**	**1,188,020**	**0**	**0**	**0**	**2,102,433**
Number of options awarded			622,790			622,790
Number of options waived						0
Number of options exercised as at 31 December, 2008						53,661
Number of options expired as at 31 December, 2008	9,200	33,980	11,550			146,662
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER, 2008	**354,950**	**1,154,040**	**611,240**	**0**	**0**	**2,426,104**
2008 annual charge	602,771	2,844,718	930,203			4,365,828
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY, 2009	**354,950**	**1,154,040**	**611,240**	**0**	**0**	**2,428,104**
Number of options awarded				574,330		574,330
Number of options waived		30,000	30,000			60,000
Number of options exercised as at 31 December, 2009	2,316					46,186
Number of options expired as at 31 December, 2009	56,325	577,000	123,525	12,705		800,785
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER, 2009	**296,309**	**547,040**	**457,715**	**561,625**	**0**	**2,062,307**
2009 annual charge	(539,485)	(1,583,217)	756,272	145,899		(1,220,531)
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY, 2010	**296,309**	**547,040**	**457,715**	**561,625**	**0**	**1,515,267**
Number of options awarded					120,000	120,000
Number of options waived						0
Number of options exercised as at 31 December, 2010	71,196	1,920				195,169
Number of options expired as at 31 December, 2010	20,910	136,940	66,610	81,505		306,085
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT DECEMBER 31, 2010	**204,203**	**408,180**	**391,105**	**480,120**	**120,000**	**1,681,053**
2010 annual charge		*(243,120)*	*386,517*	*302,796*	*21,448*	*467,640*

The total number of options that can be exercised (1,681,053) breaks down into:

- 689,828 options from the plans for which the vesting periods have expired (plans 1 to 7, inclusive), i.e. 0.2% of capital;
- 991,225 options which potentially can be exercised, i.e. 0.3% of capital.

FREE SHARE ALLOCATION PLAN

PLAN	Total
Date of grant by the council	11/04/2008
Number of beneficiaries	2
Number of options awarded	**105,600**
including number of shares granted to employees	105,600
including number of shares granted to corporate officers	
Fair value of the option in euros	20.08
Date of final award	11/04/2010
First possible exercise date	11/04/2012
Last possible exercise date	11/04/2017
Date of first sale possible	11/04/2012
NUMBER OF SHARES ALLOCATED AS AT 1 JANUARY, 2008	**0**
Number of shares acquired as at 31 December, 2008	48,400
Number of unvested shares as at 31 December, 2008	57,200
NUMBER OF SHARES AWARDED AS OF 31 DECEMBER, 2008	**105,600**
2008 annual charge	*972,026*
NUMBER OF SHARES ALLOCATED AS AT 1 JANUARY, 2009	**105,600**
Number of shares acquired as at 1 January, 2009	48,400
Number of shares abandoned as at 31 December, 2009	(24,200)
Number of shares acquired as at 31 December, 2009	13,200
NUMBER OF SHARES AWARDED AS OF 31 DECEMBER, 2009	**37,400**
2009 annual charge	*692,143*
NUMBER OF SHARES ALLOCATED AS AT 1 JANUARY, 2010	**37,400**
Number of shares acquired as at 1 January, 2010	61,600
Number of shares abandoned as at 31 December, 2010	(24,200)
Number of shares acquired as at 31 December, 2010	15,400
NUMBER OF SHARES AWARDED AS OF 31 DECEMBER, 2010	**52,800**
2010 annual charge	*309,281*

Charges for vested free shares are recorded under employee benefits expenses.

NOTE 24 OTHER NON-CURRENT INCOME AND EXPENSES

	31/12/2010	31/12/2009	31/12/2008
Expenses			
Restructuring costs (1)	(1,854)	(14,900)	
Costs of closing Idestyle Technologies (2)	(81)	(9,467)	
Tax adjustment	(2,011)		
TOTAL EXPENSES	**(3,946)**	**(24,367)**	**0**
Income			
Research tax credits		1,265	
TOTAL INCOME	**0**	**1,265**	**0**

(1) Related to specific measures taken to offset the deterioration of the economic environment (partial unemployment, downsizing, site mergers, etc.), notably in 2009.
(2) Severance payments and redundancy plan.

	31/12/2010	31/12/2009	31/12/2008
Selling price	900		286
Book value of disposals	(1,541)		(546)
PROFIT/LOSS FROM DIVESTMENT	**(641)**	**0**	**(260)**

This income relates respectively to:

- in 2010: the sale of Aston in Switzerland and the closure of IMP Slovakia;
- in 2008: the sale of a property complex at ALTEN GmbH.

IMPAIRMENT OF GOODWILL

	31/12/2010	31/12/2009	31/12/2008
France	0	(8,832)	(5,560)
Outside France (1)	0	(1,914)	0
TOTAL	**0**	**(10,746)**	**(5,560)**

(1) Including €1,130 K related to an error correction (see note II-5).

NOTE 25 FINANCIAL EARNINGS

FINANCIAL CHARGES

Paid financial charges	31/12/2010	31/12/2009	31/12/2008
Interest charges	(1,386)	(2,091)	(1,604)
Foreign exchange losses	(1,287)	(1,004)	(608)
Other financial expenses	(447)	(117)	(267)
TOTAL	**(3,120)**	**(3,211)**	**(2,479)**
CALCULATED FINANCIAL CHANGES	**31/12/2010**	**31/12/2009**	**31/12/2008**
Actualization of the financial debts	(145)	(134)	(75)
Losses on irrecoverable financial claims		(9)	
Charges of the financial provisions	(172)	(20)	(577)
TOTAL	**(316)**	**(162)**	**(652)**
FINANCIAL CHARGES	**(3 437)**	**(3 373)**	**(3 132)**

FINANCIAL INCOME

Financial income earned	31/12/2010	31/12/2009	31/12/2008
Income from loans and receivables	659	263	114
Foreign exchange gains	873	693	1,111
Net proceeds from sale of investment securities	0	16	47
Other financial income	109	325	581
TOTAL	**1,641**	**1,298**	**1,853**
CALCULATED FINANCIAL INCOME	**31/12/2010**	**31/12/2009**	**31/12/2008**
Reversal of financial provisions [(1)]	94	592	14
TOTAL	**94**	**592**	**14**
FINANCIAL INCOME	**1 734**	**1 890**	**1 867**

(1) Reversal of provisions on non-consolidated holdings.

NOTE 26 BREAKDOWN OF INCOME TAX EXPENSE

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Net earnings: Group and minority interests	53,679	17,524	54,802
Impairment of goodwill	0	10,746	5,560
Stock options	468	(646)	4,366
Tax expense	32,935	13,309	30,889
PRE-TAX EARNINGS	**87,082**	**40,933**	**95,617**
Tax rate of the consolidating company	33.33%	33.33%	33.33%
Theoretical tax charge	29,027	13,644	31,872
Social security contributions 3.3%	532	50	706
Difference in tax rate versus foreign companies	(1,285)	(674)	(901)
Tax credits	(955)	(521)	(712)
Unactivated deferred tax assets	(244)	846	778
CVAE (added value tax)	5,013	0	0
Other permanent differences (1)	848	(36)	(855)
TAX EXPENSE RECOGNIZED	**32,935**	**13,309**	**30,889**
Income tax distribution:			
Deferred tax	(445)	3,000	(82)
Income tax payable	33,380	10,309	30,971
TOTAL	**32,935**	**13,309**	**30,889**
Breakdown of effective tax rate:			
Tax rate of the consolidating company	33.33%	33.33%	33.33%
Social security contributions 3.3%	0.61%	0.12%	0.74%
Difference in tax rate versus foreign companies	(1.48%)	(1.65%)	(0.94%)
Tax credits	(1.10%)	(1.27%)	(0.74%)
Unactivated deferred tax assets	(0.28%)	2.07%	0.81%
CVAE (added value tax)	5.76%	0.00%	0.00%
Other permanent differences	0.97%	(0.09%)	(0.89%)
EFFECTIVE TAX RATE	**37.82%**	**32.51%**	**32.30%**
(1) Including:			
Permanent reinstatements	*284*	*408*	*229*
Other differences	*563*	*(444)*	*(1,084)*
Total	*848*	*(36)*	*(855)*

NOTE 27 OPERATING SEGMENTS

	31/12/2010			31/12/2009			31/12/2008		
	Total	France	Abroad	Total	France	Abroad	Total	France	Abroad
SALES	694,507	272,574	967,081	649,839	255,302	905,141	674,977	215,564	890,541
Inter-segment and intra-group neutralization	(42,935)	(7,580)	(50,515)	(42,318)	(5,746)	(48,064)	(40,997)	(3,260)	(44,257)
Sector reclassification	(18,508)	18,508	0	(13,959)	13,959	0	(10,335)	10,335	0
Net Sales	633,064	283,502	916,566	593,562	263,515	857,077	623,645	222,639	846,284
Gross Operating Income	62,763	30,608	93,371	42,245	23,273	65,518	72,181	24,960	97,141
Operating Income from Ordinary Activities	62,296	30,608	92,904	42,891	23,273	66,165	67,816	24,960	92,776
Net Operating Income	59,201	29,116	88,316	16,636	15,680	32,316	62,256	24,700	86,956
Earnings of Consolidated Entities	35,087	18,592	53,679	8,905	8,619	17,524	38,426	16,377	54,802
TOTAL NET EARNONGS	**35,087**	**18,592**	**53,679**	**8,905**	**8,619**	**17,524**	**38,426**	**16,377**	**54,802**

	31/12/2010			31/12/2009			31/12/2008		
	Total	FRANCE	ABROAD	TOTAL	FRANCE	ABROAD	TOTAL	FRANCE	ABROAD
Goodwill	96,774	82,703	179,477	96,121	81,812	177,932	81,893	80,668	162,561
Impairment of goodwill	0	0	0	(8,832)	(1,914)	(10,746)	(5,560)		(5,560)
Workforce at Year End	8,247	4,431	12,678	7,270	4,023	11,293	8,300	4,170	12,470
Cash at Closing	34,608	23,384	57,992	21,630	30,766	52,395	14,074	29,644	43,719
Financial Liabilities	10,722	6,888	17,610	51,163	5,259	56,422	47,796	14,122	61,918
Net Investments for the Period	11,257	282	11,539	24,537	8,763	33,300	20,690	29,602	50,292

In 2010, the contribution of newly acquired companies to net consolidated earnings was -€142,000 (o/w -€63,000 in France and -€79,000 outside France).

Given the Group's diverse customer portfolio, no customer represents more than 10% of consolidated revenue as of 31 December 2010.

NOTE 28 EARNINGS PER SHARE

(In euros)	31/12/2010	31/12/2009	31/12/2008
Earnings	**53,607,050**	**17,334,033**	**54,483,378**
Weighted average number of shares	31,465,519	31,739,171	31,620,207
Earnings per share	**1.70**	**0.55**	**1.72**

	31/12/2010	31/12/2009	31/12/2008
Earnings	**53,607,050**	**17,334,033**	**54,483,378**
Dilutive effect of stock warrants	(102,246)	(87,700)	
Diluted earnings	**53,504,804**	**17,246,333**	**54,483,378**
Weighted average number of shares	31,465,519	31,739,171	31,620,207
Effect of dilutions	328,300	70,501	96,524
Weighted average number of shares after potential dilution	31,793,819	31,809,672	31,716,731
Diluted earnings per share	**1.68**	**0.54**	**1.72**

NOTE 29 STATEMENT OF CASH FLOWS

CHANGES IN DEPRECIATION, AMORTIZATION & PROVISIONS, NET OF REVERSALS

	31/12/2010	31/12/2009	31/12/2008
Amortization of intangible assets	1,919	1,689	1,295
Depreciation of property, plant and equipment	3,513	4,016	3,872
Provisions for financial assets	0	0	0
Impairment of goodwill	0	10,746	5,560
Provisions for risks and expenses	1,510	2,910	1,420
TOTAL	**6,941**	**19,363**	**12,147**

BREAKDOWN OF TAXES PAID

	31/12/2010	31/12/2009	31/12/2008
Repayments received	24,823	2,928	1,014
Payments made	(26,198)	(30,182)	(32,877)
TOTAL	**(1,375)**	**(27,254)**	**(31,862)**

BREAKDOWN OF CASH FLOWS ON WORKING CAPITAL REQUIREMENT

	31/12/2010	31/12/2009	31/12/2008
Net changes in working capital - customers	(20,356)	58,363	(40,383)
Net changes in working capital - suppliers	(5,520)	(5,494)	(4,391)
Net changes in working capital - other receivables and payables	12,124	(30,828)	25,018
TOTAL	**(13,753)**	**22,041**	**(19,756)**

IMPACT OF CHANGES IN SCOPE AND EARN-OUTS

	31/12/2010	31/12/2009	31/12/2008
Acquisitions of consolidated subsidiaries	(5,448)	(31,267)	(47,389)
Cash from new consolidated subsidiaries	0	4,830	10,309
Cash from deconsolidated subsidiaries	(372)	(998)	0
TOTAL	**(5,820)**	**(27,435)**	**(37,080)**

CAPITAL INCREASE

	31/12/2010	31/12/2009	31/12/2008
Stock options exercised	2,401	419	2,299
Issue of stock warrants	0	669	
Subscription to the capital of new companies	98	10	
TOTAL	**2,499**	**1,098**	**2,299**

OTHER INFORMATION

NOTE 30 RELATED PARTY TRANSACTIONS

Compensation granted to managers

	2009		2010	
Simon Azoulay	Amount owed	Amount paid	Amount owed	Amount paid
Fixed remuneration	€109,080	€109,080	€109,080	€109,080
• Variable remuneration	N/A	N/A	N/A	N/A
• Extraordinary remuneration	N/A	N/A	N/A	N/A
• Director's fees	€150,000	€150,000	N/A	N/A
• €300,000*	€300,000*	150 000 € *	300 000 €	300 000 €
• Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**€259,080**	**€259,080**	**€409,080**	**€409,080**
Gerald Attia				
• Fixed remuneration	€178,224	€178,224	€178,224	€178,224
• Variable remuneration	N/A	€50,000	N/A	N/A
• Extraordinary remuneration	N/A	N/A	€40,000	€40,000
• Director's fees	€84,000	€84,000	N/A	N/A
• Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**€262,224**	**€312,224**	**€218,224**	**€218,224**

* *These amounts correspond to the payments made by the Spanish company ALTEN SPAIN, 100%-owned subsidiary of ALTEN Europe, which itself is, in turn, a 100%-owned subsidiary of ALTEN SA, for the office of "Consejero" (Advisor) exercised by its managers.*

Transactions with unconsolidated entities

Unconsolidated subsidiaries, companies affiliated to the Group or companies controlled directly by directors of the Group.

In the income statement:

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Sales	20	204	87
Other operating income (expenses) (1)	(2,076)	(939)	(449)
Financial income (expenses)	96	56	8
TOTAL	**(1,960)**	**(679)**	**(354)**

In the balance sheet:

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Trade receivables	461	316	147
Current account (2)	2,407	7,470	2
Other receivables	900	0	103
ASSETS	**3,769**	**7,786**	**252**
Trade payables	1,235	657	70
LIABILITIES	**1,235**	**657**	**70**

(1) Including €480,000 in 2010 and in 2009 under the service provision agreement with SGTI.

(2) ALTEN made a cash advance to its majority shareholder (SGTI). This advance, bearing interest at the 3-month Euribor rate of +2% is repayable no later than 30/06/2011. It amounts to €2.3 million as at 31/12//2010.

NOTE 31 CONTINGENT LIABILITIES

The Group is party to several disputes with minority shareholders of various subsidiaries. Total claims by the plaintiffs, disputed by ALTEN, total approximately €3 million. Their maturity date is undefined.

NOTE 32 HEADCOUNT

The table below shows the ALTEN Group's average number of employees by category:

Category	31/12/2010	31/12/2009	31/12/2008
Managerial staff	10,641	10,527	11,099
Non-managerial staff	1,105	1,516	1,295
TOTAL	**11,746**	**12,043**	**12,394**

NOTE 33 TREASURY SHARES

Within the scope of a share repurchase programme, during the fiscal year the Company made the following treasury share transactions:

UNALLOCATED SHARES

	31/12/2010	31/12/2009	31/12/2008
Opening shareholdings	397,441	344,641	
Shares purchased			344,641
Shares sold			
Reclassifications		52,800	
Shares held at closing	397,441	397,441	344,641

FREE SHARE ALLOCATION PLAN

	31/12/2010	31/12/2009	31/12/2008
Repurchased shares not yet allocated on opening	15,400	57,200	
Shares purchased			105,600
Free shares allocated	(15,400)	(13,200)	(48,400)
Waivers		24,200	
Reclassifications		(52,800)	
Repurchased shares not yet allocated on closure		15,400	57,200

LIQUIDITY AGREEMENT

	31/12/2010	31/12/2009	31/12/2008
Opening shareholdings	645	553	786
Shares purchased	132,917	171,633	158,514
Shares sold	(129,076)	(171,541)	(158,747)
Shares held at closing	4,486	645	553

Giving a total of 401,927 treasury shares at a value of €7.479 million, liquidated through shareholders' equity as at 31/12/2010.

NOTE 34 FINANCIAL COMMITMENTS

COMMITMENTS RELATED TO THE GROUP SCOPE:

(In thousands of euros)	31/12/2010	maturity	31/12/2009	31/12/2008
Guarantees given				
ALTEN SA	107	01/09/2013	231	231
ALTEN Belgium	178		178	178
ALTEN Indus.	229		229	229
TOTAL	**514**		**638**	**638**
Bank guarantees received				
(collateral guarantees of liabilities)				
ALTEN Italia				250
ALTEN Spain (formerly Cronos)				312
Apex Group (merged with ALTEN Spain)				150
Idestyle				167
ALTEN Nederland (merged with ALTEN PTS)	200	31/12/2010	200	200
DDA				100
Avenir Conseil	191	15/01/2011	573	573
N2T (merged with ALTEN SA)			125	250
RSYS (merged with MI-GSO)	450	30/06/2011	450	450
M&P (merged with MI-GSO)	50	30/06/2011	75	100
Dixid (merged with ALTEN SA)	35	31/01/2011	50	75
PTS Software (merged with ALTEN PTS)			420	420
Winwise	200	31/12/2010	300	300
Burke (merged with ALTEN Spain)	200	30/06/2011	300	300
BBR	160	31/12/2010	220	220
B2I Automotive	300	31/12/2012	300	
HPTI	400	31/12/2012	400	
TOTAL	**2,186**		**3,413**	**3,867**

COMMITMENTS RELATED TO THE GROUP'S FINANCING:

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Unused credit lines	110,000		

COMMITMENTS RELATED TO THE GROUP'S OPERATING ACTIVITIES

(In thousands of euros)	31/12/2010	31/12/2009	31/12/2008
Operating leases (1)	49,854	49,591	33,348
Financial leases (2)	463	1,208	2,483

(1) Including real estate leases: €48.594 million (of which: €13.001 million less than one year, €31.833 million in 2 to 5 years and €3.760 million over 5 years).
(2) Royalties unpaid as at 31 December, 2010 are as follows:

Type of property:	Royalties unpaid			Including payable to	Including payable by
	Capital	Interest	Total	less than 1 yr	1-5 years
Software	8	0	8	8	0
Hardware and furniture	117	5	122	61	61
Vehicles	313	20	333	204	129
TOTAL	**438**	**26**	**463**	**273**	**190**

Assets pledged:	(in thousands of euros)	Type of asset
Lease-financing transactions:	456	Equipment

Minority interests purchase options:

ALTEN SIR GTS: under the terms of the Joint Venture Protocol signed on 18 February 2010, a unilateral and irrevocable sale promise, covering 49% of the joint company ALTEN SIR GTS, was granted to ALTEN.

Anotech Energy France: ALTEN SA has a unilateral sale promise from the minority interests. At this time, the shares yet to be exercised by ALTEN SA in this respect represent 2% of Anotech Energy France's share capital.

Anotech Energy UK: ALTEN Europe SARL has a unilateral sale promise from the minority interests. At this time, the shares yet to be exercised by ALTEN Europe SARL in this respect represent 2.04% of Anotech Energy UK's share capital.

At the end of the fiscal 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.

NOTE 35 RETIREMENT BENEFITS

Charge recorded on the income statement (Note 13)

	31/12/2010	31/12/2009	31/12/2008
Provisions	(1,046)	(1,076)	(959)
Reversal of provisions			6
Charge posted in the income statement	**(1,046)**	**(1,076)**	**(953)**

The change in the provision on the balance sheet is as follows:

	31/12/2010	31/12/2009	31/12/2008
Balance at beginning of period	**4,829**	**4,009**	**2,808**
Change in scope		(255)	248
Impact on earnings:			
Cost of services provided	815	866	738
Financial cost over the period	256	197	180
Spreading of actuarial differences	(25)	13	35
Charge posted in the income statement	*1,046*	*1,075*	*953*
Balance at end of period	**5,875**	**4,829**	**4,009**

The following actuarial assumptions were used:

	31/12/2010	31/12/2009	31/12/2008
Discount rate	4.1%	4.25%	4.25%
Revaluation rate for employees	2.25%	1.5%	2.5%
Rate of employer contributions:			
Managerial staff	46.89%	46.89%	46.89%
Non-managerial staff	46.49%	46.49%	46.49%
Mortality table:			
Women	TV 2004-2006	TV 2004-2006	TV 2004-2006
Men	TD 2004-2006	TD 2004-2006	TD 2004-2006
Age 1st job:			
Managerial staff	24 years	24 years	24 years
Non-managerial staff	20 years	20 years	20 years
Age of retirement	65 years	65 years	65 years

The staff turnover rate is recorded from company to company in accordance with observed historical data.

A change of plus or minus one point in the discount rate has no material effect on valuing the commitment at 31 December 2010.

NOTE 36 AUDIT FEES

FISCAL YEAR: 2010

	Dauge et Associés				Grant Thornton			
			Amount excluding tax	Amount excluding tax			%	
		2010	2009	2010	2009	2010	2009	2010
Audit								
Statutory audit, certification, review of accounts:								
• Issuer	191	163	63%	51%	195	192	37%	35%
• Consolidated subsidiaries	98	145	32%	45%	331	300	63%	55%
Other duties and services directly related to the statutory auditors' assignment:								
• Issuer		14	-	4%		44	-	8%
• Consolidated subsidiaries	14		5%	-		10	-	2%
SUB-TOTAL	**303**	**322**	**100%**	**100%**	**526**	**546**	**100%**	**100%**
Other services								
Legal, tax, corporate								
• Issuer	-	-	-	-	-	-	-	-
• Consolidated subsidiaries	-	-	-	-	-	-	-	-
Other								
• Issuer	-	-	-	-	-	-	-	-
• Consolidated subsidiaries	-	-	-	-	-	-	-	-
SUB-TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**303**	**322**	**100%**	**100%**	**526**	**546**	**100%**	**100%**

NOTE 37 CONSOLIDATING ENTITY

The ALTEN Group is consolidated into SGTI.

NOTE 38 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.

PLEDGES, GUARANTEES OR SURETIES INVOLVING THE COMPANY'S SHARES

Name	Number of ALTEN shares pledged	Maturity date	Type	Percentage of authorised capital
Simon Azoulay	562,000	25/06/2011	Loan collateral	1.76%
	500,000	22/02/2011	Loan collateral	1.56%
	1,358,000	31/12/2010	Loan collateral	4.25%
SGTI	8,550,000	25/06/2011	Loan collateral	26.75%

NOTE 39 POST-CLOSING EVENTS

Formation of new companies and partnerships

While continuing to adapt to the uncertain economic circumstances resulting from the ongoing crisis, the Group has sought out opportunities for growth and partnership in order to boost development.

Accordingly, the following transactions have been completed since 1 January 2011:

- the signature at the end of January 2011 of a Master Agreement to acquire a telecom company located in the US and India ($22 million in sales, 580 employees);
- the creation at the start of February 2011 of Atexis Spain, whose core business is engineering consultancy and technical support.

URSSAF audit

ALTEN SIR and ALTEN SUD-OUEST are currently subject to an URSSAF audit (Social Security assessment).

20.5 2010 COMPANY FINANCIAL STATEMENTS

20.5.1 COMPANY STATEMENT OF FINANCIAL POSITION

ASSETS

(In thousands of euros)	Gross	Depreciation, amortization & provisions	Net as at 31/12/2010	Net as at 31/12/2009
Intangible assets	**42,134**	**6,776**	**35,358**	**34,625**
Tangible assets	**11,740**	**7,681**	**4,059**	**3,969**
Financial assets	**170,149**	**14,877**	**155,272**	**150,440**
FIXED ASSETS	**224,022**	**29,333**	**194,689**	**189,034**
Work in progress				
Work in progress	31	0	31	25
Advance payments on orders	121		121	
Receivables				
Trade receivables	158,102	4,973	153,129	145,698
Other receivables	77,833	3,084	74,749	53,800
Marketable securities	15,367	0	15,367	1,073
Cash and equivalents	331	0	331	1,021
Prepaid expenses	3,531	0	3,531	
CURRENT ASSETS	**255,316**	**8,057**	**247,259**	**201,617**
Translation adjustment	8	0	8	7
GRAND TOTAL	**479,346**	**37,390**	**441,956**	**390,658**

LIABILITIES

(In thousands of euros)	31/12/2010	31/12/2009
Capital	32,491	32,293
Paid-in capital	17,219	15,017
Reserves and Retained Earnings	141,929	123,634
Results for the period	20,483	46,579
Shareholders' equity	**212,123**	**217,523**
Provisions for risks and charges	**6,624**	**6,403**
Borrowings and similar debt	6,258	47,060
Miscellaneous financial borrowings and debt	67,684	
Trade payables	35,709	28,951
Other debt	111,509	90,721
Deferred income	2,049	
Debt	**223,209**	**166,732**
GRAND TOTAL	**441,956**	**390,658**

20.5.2 COMPANY INCOME STATEMENT

(In thousands of euros)	2010	2009
NET REVENUE	**375,601**	**338,958**
Reversal of depreciation, amortization & provisions, transfer of expenses	11,137	3,405
Other income	8,634	934
Operating revenue	395,371	343,297
Other external purchases and costs	127,525	113,100
Taxes other than on income	12,634	10,295
Payroll charges	220,687	202,876
Charges to depreciation, amortization and provisions	4,549	6,166
Other operating expenses	1,299	579
Operating expenses	366,693	333,017
OPERATING PROFIT	**28,679**	**10,281**
FINANCIAL INCOME	**5,223**	**43,257**
PRE-TAX EARNINGS	**33,902**	**53,538**
NON-RECURRING LOSS	**(2,019)**	**(9,876)**
Employee profit-sharing	2,614	0
Corporation tax	8,785	(2,917)
NET EARNINGS	**20,483**	**46,579**

Detailed summary of the notes to the financial statments

NOTE 1 ALTEN SA BUSINESS SECTOR AND ACTIVITY

Founded in 1988, ALTEN is the European leader in the Technology Consulting and Engineering market.

Services, which are primarily billed in terms of time spent, are mainly rendered for the Technology Consulting and Engineering business.

ALTEN carries out design and research projects for the Engineering and Information Systems Divisions of major customers in the industrial, telecom and service sectors.

ALTEN has been ISO-certified since 1998.

The scope of ALTEN's business covers all outsourced technology consulting and engineering services.

ALTEN does not compete against conventional information technology service providers.

1.1 Highlights

Activity

Given the gradual overall pick-up in the economic environment in Europe, with the exception of Spain, customer visibility has gradually improved.

Increased investment in research and innovation is supported by "technological breakthrough" programs in the Aerospace, Energy and Automotive sectors.

The referencing policies of major clients are becoming increasingly demanding (concentration of suppliers, pricing pressure, changes in demand towards more packaged offerings, ability to manage large projects in a transnational context). Within this framework, ALTEN has everything it needs to consolidate its leadership positions in Engineering and Technology Consultancy.

Recruitment remains a major challenge, ALTEN has succeeded in recruiting over 1,701 people during the year, thanks to its know-how and the technological content of its projects.

Moreover, ALTEN continued its Group structuring approach, mainly through implementation of the CMMI certification process, strengthening of the Structured Projects Division by skills sectors, systematic training of managers and consultants experienced in "structured project" management and finally the deployment of an ERP for ALTEN SA.

Comparability of accounts

The merger of assets with the GIST on 1 July 2009 prevents any comparison between the two periods, but does not require presentation of pro forma financial statements.

Acquisitions in France

- On 4 February 2010, a stake of 19% was acquired in Phoebe SA. Phoebe is a public limited company, capitalized at €266,848, whose head office is located at Le Clos de la Mare, 21 rue Albert Calmette - 78350 Jouy en Josas, France and registered with the Versailles Trade and Companies Register under number 405 334 004.

PHOEBE SA is the holding company of the PHOEBE Group (8 companies in France), which owns 100% of the share capital of INGENCIA SAS, an engineering specialist in the Energy sector.

- On 20 January 2010 a private limited company, ALTEN India, was established in India, in which shareholders' liability is restricted to the amount of their contributions. ALTEN SA directly owns only 0.01% of this entity while ALTEN Europe, a wholly-owned subsidiary of ALTEN SA, owns the rest.
- On 18 February 2010 a jointly-held company, ALTEN SIR GTS, was formed with Groupe Critères, a simplified joint stock company, capitalized at €649,920, with its head office at 27, rue Fortuny, 75017 Paris, France and registered with the Nanterre Trade and Companies Register under the number 398 092 981. It operates in the field of third party application acceptance testing (TRA). ALTEN owns 51% of this company's capital and voting rights, while "Groupe Critères" holds 49% of its capital and voting rights.
- ID Apps, a simplified joint stock company, was set up on 20 December 2010. It is capitalized at €100,000, with its registered office at 130-136 Rue de Silly, 92100 Boulogne Billancourt, France and registered with the Nanterre Trade and Companies Register under the number 529 101 537. It operates in technology, computers and electronics, including consulting, design, development, validation, support and editing for various media applications. This company is wholly owned by ALTEN SA.

Legal transactions

- On 31 December 2010, ALTEN SA dissolved Dixid by way of a merger of assets and liabilities into ALTEN SA.

In accordance with regulation 2004-01 dated 4 May 2004 of the *Comité de la Réglementation Comptable* (France's Accounting Regulatory Committee), the merger penalty from this complete transfer of assets and liabilities was posted as intangible assets in the balance sheet after validation of the calculated asset value.

Other events

- In April 2010 ALTEN SA and ALTEN Cash Management confirmed it has credit lines as part of a "club deal" in the amount of €110 million. They also have short-term unconfirmed lines of credit that are annually renewable. This "club deal" requires that the following ratios are met while the contract is in force and an advance is outstanding:
  - "Net financial debt/Operating profit" ratio. This ratio must be less than 1.7 ;
  - "Net financial debt/Shareholders' equity" ratio. This ratio must be less than 0.6.

This is the consolidated net financial debt, operating income from consolidated activity and consolidated equity.

- During the first half of 2010, and during FY 2009, €28.3 million of dividends were paid.
- ALTEN has commissioned a consultancy specializing in Research Tax Credit valuation. Because the mission was incomplete when the accounts were closed, ALTEN is unable to communicate the potential savings.

Post-closing events

- Signature at the end of January 2011 of a "Master Agreement" to acquire a company located in the US and India ($22 million in sales, 580 employees) and which operates in the telecom sector.

20.6 NOTES TO THE 2010 COMPANY FINANCIAL STATEMENTS

NOTE 2 ACCOUNTING PRINCIPLES

The accounting principles and methods applied by ALTEN SA are consistent with France's generally accepted accounting standards (Plan Comptable General).

General accounting conventions have been applied, in accordance with the principle of prudence and the fundamental accounting concepts of:

- going concern;
- the same accounting methods used from one year to the next;
- independence between years;
- and in accordance with the general rules for preparing and presenting financial statements.

The main accounting methods used are as follows:

2.1 Non-current 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	Ten years
Concessions-patents-software licences	One year
Transport equipment	Five years/L
Office and computer equipment	One to five years/L– two to three years /D
Office furniture and fittings	Five to ten years/L
Fixtures and fittings	five years/L

2.2 Business assets

Business assets are valued at their acquisition cost. They are not amortized 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.

2.3 Equity interests

The gross value of long-term financial investments is recorded on the statement of financial position at acquisition cost. The acquisition cost of interests in subsidiaries 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 equity interests 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 equity interests is calculated.

Whether such a one-time impairment loss is recognised is determined on the basis of the discounted cash flow based on the following assumptions:

- the business plan for an appropriate period, established for each individual entity, updated at the time the year-end budget is prepared and showing estimated revenue, EBITDA, net earnings, working capital requirement and capital expenditure figures;
- the long-term growth rate beyond the specific horizon;
- weighted average cost of capital;
- net debt of the applicable entity.

2.4 Treasury shares

All treasury shares held by ALTEN SA are recorded at their acquisition cost under "other fixed financial assets".

2.5 Trade Receivables

Trade receivables are valued at nominal value. They are individually valued and, where applicable, depreciated to account for any difficulties in collecting certain amounts.

Any such impairment is recognised once there is an indication of the group's inability to recover the full amount such as bankruptcy procedures or non-payment by the due date. Impairment is recognised under other income and expenses.

For any trade receivables that are not subject to individual impairment, the Group applies the following depreciation method:

- receivables between 1 year and 18 months: provision of 50%;
- receivables between 18 months and 2 years: provision of 70%;
- receivables greater than 2 years: provision of 90%;
- receivables relating to companies undergoing court-ordered liquidation proceedings: 100%.

2.6 Marketable securities

Securities (money market fund) recognised in the balance sheet are valued at the lower of either their historical cost or market value.

2.7 Provisions for risks and expenses

Provisions for risks and expenses are recorded at year-end whenever the Group has an obligation towards a third party which is likely or certain to result in an outflow of resources for the benefit of such a third party, with no anticipated consideration of at least equal value.

The estimate of the amount recorded under the provisions is the expense the Company is likely to incur to discharge the obligation.

Among these provisions are retirement obligations as estimated by an independent actuarial firm, in accordance with CNC Notice 97-06.

Benefits payable to retiring employees are calculated on the basis of the current payroll at reporting date. It is based on the following items:

Presentation of actuarial assumptions

	31/12/2010	31/12/2009
Discount rate	4.10%	4.25%
Revaluation rate for employees	2.33%	1.5%
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 1st job		
Managerial staff	24 years	24 years
Non-managerial staff	20 years	20 years
Age of retirement	65 years	65 years

2.8 Recognition of revenues

ALTEN SA works with its customers through various types of contracts: consulting, services provided as a "work package" (globalised platforms) and on a fixed price basis.

Services are mainly charged on a time-spent basis. Revenues are recognised as and when services are performed. Services for which a fixed price is charged account for approximately 5% to 10% of revenues. In such instances, revenue and margins are recognised as work on the project progresses.

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.

ALTEN SA invoices its subsidiaries for all services performed on their behalf, with a mark-up over cost in conformance with market rules.

2.9 Tax consolidation

ALTEN follows a tax consolidation regime in which it is the Group's holding company.

Under this agreement, ALTEN is solely liable for payment of income tax on behalf of subsidiaries, which are responsible for indemnifying ALTEN for this expense. In the event a subsidiary records a loss, this is also transferred to ALTEN SA; however the subsidiary may not claim reimbursement of its tax savings obtained.

2.10 Benefits granted to personnel

Pursuant to Article 4 of CRC 2008-15, the carrying value of shares affected by free share allocation plans is equal to their entry cost (purchase price or net carrying value on the reclassification date) until the date of final award to employees. They are recognised as marketable securities.

Pursuant to the opinion 2008-17 of the Conseil National de la Comptabilité (CNC) dated 6 November 2008, shares allotted to free share allocation plans and stock option plans are not subject to impairment based on market value because of the commitment to award them to employees and the provision recognised under liabilities.

The charge recorded each year for vested free shares is recognised under employee benefits expenses.

Financial assumptions:

- a financial discount rate;
- an inflation rate;
- a revaluation rate for employees;
- an employer contribution rate.

NOTE 3 FIXED ASSETS AND DEPRECIATION

3.1 Fixed assets, gross

(In thousands of euros)	31/12/2009	Movements related to mergers	Acquisitions setups/ transfers	Reductions via disposals & discontinuation	31/12/2010
Intangible assets	39,946	32	2,148	0	42,126
Property, plant & equipment	10,276	28	1,486	42	11,748
Financial assets	167,127	0	3,898	876	170,149
GRAND TOTAL	**217,348**	**60**	**7,532**	**918**	**224,022**

The gross value of intangible assets is essentially made of the development costs for the integrated management software put into service on 1 January 2010. This asset is depreciated over 10 years.

3.2 Depreciation and provisions

(In thousands of euros)	31/12/2009	Movements related to mergers	Increases Provisions	Decreases Reversals	31/12/2010
Intangible assets	5,328	30	1,418	0	6,776
Property, plant & equipment	6,299	24	1,396	39	7,681
Financial assets	16,687		172	1,982	14,877
GRAND TOTAL	**11,627**	**54**	**2,986**	**2,020**	**29,333**

3.3 Breakdown of financial fixed assets

FINANCIAL ASSET BREAKDOWN

(In thousands of euros)	31/12/2009	Movements related to Mergers	Acquisitions creations/transfers (1)	Reduction related to disposals & discontinued activities	31/12/2010
Equity interests	156,801	0	3,536	342	159,995
Related receivables	38				38
Treasury shares	7,368				7,368
Security deposits	1,899		324	186	2,037
Loans	1,021		37	348	710
GRAND TOTAL	**167,127**	**0**	**3,898**	**876**	**170,149**

(1) Details of acquisitions in “Table of subsidiaries and affiliates”, page 234 Note 12.

3.4 Net fixed assets

(In thousands of euros)	Gross value 31/12/2010	Depreciation, Amortisation & Provisions	Net asset value as at 31/12/2010
Intangible assets	42,126	6,776	35,350
Property, plant & equipment	11,748	7,681	4,067
Financial assets	170,149	14,877	155,272
GRAND TOTAL	**224,022**	**29,333**	**194,689**

NOTE 4 PROVISIONS RECOGNIZED IN THE BALANCE SHEET

4.1 Provisions for risks and expenses

(In thousands of euros)	31/12/2009	Movements related to mergers [2]	Increases Provisions [3]	Decreases Reversals [1]	31/12/2010
Provisions for arbitration and corporate risk	1,100		998	461	1,637
Provisions for disputes [1]	1,000	73		1,000	73
Provisions for miscellaneous risks	1,904			123	1,781
Provisions for charges	47		238	41	243
Retirement provisions	2,353	34	504		2,890
PROVISIONS FOR RISKS AND EXPENSES	**6,403**	**107**	**1,739**	**1,625**	**6,624**

(1) Including reversed unused provisions: €1.267 million in 2010, €798 million in 2009.
(2) Provision related to TUP DIXID, covers a risk for repayment of innovation subsidy in 2007.
(3) Provisions for charges, including €230,000 related to the URSSAF and ASSEDIC audit.

(In thousands of euros)	12/31/2009	Movements related to mergers [1]	Increases Provisions [2]	Decreases Reversals [3]	31/12/2010
Provisions for intangible assets	206				206
Provisions for financial assets	16,687		172	1,982	14,877
Provisions for receivables	5,489	176		693	4,973
Other impairments	3,105		3	24	3,084
PROVISIONS FOR IMPAIRMENT	**25,487**	**176**	**175**	**2,698**	**23,139**
TOTAL PROVISIONS	**31,890**	**283**	**1,914**	**4,324**	**29,763**

(1) 2010: Provision for DIXID trade receivables.
(2) 2010: Of which a provision for deposits and guarantees of €172,000.
(3) 2010: Including treasury shares for €151,000.

Including reversals of CISIA securities for €1,737,000 and €94,000 for SMARTRADE securities.

Including	Provisions	Reversals	Other
Operating	1,735	2,301	0
Financial	179	2,023	0
Extraordinary	0	0	0
TOTAL	**1,914**	**4,324**	**0**

NOTE 5 STATEMENT OF MATURITY DATES OF RECEIVABLES AND PAYABLES

STATEMENT OF RECEIVABLES

(In thousands of euros)	Gross amounts 2009	Gross amounts 2010	Up to one year	Over one year
Fixed assets				
Receivables from equity interests	38	0		
Loans	33	33	33	
Other fixed financial assets (1)	10,255	10,083	0	10,083
	10,326	10,116	33	10,083
Current assets				
Other trade receivables (3)	151,187	158,102	151,300	6,802
Personnel and related accounts	121	521	521	
Social security and other social agencies		27	27	
Corporation tax	11,250	578	578	
Value added tax	3,935	5,237	5,237	
Other receivables	15		0	
Groups and associates	38,775	69,750	69,750	
Miscellaneous receivables	1,077	1,720	1,234	487
	206,361	235,935	228,647	7,288
Prepaid expenses	1,732	3,531	3,531	
GRAND TOTAL	**218,418**	**249,582**	**232,210**	**17,371**

STATEMENT OF PAYABLES

	Gross amounts 2009	Gross amounts 2010	Up to one year	Between one and five years	Over five years
Bank borrowings maturing in less than 1 year					
Bank overdrafts	45,807	6,258	6,178	80	
Miscellaneous financial borrowings and debt	127	119	119		
Trade payables	28,951	35,709	35,709		
Personnel and social security debts	45,584	49,790	49,790		
Tax liabilities	31,540	44,815	44,815		
Debt on fixed assets and related accounts (2)	1,256	1,306	1,306		
Groups and associates (4)	1,126	67,565	67,565		
Other debt	11,386	15,598	14,765	719	115
Deferred income	955	2,049	2,049		
GRAND TOTAL	**166,732**	**223,209**	**222,295**	**799**	**115**

(1) 2010, including €7.368 million corresponding to treasury shares.
(2) 2010, including €166,000 regarding provisions for disputes.
(3) 2010, including €498,000 for receivables represented by negotiable instruments.
(4) 2010 - including accounts for tax consolidation of €833,000, versus €1.126 million in 2009.

NOTE 6 OUTSTANDING CHARGES, REVENUE ACCRUALS

OUTSTANDING CHARGES

(In thousands of euros)	2010	2009
Trade payables	10,579	8,994
Taxes and social security charges payable	38,092	37,176
Debt related to fixed assets and related accounts	1,306	0
Cash and accrued expenses	88	128
Other debt	10,811	8,714
TOTAL	**60,877**	**55,012**

REVENUE ACCRUALS

	2010	2009
Trade receivables	27,237	24,220
Government related receivables	1,468	1,312
Other receivables	48	27
TOTAL	**28,754**	**25,559**

NOTE 7 ANALYSIS OF SHAREHOLDERS' EQUITY

7.1 Change in shareholders' equity

(In thousands of euros)	Number of shares	Capital	Premiums	Reserves	Other reserves & carryforwards	Earnings (Group share)	Shareholders' equity
At 31 December, 2008	**31,725,735**	**32,246**	**14,065**	**3,198**	**117,666**	**2,546**	**169,721**
2008 allocation of income				27	2,519	(2,546)	0
Other change (1)				225			225
Capital increase (2)	46,186	47	951				998
Earnings at December 31, 2009						46,579	46,579
At 31 December, 2009	**31,771,921**	**32,293**	**15,017**	**3,449**	**120,185**	**46,579**	**217,523**
2009 allocation of income				14	46,565	(46,579)	0
Dividends paid for 2010					(28,284)		(28,284)
Other change							0
Capital increase (3)	194,869	198	2,202				2,401
Earnings at 31 December, 2010						20,483	20,483
At 31 December, 2010	**31,966,790**	**32,491**	**17,219**	**3,463**	**138,466**	**20,483**	**212,123**

(1) The amount of €225K corresponds to acquisitions and disposals of treasury shares.
(2) The number of shares issued in 2009 corresponds to the issue of shares following the exercise of stock options (46,186 shares).
(3) The number of shares issued in 2010 corresponds to the issue of shares following the exercise of stock options (194,869 shares).

7.2 Information regarding capital

The Combined General Meeting of 7 January 1999 delegated to the Board of Directors the power to award stock options within a limit of 8% of the share capital. This power was increased to 14% at the Combined General Meeting of 25 June 2003 and was renewed during the Combined General Meetings of 27 June 2006 and 23 June 2009. To this end, it granted the Board of Directors full powers to award these stock options in one or more transactions during a period of 38 months and to set the terms and conditions of the award:

- under the delegation of authority dated 7 January 1999, 2,413,120 options were awarded, conferring a right to 77,445 shares not yet exercised at the time of this report, i.e. 0.24% of the share capital;
- under the delegation of authority dated 25 June 2003, 496,500 options were awarded, conferring a right to 204,203 shares not yet exercised at the time of this report, i.e. 0.64% of the share capital;
- under the delegation of authority dated 27 June 2006, 1,812,570 options were awarded, conferring a right to 799,285 shares not yet exercised at the time of this report, i.e. 2.5% of the share capital;
- with regard to the delegation of authority dated 23 June 2009, 694,330 options were awarded, conferring a right to 600,120 shares not yet exercised at the time of this report, i.e. 1.88% of the share capital.

In all, 1,681,053 options awarded have yet to be exercised, i.e. 5.26% of the share capital at 31 December 2010.

Note: Under the delegation by the Combined General Meeting of 27 June 2006, on 23 October 2006 the Board of Directors awarded 1,189,780 stock options to certain beneficiaries, subject to the achievement of objectives set by Management, including 408,180 shares not yet exercised as of the date of this report, i.e. 1.27% of the capital.

The Combined General Meeting of 21 June 2009 delegated to the Board of Directors the authority to issue stock warrants without pre-emptive rights for managers (whether officers and directors or not) and management employees of the Company and of related companies within the meaning of Article L. 225-180 of the French Commercial Code. For this purpose, full authority was granted to the Board of Directors to award such stock warrants during a period of 18 months and to set the practical terms and conditions of award. In 2010, no stock warrants were awarded in the framework of this delegation.

7.3 Free share allocation plan

On 31/12/2010, all free shares had been acquired by the recipient.

Plan	Total
Date awarded by the Board	11/04/2008
Number of beneficiaries	2
Number of options awarded	**105,600**
including the number of shares awarded to employees	105,600
including the number of shares awarded to officers and directors	
Date of definitive award	11/04/2010
First possible exercise date	11/04/2012
Last possible exercise date	11/04/2017
Date of first possible sale	11/04/2012
NUMBER OF SHARES AWARDED AT 1 JANUARY 2008	**0**
Number of vested shares as at 31 December 2008	48,400
Number of non-vested shares as at 31 December 2008	57,200
Fair value of the option in euros	20.08
NUMBER OF SHARES AWARDED AS AT 31 DECEMBER 2008	**105,600**
2008 annual charge	€972,000
NUMBER OF SHARES AWARDED AS AT 1 JANUARY 2008	**105,600**
Number of vested shares as at 1 January 2008	48,400
Number of abandoned shares as at 31 December 2009	-24,200
Number of vested shares as at 31 December 2009	13,200
Fair value of the option in euros	20.08
NUMBER OF SHARES AWARDED AS AT 31 DECEMBER 2009	**37,400**
2009 annual charge	*- €221,000*
NUMBER OF SHARES AWARDED AS AT 1 JANUARY 2010	**37,400**
Number of vested shares as at 1 January 2010	37,400
Number of abandoned shares as at 31 December 2010	
Number of vested shares as at 31 December 2010	15,400
Fair value of the option in euros	20.08
NUMBER OF SHARES AWARDED AS AT 31 DECEMBER 2010	**52,800**
2010 annual charge	*€309,000*

This charge is recorded under payroll charges.

- 2010 annual charge: €309,000.
- 2009 annual charge: -€221,000.

NOTE 8 INFORMATION CONCERNING TAXABLE ITEMS AND TAX RATES (IN THOUSANDS OF EUROS)

8.1 Income tax

	31/12/2010	31/12/2009
Net earnings	20,483	46,579
Tax expense	8,785	(2,917)
Pre-tax income	29,268	43,662
Tax rate	33.33%	33.33%
Theoretical tax	9,756	14,554
Social security contributions 3.3%	288	(62)
Temporary and permanent differences (1)	(1,259)	(17,409)
Tax expense reported	(8,785)	(2,917)

(1) 2010: permanent differences:
- dividends -€1.020 million;
- impairment of shares: -€610,000;
- temporary differences: €168,000;
- various: €203,000.
2009: permanent differences:
- GIST Tup bonuses - €11.283 million;
- dividends - €4.333 million;
- income tax savings from tax consolidation: - €4.986 million;
- impairment of shares: €436,000;
- other taxes and tax credits: €2.181 million;
- other: €576,000.

8.2 Breakdown of tax on current and non-recurring profit (in thousands of euros)

	2010	2009
Current earnings	9,458	384
Earnings on non-recurring activities	(673)	(3,301)
TOTAL TAX	**8,785**	**(2,917)**

NOTE 9 NOTES ON EARNINGS

9.1 Revenue

ALTEN SA's revenue in 2010 was €375.6 million, a 10.8% increase compared to the previous year (€339 million).

99.34% of ALTEN SA's revenue is made in France and 0.66% in Europe, in the framework of mission conducted for French clients.

BREAKDOWN OF REVENUE BY GEOGRAPHIC REGION (IN MILLIONS OF EUROS)

(In millions of euros)	2010	2009
France	373.1	332.9
Outside France	2.5	6.1
TOTAL (1)	**375.6**	**339.0**

(1) Of which operating revenue = €353 million.
Of which revenue from shared services = €22.6 million.

9.2 Transfer of expenses

The balance of the transfer of expenses account is €8.84 million. It is mainly composed of training costs and payroll charges.

9.3 Financial earnings

Financial earnings were €5.23 million against €43.26 million in 2009 and - €17.28 in 2008.

It reflected the following:

(In millions of euros)	2010	2009
Dividends and income from subsidiaries	3.23	13.00
Net impairment of financial assets	1.84	(3.75)
Merger surplus	0.00	33.85
Other financial income	0.15	0.15
TOTAL	**5.22**	**43.26**

9.4 Earnings on non-recurring activities

(In millions of euros)	2010	2009
Gains and losses on assets sold	0.00	(0.26)
Other	(2.02)	(9.62)
TOTAL	**(2.02)**	**(9.88)**

9.5 Affiliates

Balance sheet

(in millions of euros)	2010	2009
Receivables on assets	0.68	0.99
Group customers	20.50	18.74
Group suppliers	21.01	19.39
Other Group trade payables (1)	69.75	89.50
Other Group liabilities	66.67	50.72

Income statement

(in millions of euros)	2010	2009
Group operating income	47.57	40.09
Group operating expenses	47.47	54.23
Group financial income	0.84	1.36
Group financial expenses	0.37	0.70

(1) ALTEN made a cash advance of €7.4 million to its majority shareholder (SGTI) in 2009.
On 31 December, 2010, €2.26 million was outstanding (interest at Euribor 3 months rate + 2%).

NOTE 10 OTHER INFORMATION

10.1 Workforce

AVERAGE WORKFORCE BY CATEGORY

	31/12/2010	31/12/2009
Managerial staff	3,721	3,449
Non-managerial staff	430	405
TOTAL	**4,152**	**3,854**

The number of individual training entitlements (Droits Individuels de Formation) represented 211,359 hours for the 2010 fiscal year.

10.2 Remuneration of officers and directors

There are three directors on the Board of Directors, including the Chairman who is a founder.

During 2010, remuneration paid to officers and directors was €571,000 (of which €234,000 related to directors' fees) compared with €300,000 in 2009.

In accordance with legislation in force, no advances or credits were granted to the company directors or officers.

10.3 Tax consolidation

ALTEN SA is the head company of the tax consolidation group, which includes several subsidiaries.

Tax payable by the Group amounted to €17.006 million. ALTEN SA benefitted from tax savings of €208,000.

The amount of tax related to ALTEN SA itself was €9.785 million.

10.4 Financial commitments

(in thousands of euros)	2010	2009
Given or mutual commitments		
Bonds and guarantees received	514	514
Bonds and guarantees provided	2 186	3 413

10.5 Contingent liabilities

ALTEN is party to several disputes with minority shareholders of various subsidiaries. Total claims by the plaintiffs, disputed by ALTEN, total approximately €3 million.

10.6 Financial lease commitment

In 2009, ALTEN established and ERP programme (“Enterprise Resource Planning”). As part of deployment of ERP, ALTEN financed the acquisition of software by taking out a financial lease with SIEMENS FINANCE SAS.

The total amount of the financial lease was € 2.255 million, and it matured on 30/06/2010, see the table below:

	Royalty paid		Royalties payable				Residual cost price
Reference	For the period	Cumulative	Up to 1 year	1 to 5 years	Over 5 years	Total payable	
SIEMENS FINANCE SAS	564	2,255	0	0	0	0	0
TOTAL	**564**	**2,255**	**0**	**0**	**0**	**0**	**0**

10.7 Off-balance sheet commitments

1) ALTEN SIR GTS

Under the terms of the Joint Venture Protocol signed on 18 February 2010, a unilateral and irrevocable sale promise, which covered 49% of the joint company ALTEN SIR GTS, was granted to ALTEN.

2) Anotech Energy France

ALTEN SA has a unilateral sale promise from the minority interests. At this time, the shares yet to be exercised by ALTEN SA in this respect represent 2% of Anotech Energy France’s share capital.

NOTE 11 TREASURY SHARES

11.1 Under the Liquidity Contract

Within the framework of the share repurchase 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 between the beginning and the end of the past fiscal year:

	2010
Shares held at opening	645
Shares purchased	132,917
Shares sold	129,076
Shares held at closing	4,486

11.2 Shares intended for award to employees

ALTEN SA did not purchase any treasury shares during the 2010 fiscal year.

Acquisition of treasury shares in 2008

Execution date	Value date	Quantity	Share price
11/01/2008	16/01/2008	10,334	21.06
14/01/2008	17/01/2008	7,943	21.65
15/01/2008	18/01/2008	204	21.98
17/01/2008	22/01/2008	10,970	20.48
18/01/2008	23/01/2008	11,468	19.77
21/01/2008	24/01/2008	11,841	18.09
22/01/2008	25/01/2008	40	17.91
09/01/2008	14/01/2008	17,435	21.01
10/01/2008	15/01/2008	20,603	21.36
22/01/2008	25/01/2008	6,362	17.91
13/03/2008	18/03/2008	25,000	18.40
13/03/2008	18/03/2008	22,155	18.43
14/03/2008	19/03/2008	21,183	18.47
17/03/2008	20/03/2008	22,808	18.09
18/03/2008	25/03/2008	24,624	17.94
19/03/2008	26/03/2008	4,230	17.82
08/10/2008	13/10/2008	3,332	18.45
23/10/2008	29/10/2008	11,398	18.92
24/10/2008	29/10/2008	150,511	18.00
22/12/2008	29/12/2008	15,000	14.14
TOTAL SHARES		**397,441**	

Treasury shares are recognised under financial fixed assets in the amount of € 7.368 million, for a total of 397,441 shares purchased.

11.3 Summary of transactions during the year

	2010
Shares held at opening	450,886
Shares purchased	132,917
Shares sold	129,076
Awarded by AGM	52,800
Shares held at closing	401,927

NOTE 12 ALTEN SA SUBSIDIARIES AND PARTICIPATING INTERESTS

	Closure on: 31/12/2009									
	Capital	Shareholders' equity other than capital	Share of capital owned, in%	Book value of securities held		Loans and advances made by the company and not yet repaid	Securities and endorsements given by the company	Earnings in the last financial year	Net income for the year ended 31/12/2010	Dividends paid to the Group by the company during the year
				Gross	Net					
1 - Subsidiaries directly and majority owned (+50%) (in thousands of euros)										
ALTEN SIR	20,003	40,166	100.00	26,221	26,221			126,645	3,647	
Abilog	16	(4)	99.80	68	0			0	(1)	
ALTEN Sud Ouest	15,061	16,271	100.00	15,939	15,939			77,307	5,055	
Mi-Gso	1,000	14,113	100.00	11,941	11,941			37,831	2,369	
ALTEN Cash Management	150	3	100.00	393	393	26,822		0	5	
ALTEN Europe	57,120	19,877	100.00	58,072	58,072	22,283		0	15,500	
Elitys Consulting	60	441	100,00	1,750	1,750	1		4,421	211	
Pegase SI	100	293	88.00	476	476	53		3,788	(207)	
Cisia Ingenierie	1,307	141	100.00	11,550	8,625			11,049	300	
ALTEN Aerospace	37	3,713	100,00	37	37			22,374	2,226	
Groupe Idestyle	150	(4,910)	100.00	9,921	0	3,021		0	0	
Avenir Conseil Formation	50	1,693	99.96	1,672	1,672	4,178		11,411	1,139	
ALTEN SI Techno Romania	1	(396)	100.00	0	0	488		1,963	183	
Anotech Energy France	100	948	98.00	258	258	1,671		30,981	2,111	
HPTI	40	4	100.00	40	40	5,346		0	(382)	
Winwise	773	581	100.00	7,500	7,500	1,114		8,369	(168)	
B2I Automotive	1,200	4,737	100.00	5,175	3,692	0		13,905	1,114	
ALTEN SIR GTS	200	0	51.00	102	102			54	(123)	
ID APPS	100	0	100.00	100	100			0	0	
TOTAL SECURITIES				**151,216**	**136,818**					
2 General information on other securities										
Ausy				3,596	3,596					
Phoebe				744	744					
Xange				3,751	3,751					
ALTEN Belgium				13	13					
ALTEN Switzeland Sarl				1	1					
Aerotec SRL				2	2					
Smart Trade				634	327					
Extia				8	8					
TOTAL OTHER SECURITIES				**8,747**	**8,440**					

20.7 VERIFICATION OF HISTORICAL YEAR-END FINANCIAL INFORMATION

STATUTORY AUDITORS' REPORT ON FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2010

To the Shareholders',

In compliance with the assignment entrusted to us by your Annual Shareholder's Meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying financial statements of ALTEN S.A;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I OPINION ON THE FINANCIAL STATEMENTS

We conducted our audits in accordance with professional standards applicable in France (Normes d'exercice professionel); 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 December 31, 2010, and the results of its operations and its cash flows for the year then ended, in conformity with French generally accepted accounting principles.

II JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

Long term investments are valued according to approaches described in the appropriate note "Equity interests" included in "significant accounting policies". Required depreciation are determined through the discounted cash flows method. Based on the information provided to us, we assessed the datas retained by the company and reviewed the expected discounted cash flows, checked the consistency of assumptions with the budget forecasts and verified that the note to the appendix provides adequate information

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris, le 26 avril 2011

Les Commissaires aux comptes

Grant Thornton
French member of Grant Thornton International
Laurent Bouby
Partner

Cabinet Dauge et Associés
Independant member of Crowe Horwath International
Christian Laplane
Partner

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Company ALTEN For the year ended December 31, 2010

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2010 on:

- the audit of the accompanying consolidated financial statements of ALTEN ;
- the justification of our assessments ;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated 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 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter :

The principles of valuation and follow-up of the goodwills was specified in notes E « Goodwills » and H « Impairment of fixed assets » to the financial statements. Base on the information provided to us, our work consisted in assessing the appropriateness of the methodology applied and the data used to determine the values-in-use, especially review the cash-flow projections for each cash generating units (CGU), and on control the consistency of assumptions with the forecasts from each CGU's, and verifying that notes to the consolidated financial statements provide appropriate disclosure.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III Specific verification

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

Paris, April 26, 2011

Les Commissaires aux comptes

Grant Thornton	Cabinet Dauge et Associés
French member of Grant Thornton International	Independant member of Crowe Horwath International
Laurent Bouby Partner	Christian Laplane Partner

20.8 DATE OF MOST RECENT FINANCIAL INFORMATION

- Presentation of 2010 annual results, on 2 March 2011.
- Publication of revenue for fourth quarter 2010, and of accumulated revenue at 31 December 2010, on 31 January 2011.

20.9 INTERIM FINANCIAL AND OTHER INFORMATION

None.

20.10 DIVIDEND DISTRIBUTION POLICY

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.

Since its initial public offering, ALTEN had not paid a dividend until the decision of the Combined General Meeting of 21 June 2010. Following the deliberations of the Combined General Meeting of 21 June 2010, a dividend of €0.90 per share was paid.

This year, once again, the payment of a dividend has been proposed to the General Meeting. If the Meeting decides to vote in favour of the resolution on the proposition on the allocation of earnings, as proposed, a €1.00 dividend will be paid on each of the shares conferring a right to a dividend, it being specified that in the event of a variation in the number of shares conferring a right to a dividend, compared with the 32,070,393 shares making up share capital on 1 March 2011, the total amount paid in dividends will be adjusted accordingly, and the amount allocated to the carry-forward account shall be determined based on dividends actually paid.

Note that the entire amount distributed is eligible for the 40% reduction described in Article 158-3-2 of the General Tax Code.

The dividend payment date is set at 29 June 2011.

The ex-dividend date is 24 June 2011.

20.11 LEGAL AND ARBITRATION PROCEEDINGS

See 4.5.

20.12 SIGNIFICANT CHANGE IN FINANCIAL OR COMMERCIAL POSITION

None.

ADDITIONAL INFORMATION 21

21.1 SHARE CAPITAL

21.1.1 SUBSCRIBED CAPITAL

As of 31 December 2010, share capital was 32,491,014.87 euros, divided into 31,966,790 shares (implied par value). It was the subject of increases related to the exercise of share subscription options, recorded by the Board of Directors at its meeting on 1 March 2011 and currently equals 32,557,657.65 euros, divided into 32,032,358 common shares, fully paid-up and all of the same category.

Shares are freely transferable; they are either registered shares or bearer shares as decided by the shareholder.

21.1.2 SHARES THAT DO NOT REPRESENT SHARE CAPITAL

None.

21.1.3 SHARE REPURCHASES AND TREASURY SHARES

21.1.3.1 Authorisations

The Combined General Meeting of 21 June 2010 authorised the Board of Directors to buy back up to 10% of the Company's outstanding shares, or 95,592 euros. This delegation of authority expires on 20 December 2011.

Use of this authorisation is described on page 92 of this Document (and is moreover repeated in this §).

At the General Meeting of 22 June 2011, the shareholders will be asked to extend the delegation of powers to the Board to buy back up to 10% of the company's shares.

ALTEN has entered into a liquidity contract with SG Securities Paris, consistent with the AMAFI code of conduct. All information concerning the liquidity contract appears in 21.1.3.2 of this Document.

21.1.3.1.1 Authorisation for the Board of Directors to buy back Company shares within the scope of the Share Repurchase Programme

In its sixth resolution, the 21 June 2010 Combined General Meeting authorised the Board of Directors to repurchase Company shares within the scope of the Share Repurchase Programme.

This delegation of authority, issued for a period of 18 months, will expire on 20 December 2011.

There is a proposal to proceed with its early renewal and there will be a proposal at the 22 June 2011 Combined General Meeting to authorise the Board of Directors, with the right to further delegate its authority, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to purchase Company shares, on one or more occasions and at the times it may choose, up to a maximum of 10% of the total number of shares forming the current share capital, adjusted if necessary to account for any increase or reduction of capital that may arise during the duration of the programme.

The purchases may be made for the purpose of:

- ensuring a secondary market or the liquidity of the ALTEN shares through a securities service provider via a liquidity agreement in compliance with the AMF code of conduct (Amafi);
- holding the purchased shares and later offering them in exchange or payment in potential acquisitions, it being specified that shares purchased for this purpose may not exceed five percent (5%) of the company's capital;
- covering stock option plans and other forms of share allocations to Group employees or officers or directors under the conditions and in accordance with the terms stipulated by law, especially with respect to company profit-sharing, a company savings plan or through award of free shares;
- covering securities which give a right to shares in the company within the scope of regulations currently in effect;
- proceeding with the cancellation of the shares repurchased, subject to the authorisation to be granted by the General Meeting on 22 June 2011 in its eighth extraordinary resolution.

These share purchases may be carried out by any appropriate means, either on the market or through a private sale, including the purchase of blocks of shares, and at the times that the Board of Directors will determine.

In particular, these transactions may be carried out in the event of a public offering in compliance with regulations in force.

The company reserves the right to use an option system or derivatives within the scope of applicable regulations.

The maximum purchase price will be fixed at forty (40) euros per share. In the event of a capital transaction, in particular a stock split, reverse split or issue of free shares, the amount indicated above shall be adjusted in the same proportions (multiplier equal to the proportion between the number of shares making up the capital before the transaction and the number of shares after the transaction).

The maximum amount of the transaction is fixed at 128,129,400 euros.

This authorisation, given for a period of 18 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 21 June 2010 in its sixth resolution.

21.1.3.1.2 Authorisation for the Board of Directors to allow the Company to cancel shares repurchased by the Company as provided for by Article L. 225-209 of the French Commercial Code

In its seventh resolution, the 21 June 2010 Combined General Meeting authorised the Board of Directors to cancel shares repurchased by the Company as provided for by Article L. 225-209 of the French Commercial Code.

This delegation of authority, issued for a period of 24 months, will expire on 20 June 2012.

There is a proposal to proceed with its early renewal and there will be a proposal at the 22 June 2011 Combined General Meeting to authorise the Board of Directors to:

- in its sole discretion, on one or more occasions, up to a maximum of 10% of the share capital calculated on the date of the cancellation decision, less any shares cancelled during the 24 previous months, cancel shares that the Company holds or will hold following repurchases carried out under Article L. 225-209 of the French Commercial Code and to reduce the share capital by the same in accordance with the legal and regulatory provisions in force;
- conduct the required transactions for such cancellations and the corresponding reduction in the share capital, to amend the company articles of association accordingly and to carry out all required formalities.

This authorisation, given for a period of 24 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 21 June 2010 in its seventh resolution.

21.1.3.2 Number of treasury shares acquired and sold by the company during the fiscal year

Within the scope of the share repurchase programme, the company purchased and sold the following shares under its liquidity contract between the beginning and the end of the past fiscal year:

a) Number of shares purchased: 226,898 (ALTEN's portion representing 58.58%, i.e. 132,916 shares)

   Average purchase price: 21.59 euros

b) Number of shares sold: 220,342 (ALTEN's portion representing 58.58%, i.e. 129,075 shares)

   Average sale price: 21.81 euros

   Total trading costs: None.

c) Number of shares recorded at year-end (within the scope of the liquidity contract):

   7,658 (ALTEN's portion representing 58.58%, i.e. 4,486 shares)

Reasons for purchase	% of share capital
Stabilisation of share price	100
Employee share ownership	N/A
Securities conferring a right to shares	N/A
Acquisitions	N/A
Cancellation	N/A

During the 2008 fiscal year, ALTEN purchased 450,241 of its own shares for a total amount of 8,429,835.98 euros, i.e. an average per-share purchase price of 18.72 euros.

105,600 of these shares, purchased to cover stock options or other employee share ownership systems, and to finance acquisitions, were used as part of an allocation of free shares. Following a partial waiver, 52,800 free shares remain allocated. The company has not acquired any additional shares during the 2009 and 2010 fiscal years.

At the close of the fiscal year, ALTEN held 397,441 shares (excluding the liquidity contract) representing 1.24% of the share capital.

At the close of the fiscal year, ALTEN held 401,927 shares representing 1.26% of the share capital, including the liquidity contract.

The total nominal value was 408,519.24 euros.

The value at purchase price was 7,478,733.22 euros.

Shares held by the Company have not been subject to reallocation for other purposes since the last authorisation granted by the General Meeting.

21.1.3.3 Description of share buyback program

1) Breakdown of securities held at 28 February 2011 by purpose:

   Number of securities held directly and indirectly 403,279 representing 1.259% of the Company's capital.

   Number of securities held by purpose:

   - stabilisation of share price by way of an AMAFI (French Financial Markets Association) liquidity contract: 5,838,
   - acquisitions: 0,
   - covering stock option plans or other share allocation systems to employees 397,441,
   - covering securities which give a right to shares: 0,
   - cancellation: 0.

2) New share buyback program:

   - program authorisation: Combined General Meeting of 22 June 2011,
   - securities concerned: common shares,
   - maximum share of capital whose buyback is authorised: 10% of the capital (3,203,235 shares as of the current date), it being stated that this limit is assessed on the date of the buyback so that any capital increases or decreases during the term of the program 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 program.

Since the Company is unable to hold more than 10% of its capital, and given that it already owns 403,279 shares (1.259% of the capital), the maximum number of shares it may buy amounts to 2,799, 956 shares (8.74% of the capital), unless shares already held are sold or cancelled euros.

- Maximum purchase price: 40 euros.
- Maximum amount of the program: 128,129,400.
- 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 program which may be fulfilled by the purchase of blocks of shares.

In particular, these transactions may be carried out in the event of a public offering in compliance with regulations in force.

Purpose:

- ensuring a secondary market or the liquidity of the ALTEN shares through a securities service provider via a liquidity contract in compliance with the AMF code of conduct (AMAFI);
- holding the purchased shares and later offering them in exchange or payment in potential acquisitions, it being specified that shares purchased for this purpose may not exceed five percent (5%) of the Company's share capital;
- covering stock option plans and other forms of share allocations to Group employees or executive officers under the conditions and in accordance with the terms stipulated by law, especially with respect to company profit-sharing, a company savings plan or through award of free shares;
- covering securities which give a right to shares in the Company within the scope of regulations currently in effect;
- proceeding with any cancellation of the shares purchased, subject to the authorisation to be granted by the General Meeting of 22 June 2011 in its eighth extraordinary resolution.

Program term: 18 months from the General Meeting of 22 June 2011, being until 21 December 2012.

21.1.4 SECURITIES

See 15.1.7.

21.1.5 ACQUISITION TERMS

None.

21.1.6 OPTIONS OR AGREEMENTS

None.

21.1.7 HISTORICAL SHARE CAPITAL

DATE	Transaction	Capital	Cumulative premiums	Number of shares	Share nominal
06/10/1997		2,000,000F	300,621F	20,000	100F
19/08/1998	Nominal value eliminated	2,000,000F	300,621F	20,000	Elimination
27/10/1998	Capital increase by cash contribution	40,000,000F	300,621F	6,000,000	
25/01/1999	Exercise of options	40,444,000F	966,843F	6,066,600	
31/12/1999	Contribution by ABILOG	40,583,346F	14,414,809F	6,087,502	
28/06/2001	Capital converted into euros	€30,935,000	€2,197,523	6,087,502	
10/08/2001	5-for-1 share split	€30,935,000	€2,197,523	30,437,510	
31/12/2003	Exercise of BSPCEs	€30,962,726	€2,357,005	30,464,800	
27/01/2004	Exercise of BSPCEs	€31,008,232	€2,618,758	30,509,590	
31/12/2004	Stock options exercised	€31,021,043	€2,682,285	30,520,460	
28/09/2005	Stock options exercised	€31,026,471	€2,713,490	30,525,800	
20/10/2005	Stock options exercised	€31,056,140	€3,168,779	30,554,990	
30/12/2005	Merger of GROUPECYBER	€31,095,815	€3,693,888	30,594,025	
03/03/2006	Stock options exercised	€31,129,978	€4,186,538	30,627,650	
28/04/2006	Stock options exercised	€31,302,535	€6,675,980	30,797,490	
27/06/2006	Merger of QUATERNOVE	€31,324,391	€6,965,628	30,818,993	
27/06/2006	Stock options exercised	€31,391,268	€8,002,355	30,884,791	
03/10/2006	Stock options exercised	€31,392,488	€8,019,999	30,885,991	
18/12/2006	Stock options exercised	€31,399,786	€8,063,072	30,893,171	
29/01/2007	Stock options exercised	€31,408,750	€8,154,070	30,901,991	
06/03/2007	Stock options exercised	€31,439,858	€8,818,203	30,932,597	
02/05/2007	Stock options exercised	€31,496,724	€9,134,363	30,988,545	
27/06/2007	Stock options exercised	€31,538,966	€9,453,746	31,030,105	
27/07/2007	Stock options exercised	€31,553,439	€9,550,298	31,044,345	
02/10/2007	Stock options exercised	€31,640,575	€10,046,344	31,130,075	
31/10/2007	Stock options exercised	€31,729,244	€10,596,197	31,217,313	
30/11/2007	Stock options exercised	€31,923,155	€11,727,346	31,408,095	
29/01/2008	Stock options exercised	€31,976,308	€12,035,095	31,460,390	
11/03/2008	Stock options exercised	€32,001,718	€12,235,796	31,485,390	
11/04/2008	Stock options exercised	€32,010,053	€12,314,482	31,493,590	
27/06/2008	Stock options exercised	€32,206,465	€13,690,591	31,686,382	
28/07/2008	Stock options exercised	€32,211,496	€13,738,697	31,691,782	
13/11/2008	Stock options exercised	€32,244,888	€14,054,011	31,724,635	
20/01/2009	Stock options exercised	€32,246,006	€14,064,696	31,725,735	
12/05/2009	Stock options exercised	€32,249,055	€14,091,905	31,728,735	
30/07/2009	Stock options exercised	€32,250,071	€14,099,686	31,729,735	
10/11/2009	Stock options exercised	€32,286,636	€14,368,873	31,765,710	
14/12/2009	Stock options exercised	€32,287,144	€14,373,730	31,766,210	
18/01/2010	Stock options exercised	€32,292,949	€14,436,570	31,771,921	
21/04/2010	Stock options exercised	€32,386,537	€15,202,780	31,863,999	
29/07/2010	Stock options exercised	€32,405,583	€15,452,158	31,882,738	
27/09/2010	Stock options exercised	€32,414,274	€15,546,698	31,891,288	
09/11/2010	Stock options exercised	€32,459,461	€16,219,426	31,935,746	
17/12/2010	Stock options exercised	€32,487,936	€16,598,396	31,963,230	
31/01/2011	Stock options exercised	€32,491,014.23	€16,639,021	31,966,790	
01/03/2011	Stock options exercised	€32,557,657.65	€17,785,955	32,032,358	

21.1.8 DELEGATIONS FOR CAPITAL INCREASE

21.1.8.1 Capitalisation of reserves, earnings or premiums

The Board of Directors was authorised by the Combined General Meeting of 23 June 2009 in its eleventh resolution to increase the Company's share capital through the issue of shares, warrants and/or securities, pursuant to Articles L. 225-129-2 and L. 225-130 of the French Commercial Code.

This authorisation was given for a period of 26 months and will expire on 22 August 2011.

There is a proposal to proceed with its early renewal and propose that Combined General Meeting of shareholders to be held on 22 June 2011:

1) delegates to the Board of Directors the authority to decide on increasing the share capital, on one or more occasions, at the times and under the conditions that it deems favourable, through the incorporation of reserves, profits, premiums or any other amounts that may be capitalised, followed by the issuance and the free allocation of shares or the increase in the nominal value of the existing ordinary shares, or any combination of these two methods;
2) resolves that in the event that the Board of Directors makes use of this authorisation, in accordance with Article L. 225-130 of the French Commercial Code, to increase the share capital through the free allocation of shares, the rights corresponding to fractional shares may neither be negotiable nor transferable and that the corresponding shares shall be sold; the amounts from the sale shall be distributed to the holders of the rights within the applicable legal time period;
3) delegates such powers for a period of 26 months from the date of this General Meeting;
4) resolves that the total amount of the increase in share capital that may be achieved, pursuant to this resolution, is fixed at 16,662,400 euros, not taking into account the amount necessary to protect, in accordance with the law, the rights of the holders of securities giving access to the share capital.

   This maximum amount is independent of other maximum amounts set out in the other resolutions for this General Meeting;
5) delegates to the Board of Directors the authority to implement this resolution and generally to take all measures to carry out all required formalities for the best implementation of each capital increase, duly record the completion and amend the articles of association accordingly.

This delegation of authority, given for 26 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 23 June 2009 in its eleventh resolution.

21.1.8.2 Issue of ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the maintenance of preferential subscription rights

The Board of Directors was authorised by the Combined General Meeting of 23 June 2009 in its twelfth resolution to issue ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the maintenance of preferential subscription rights, in accordance with provisions in Article L. 225-192-2 of the French Commercial Code. This delegation of authority is given for a period of 26 months and expires on 22 August 2011.

There is a proposal to proceed with its early renewal and propose that Combined General Meeting of shareholders to be held on 22 June 2011:

1) delegates to the Board of Directors the authority to issue, on one or more occasions, at the times and under the conditions that it deems favourable, either in euros or in any other currency or currency unit established by reference to more than one currency :
   - ordinary shares,
   - and/or securities granting immediate or future access, at any time or on a specific date, to the company's ordinary shares, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner,
   - and/or securities conferring a right to allotment of debt securities.

In accordance with Article L. 228-93 of the French Commercial Code, securities to be issued could grant a right to receive ordinary shares of all companies that directly or indirectly owns more than half of its share capital or of which it directly or indirectly owns more than half of its capital;

2) delegates such powers for a period of 26 months from the date of this General Meeting;
3) resolves to set, as follows, the maximum amount of share issues authorised in the event that the Board of Directors chooses to exercise the present delegated authority:

   The nominal amount of shares able to be issued by virtue of the present delegated authority shall not exceed 16,662,400 euros. The maximum amount thus set does not include the nominal total value of the possible extra shares to be issued to protect, in accordance with the law, the rights of the holders of securities giving access to the share capital. This maximum amount is independent of other maximum amounts set out in the other resolutions for this General Meeting.

The total nominal amount of debt securities susceptible to be issued in accordance with this delegation cannot exceed 200,000,000 euros. In the event that the Board of Directors executes this delegation of authority in the scope of share issues described in paragraph 1 above:

a) resolves that the issue or issues of ordinary shares or securities conferring a right in the share capital be reserved in preference for shareholders who will be able to subscribe on an irreducible basis,

b) resolves that if the subscriptions on a irreducible basis, and if applicable on a reducible basis, do not absorb the entirety of the issue reserved for a/, the Board of Directors may use one or other of the following options:

- to limit the issue to the amount of the subscriptions provided that this amount is three quarters of the issue decided upon,
- to freely distribute all or part of the shares or securities which have not been subscribed,
- to make a public offering of all or part of the shares or securities which have not been subscribed;

4 resolves that the Board of Directors will have, within the guidelines set forth above, the necessary powers notably to fix the conditions for the issue or issues, if applicable duly record the resulting capital increases, amend the articles of association accordingly, charge, in its sole discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and, more generally, take all necessary and useful steps.

This delegation of authority, given for a period of 26 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 23 June 2009 in its twelfth resolution.

21.1.8.3 Issue of ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the maintenance of preferential subscription rights with the rescission of preferential subscription rights through a public offering

The Board of Directors was authorised by the Combined General Meeting of 23 June 2009 in its thirteenth resolution to issue ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the rescission of preferential subscription rights through a public offering, in accordance with provisions in Article L. 225-136 of the French Commercial Code.

This delegation of authority is given for a period of 26 months and will expire on 22 August 2011.

There is a proposal to proceed with its early renewal and propose that Combined General Meeting of shareholders to be held on 22 June 2011:

1) delegates to the Board of Directors the authority to issue, on one or more occasions, at the times and under the conditions that it deems favourable, in France and/or abroad, through a public offering, in euros or in any other currency or monetary unit established by reference to more than one currency:

- ordinary shares,
- and/or securities granting immediate or future access, at any time or on a specific date, to the company's ordinary shares, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner,
- and/or securities conferring a right to allotment of debt securities.

These shares may be issued in consideration for the shares that will be tendered in the framework of a public exchange offer for the company's shares in accordance with conditions set out in Article L. 225-148 of the French Commercial Code.

In accordance with Article L. 228-93 of the French Commercial Code, securities to be issued could grant a right to receive ordinary shares of all companies that directly or indirectly own more than half of its share capital or of which it directly or indirectly owns more than half of its capital;

2) delegates such powers for a period of 26 months from the date of this General Meeting;

3) the nominal amount of ordinary shares able to be issued by virtue of the present delegated authority shall not exceed 8,139,415 euros.

This amount is deducted from the maximum authorised amount for a capital increase set out in the twelfth resolution.

The total nominal amount of debt securities susceptible to be issued in accordance with this delegation cannot exceed 200,000,000 euros.

This amount is deducted from the maximum authorised amount for debt securities set out in the twelfth resolution;

4) resolves to rescind the shareholders' preferential subscription rights for the ordinary shares and securities granting access to the Company's capital and/or debt securities subject to this resolution, nonetheless granting the Board of Directors the authority to offer shareholders preferential rights, in accordance with the law;

5) resolves that the sum paid or owed to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account the issue price of subscription or share warrants if such warrants are issued, shall not be less than the minimum legal and regulatory requirements in force at the time at which the Board of Directors issues the delegation authority;

6) resolves, in the event of a share issue as consideration for shares contributed under a public exchange offer, that the Board of Directors will have, in compliance with conditions defined by Article L. 225-148 of the French Commercial Code and within the limits set above, the necessary powers to determine the list of shares to be brought to the exchange, set the conditions of the share issue, the exchange rate, as well as, if applicable, the amount of the equalisation payment in cash to be paid, and to determine the conditions of the share issue;

7) resolves that if the subscriptions do not absorb the entirety of the ordinary shares or securities conferring a right in the share capital issued, the Board of Directors may use one or other of the following options:

- to limit the issue to the amount of the subscriptions provided that this amount is three quarters of the issue decided upon,
- to freely distribute all or part of the shares or securities which have not been subscribed;

8) resolves that the Board of Directors will have, within the guidelines set forth above, the necessary powers notably to fix the conditions for the issue or issues, if applicable duly record the resulting capital increases, amend the articles of association accordingly, charge, in its sole discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and, more generally, take all necessary and useful steps.

This delegation of authority, given for a period of 26 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 23 June 2009 in its thirteenth resolution.

21.1.8.4 Issue of ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the rescission of preferential subscription rights through a private placement

At the Combined General Meeting of shareholders on 22 June 2011, in accordance with provisions of the French Commercial Code and, notably, Article L. 225-136, there will be a proposal to:

1) delegate to the Board of Directors the authority to issue, on one or more occasions, at the times and under the conditions that it deems favourable, in France and/or abroad, through an offering described in paragraph II of Article L. 411-2 of the Monetary and Financial Code, either in euros or in any other currency or currency unit established by reference to more than one currency:

- ordinary shares,
- and/or securities granting immediate or future access, at any time or on a specific date, to the company's ordinary shares, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner,
- and/or securities conferring a right to allotment of debt securities.

In accordance with Article L. 228-93 of the French Commercial Code, securities to be issued could grant a right to receive ordinary shares of all companies that directly or indirectly own more than half of its share capital or of which it directly or indirectly owns more than half of its capital;

2) fix the validity of this delegation of authority at 26 months, from the date of this General Meeting;

3) the nominal amount of ordinary shares able to be issued by virtue of the present delegated authority shall not exceed 8,139,415 euros, and it is noted that it will also be limited to 20% of the share capital per year.

This amount is deducted from the maximum authorised amount for a capital increase set out in the eleventh resolution.

The nominal amount of debt securities on the company able to be issued by virtue of the present delegated authority shall not exceed 200,000,000 euros.

This amount is deducted from the maximum authorised nominal amount of debt securities set out in the eleventh resolution;

4) resolve to rescind the shareholders' preferential subscription rights for the ordinary shares and securities granting access to the Company's capital and/or debt securities subject to this resolution;

5) resolve that the sum paid or owed to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account the issue price of subscription or share warrants if such warrants are issued, shall not be less than the minimum legal and regulatory requirements in force at the time which the Board of Directors issues the delegation authority;

6) resolve that the Board of Directors will have, within the guidelines set forth above, the necessary powers notably to fix the conditions for the issue or issues, if applicable duly record the resulting capital increases, amend the articles of association accordingly, charge, in its sole discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and, more generally, take all necessary and useful steps;

7) note that this delegation of authority terminates all previous delegations of authority granted for the same purpose.

21.1.8.5 Setting of conditions for fixing the issue price in the event of the rescission of preferential subscription rights up to an annual maximum of 10% of the share capital

At the Combined General Meeting of shareholders on 22 June 2011, in accordance with provisions of Article L. 225-136-1 of the French Commercial Code and, in the event of an issue of ordinary shares or securities conferring a right in the share capital in accordance with the eleventh and twelfth resolutions, there will be a proposal to authorise the Board of Directors to derogate from, up to a maximum of 10% of the share capital per year, the conditions for fixing the issue price set out in the aforementioned resolutions and to fix the price for the issue of shares regarded as capital based on the following conditions:

The average of the five highest closing share prices during the past thirty stock market sessions prior to the fixing of the issue price, possibly discounted by a maximum of 10%.

21.1.8.6 Increase in the number of shares issued in the event of over-subscription

At the Combined General Meeting of shareholders on 22 June 2011, in accordance with provisions of Article L. 225-135-1 of the French Commercial Code there will be a proposal that for each issue of ordinary shares or securities conferring a right in the share capital decided in application of the tenth to twelfth resolutions, the number of shares to be issued may be increased in accordance with conditions set out in Article L. 225-135-1 of the French Commercial Code, and up to the maximum number set by the General Meeting, when the Board of Directors observes a state of over-subscription.

21.1.8.7 Increase in the company's share capital by no more than 10% for the purpose of remunerating contributions in kind of shares or securities granting access to share capital

The Combined General Meeting on 23 June 2009, in its fourteenth resolution, authorised the Board of Directors to increase the company's share capital by no more than 10% for the purpose of remunerating contributions in kind of shares or securities granting access to share capital.

This delegation of authority was given for a period of 26 months and will expire on 22 August 2011.

There is a proposal to proceed with its early renewal and propose that the Combined General Meeting of shareholders to be held on 22 June 2011:

1) authorise the Board of Directors, based on the assessment of the legal advisors, to issue ordinary shares or securities granting access to ordinary shares in view of remunerating contributions in kind made in the favour of the Company and made up of shares or securities granting access to share capital when the provisions of Article L. 225-148 of the French Commercial Code are not applicable;
2) delegate such powers for a period of 26 months from the date of this General Meeting;
3) resolve that the nominal amount of ordinary shares able to be issued by virtue of the present delegated authority shall not exceed 10% of the share capital on the date of this General Meeting, this amount being independent of any other ceiling set forth with respect to authority to increase capital;
4) delegate all powers to the Board of Directors to approve the assessment of contributions, to decide on the resulting capital increase and validate its completion, charge, if applicable, the cost of capital increase to the premium over par collected, withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and proceed with the applicable amendments to the company's articles of association and take all necessary and useful steps.

This delegation of authority, granted for a period of 26 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 23 June 2009 in its fourteenth resolution.

21.1.8.8 Capital increases reserved for members of a company savings plan (PEE)

It has been proposed, in accordance with provisions of Article L. 225-129-6 of the French Commercial Code, under which the Extraordinary General Meeting must also approve a resolution aimed at carrying out a capital increase under the terms of Articles L. 3332-18 et seq. of the French Labour Code, when it delegates its authority to increase capital by cash contribution, to:

1) authorise the Board of Directors, if it deems fit, in its sole discretion, to increase the share capital on one or more occasions through the issue of paid-up common shares and, if applicable, through the award of free common shares or other securities giving access to capital, reserved for employees (and managers) of the company (and of companies related to it in the sense of Article L. 225-180 of the French Commercial Code) who are members of a company savings plan;
2) rescind in favour of these persons the preferential subscription rights of the shares that may be issued by virtue of this authorisation;
3) delegate such powers for a period of 26 months from the date of this General Meeting;
4) limit the maximum par value of the capital increase(s) that may be carried out under this authorisation to five percent (5%) of the amount of share capital reached at the time the Board of Directors decides to carry out this increase, this amount being independent of any other ceiling set forth regarding the authority to increase capital;

5) resolve that the price of the shares to be issued pursuant to paragraph 1 of this delegation may not be more than 20% below, or 30% when the lock-up period stipulated in the plan in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labour Code is equal to or greater than ten years, of the average of the opening prices quoted for the 20 stock exchange sessions preceding the decision of the Board of Directors concerning this capital increase and the corresponding issue of shares, nor may it exceed this average.

This delegation of authority, granted for a period of 26 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 21 June 2010 in its fifteenth resolution.

21.1.8.9 Issue of stock warrants, stock warrants exchangeable for new and/or existing shares, and/or redeemable stock warrants reserved for a certain category of persons

The Combined General Meeting of 21 June 2010, in its eighth resolution, authorised the Board of Directors to issue stock warrants reserved for a certain category of persons.

The delegation of authority was granted for a period of 18 months and will expire on 20 December 2011.

There is a proposal to proceed with its early renewal and propose that Combined General Meeting of shareholders to be held on 22 June 2011, in accordance with provisions set out in Articles L. 225-129-2, L. 225-138 and L. 228-91 of the French Commercial Code:

1) delegates the necessary powers to the Board of Directors to issue, on one or more occasions and at the times and conditions that it deems favourable, in France and abroad, new stock warrants, stock warrants exchangeable for new and/or existing shares, and/or redeemable stock warrants, with the rescission of preferential subscription rights for the benefit of a certain category of persons defined below;
2) delegates powers for a period of 18 months from the date of this General Meeting;
3) resolves that the total nominal value of shares able to be issued by virtue of the present delegated authority shall not exceed 3,255,764 euros.

   Resolves that the subscription and/or acquisition price of shares purchased by exercising the stock warrants after accounting for the price of issuing such warrants, shall be equal to or greater than the average closing price of ALTEN shares for the 20 stock market sessions immediately preceding the decision to issue the stock warrants;
4) resolves to rescind the preferential subscription rights for shareholders of the stock warrants to be issued, for the benefit of the following category of persons: managers, whether or not officers and directors, and management employees of the Company or companies, French or foreign, which are related within the meaning of Article L. 225-180 of the French Commercial Code;
5) notes that this delegation of authority entails the shareholders' waiver of preferential subscription rights of the Company shares likely to be issued upon exercise of the stock warrants for the benefit of warrant holders;
6) resolves to delegate the necessary powers to the Board of Directors, in the conditions set forth by the law and resumed below, to issue stock warrants and notably:
   - to establish the specific list of beneficiaries within the category of persons defined above, the type and number of stock warrants to be awarded to each beneficiary, the number of shares granted for each warrant, the price of issuing the warrants and the shares granted for each warrant under the abovementioned conditions, the conditions and deadlines for subscribing for and exercising the warrants, their terms of adjustment and generally, all terms and procedures for issuing such stock warrants,
   - to prepare an additional report setting forth the final terms and conditions of the transaction,
   - proceed with the necessary purchases in connection with a share repurchase programme and allocate those shares to the award plan,
   - to validate the completion of the capital increase resulting from the exercise of stock warrants and proceed with the applicable amendments to the Company's articles of association,
   - charge, at its discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase,
   - delegate the necessary powers to the Chief Executive Officer to increase the share capital, and to suspend the capital increase within the limits and according to the conditions that the Board of Directors may set in advance,
   - and, more generally, take all necessary and useful steps.

This authorisation, given for a period of 18 months, would cancel and supersede the authorisation given to the Board of Directors by the Combined General Meeting of 21 June 2010 in its eighth resolution.

21.1.8.10 Summary of current delegations of power related to capital increases

	Date of the Annual Meeting	Delegation's expiry date	Authorised amount	Increases carried out in prior years	Increases carried out during the past fiscal year	Residual amount at 31 December 2010
Delegation of authority for the purpose of increasing capital through capitalisation of reserves. earnings or premiums	23/06/2009	22/08/2011	€16,662,400	N/A	N/A	€16,662,400
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right in the share capital, reserved for shareholders	23/06/2009	22/08/2011	€16,256,000	N/A	N/A	€16,256,000
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right in the share capital, with elimination of pre-emptive subscription rights through public offering or private placement	23/06/2009	22/08/2011	€16,256,000	N/A	N/A	€16,256,000
Delegation of authority to increase the capital within a limit of 10% for the purpose of remunerating contributions in kind of shares or securities	23/06/2009	22/08/2011	10% of capital	N/A	N/A	10% of capital
Delegation of authority to increase share capital with elimination of pre-emptive subscription rights reserved for members of a company savings plan (PEE)	21/06/2010	20/08/2012	5% of share capital	N/A	N/A	5% of share capital
Delegation of authority to issue stock options	23/06/2009	22/08/2012	14% of share capital	N/A	(1)	11.83% of share capital*
Delegation of authority to award free shares to salaried employees (and/or to certain company officers and directors)	21/06/2010	20/08/2013	3% of share capital	(2)	N/A	3% of share capital
Delegation of authority to issue stock warrants reserved for a category of persons	21/06/2010	20/12/2011	€711,000	N/A	(3)	€711,000

(1) With regard to the delegation of authority granted 23 June 2009, 694,330 options were awarded, conferring a right to 600,120 shares not yet exercised, i.e. 1.88% of the share capital at 31 December 2010 and 1.87% at the time of this report

Recall that:

- *with regard to the delegation on 7 January 1999, 2,413,120 options were awarded, conferring a right to 77,445 shares not yet exercised, i.e. 0.24% of the share capital at 31 December 2010 and at the time of this report;*
- *under the delegation of authority dated 25 June 2003, 496,500 options were awarded, conferring a right to 204,203 shares not yet exercised, i.e. 0.63% of the share capital at 31 December 2010 and at the time of this report;*
- *under the delegation of authority dated 27 June 2006, 1,812,570 options were awarded, conferring a right to 799,285 shares not yet exercised, i.e. 2.50% of the share capital at 31 December 2010 and 2.49% at the time of this report.*

Note: Under the delegation of 27 June 2006, on 23 October 2006 the Board of Directors awarded 1,189,780 stock options to certain beneficiaries, subject to the achievement of objectives set by Management.
In all, 1,681,053 options awarded have yet to be exercised, i.e. 5.25% of the share capital at the time of this report.

(2) Under the delegation of authority dated 21 June 2010, no free shares were awarded by the Board.
Recall 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. Because one of the beneficiaries waived his right to these free shares, only 52,800 remain awarded as of this date (representing 0.16% of the share capital at the time of this report).

(3) Under the delegation of authority dated 21 June 2010, no stock warrants were awarded by the Board.
Recall that, under the delegation of authority dated 23 September 2009, 487,000 stock warrants (representing 1.52% of the share capital at the time of this report) were awarded to 7 beneficiaries, with 1 stock warrant conferring the right to 1 ALTEN share.

21.2 INFORMATION ON THE ARTICLES OF ASSOCIATION

21.2.1 COMPANY PURPOSE

The company purpose is defined in Article 2 of its 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: consulting, 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 etc. and generally, all industrial, commercial, financial, civil, personal property and real property transactions relating directly or indirectly to the company purpose or any similar or related purpose."

Fiscal year (Article 25 of the articles of association)

The company's fiscal 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 (3) and no more than eighteen (18) members; in the event of a merger, however, the Board may exceed a maximum of eighteen (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 in effect. 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 (4) years which expires following the Ordinary General Meeting held to approve the financial statements for the year in which such Director's term expires. All Directors whose term of office is ending are eligible to be re-elected.

The acceptance and the exercise of the duties of director also entails the commitment, for each interested party, to attest in writing at any time that he or she personally fulfils the conditions and obligations required under the laws in force, especially with regard to concurrent appointments.

21.2.2.2 Chairmanship of the Board of Directors (Article 17 of the articles of association)

The Board elects a Chairman, who must be a physical 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 necessary, the Board may appoint one or more vice chairmen whose sole duty is to preside over Board Meetings in the absence of the Chairman. Where the Chairman and the vice chairmen are absent, the Board will appoint one of its members to preside over the meeting. At each meeting, the Board may appoint a secretary who is not required to be a shareholder.

21.2.2.3 Chairmanship of the Board of Directors - Minutes (Article 18 of the articles of association)

The Board of Directors meets as often as required by the company's interests. The Board is convened by the Chairman at his discretion and, where the Chairman is not the Chief Executive Officer, as requested by the Chief Executive Officer. If the Board has not met in over two months, the meeting may be convened at the request of at least one-third of the Directors. Unless the meeting is convened by another party, the Chairman sets the agenda for the meeting. Meetings must be held at the registered office.

However, they may be held at another location as set forth in the convocation, provided this location has been approved by at least half of the Directors in office.

Deliberations of the Board are only valid if at least half of the Directors are present. Internal regulations 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 split 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.

21.2.2.4 Powers of the Board of Directors (Article 19 of the articles of association)

The Board of Directors determines the company's business strategies and oversees their implementation. Notwithstanding any powers expressly awarded to shareholders' meetings and within the limits of the company's purpose, the Board attends to any matters pertaining to the company's proper functioning and deliberates to resolve any matters affecting the company.

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 shall perform inspections and verifications it deems appropriate. The Company's Chairman or Chief Executive Officer shall provide each Director with all documents and information necessary for the performance of their 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 physical person who may or may not be a member of the Board, who is appointed as Chief Executive Officer.

The Board of Directors chooses between the two available modes of general management in accordance with Article 18 of the articles of association. It may modify this choice at any time. In each case, the Board of Directors informs the shareholders and third parties in accordance with the regulations in effect.

Where the Chairman is also Chief Executive Officer, he must comply with the provisions of the articles of association concerning the functions of general management.

21.2.3 RIGHTS ATTACHED TO THE SHARES

21.2.3.1 Statutory distribution of profits (Article 27 of the articles of association)

A minimum 5% portion is deducted from year-end earnings less losses carried forward, where applicable, and allocated to the legal reserve. This deduction ceases to be mandatory once the reserve fund reaches an amount equal to one-tenth of the Company's share capital.

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 fiscal year. Following approval of the accounts by the General Meeting, any losses must be carried forward and offset against future profits until these losses are 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 the option of receiving some or all of the interim or final dividends in cash or in shares.

21.2.3.3 Indivisibility of shares – Bare ownership – Usufruct (Article 13)

13.1 The 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.

13.2 Voting rights attached to shares belong to the beneficial owner at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

21.2.3.4 Double voting rights (Article 14 of the articles of association)

Since the Combined General Meeting of 7 January 1999, a double voting right exists which is subject to the following provisions:

Once shares are registered in the bearer's name, the shareholder is authorised to benefit from a double voting right based on the timeframe in effect at the time of registration. Any subsequent change to this timeframe is not enforceable against such shareholder.

Notwithstanding the above, all fully paid-up shares which have been registered in the same name for a continuous period of at least four years are assigned double voting rights. In the event of a capital increase by the incorporation of reserves, earnings or premiums, this double voting right is also conferred from the time of issue to registered shares awarded free of charge to a shareholder by virtue of former shares for which the shareholder had already been granted this right.

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 shares or whose ownership is transferred loses its double voting rights, except in cases specified by law.

21.2.3.5 Identifiable bearer shares (Article 10 of the articles of association)

The company may at any time request that the main custodian of its marketable securities provide the information required by law pertaining to the identity of the owners of shares that confer immediate or future voting rights at General Meetings.

21.2.4 MODIFICATION OF SHAREHOLDERS’ RIGHTS

None.

21.2.5 GENERAL MEETINGS (ARTICLE 23 OF THE ARTICLES OF ASSOCIATION)

General Meetings are convened and deliberate according to the terms stipulated by law. Meetings take place at the registered office or at any other place designated in the convocation.

The right to take part in General Meetings is subject to the entry of shares in the books under the name of the shareholder or the agent not later than midnight, Paris time, on the third banking day preceding the General Meeting, either in individual accounts managed by the company or in bearer accounts managed by an authorised agent.

21.2.6 PROVISIONS IN THE ARTICLES OF ASSOCIATION REGARDING A CHANGE OF CONTROL

None.

21.2.7 STATUTORY THRESHOLDS (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)

The articles of association require shareholders to notify the company when their holdings exceed thresholds set forth in Article 233-7 of the French Commercial Code.

In addition, the Combined General Meeting of 7 January 1999 decided to impose a similar obligation when a shareholder, acting alone or in concert, comes to control greater than or less than 3% of the capital or voting rights, with notice by registered letter with acknowledgement of receipt within 15 days of crossing such a threshold.

Failure to comply with the above notice requirement means that shares in excess of the undeclared fraction lose voting rights under the conditions set forth by law. This sanction applies when, at a General Meeting, one or more shareholders owning more than 3% of the capital indicate that no notice was submitted to the company and such failure to notify is duly recorded in the minutes of the General Meeting.

21.2.8 MODIFICATIONS TO THE SHARE CAPITAL (ARTICLE 29 OF THE ARTICLES OF ASSOCIATION)

All modifications to the capital and the rights attached to the shares making up such capital are governed by 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.

21.3 STOCK MARKET INFORMATION

21.3.1 FINANCIAL INSTRUMENTS MARKET

There is only one class of shares listed on the stock exchange: common shares listed on the Euronext Paris of the NYSE Euronext.

21.3.2 CHANGES IN STOCK MARKET PRICES

See chapter 4 of the Activity Report.

21.3.3 ESTABLISHMENTS RESPONSIBLE FOR FINANCIAL SERVICES

Société Générale – Service Titres – 32, rue du champ de Tir – Nantes (44).

21.4 GENERAL MEETINGS

The General Meeting will be asked to fully discharge the Board of Directors from its management duties for the fiscal year ended 31 December 2010, as well as the statutory auditors for the completion of their mission as set out in their general report.

The Board of Directors asks the General Meeting to vote in favour of the proposed resolutions.

21.4.1 DRAFT RESOLUTIONS FOR THE ORDINARY GENERAL MEETING

First resolution

Approval of the Company financial statements for the year ended 31 December 2010 – Discharge of the members of the Board of Directors

The General Meeting, in accordance with the quorum and majority vote requirements for Ordinary General Meetings and having knowledge of the reports prepared by the Board of Directors, the Chairman of the Board of Directors and the statutory auditors, approves the Company financial statements for the 2010 fiscal year as submitted, which show a profit of €20,483,312.90, as well as all transactions reflected in these financial statements or summarised in these reports.

The General Meeting notes that no non-deductible charges or expenses have been recognised during the 2010 fiscal year.

The General Meeting discharges the Directors from their duties for the 2010 fiscal year.

Second resolution

Allocation of earnings

The General Meeting, in accordance with the quorum and majority vote requirements for Ordinary General Meetings, and as proposed by the Board of Directors, resolves to allocate earnings for the fiscal year ending 31 December 2010 totalling €20,483,312.90 as follows:

Origin:

- Earnings for the fiscal year €20,483,312.90
- Carry forward €111,545,186.15

Allocation:

- Legal reserve €10,448.00
- Dividend: 32,070,393 shares at €1 €32,070,393.00
- Carry forward €99,947,658.05

Accordingly, a dividend of 1 euro will be paid to each share giving the right to a dividend, it being specified that in the event of a change in the number of shares giving the right to a dividend as compared with the 32,070,393 shares making up the share capital as of 1 March 2011, the total amount of the dividend shall be adjusted accordingly and the amount allocated to the carry forward account shall be determined based on dividends actually paid.

Note that the entire amount distributed is eligible for the 40% reduction described in Article 158-3-2 of the General Tax Code.

The dividend payment date is set at 29 June 2011.

The ex-dividend date is 24 June 2011.

In accordance with Article 243 bis of the General Tax Code, the General Meeting is reminded that the following dividends and income were distributed for the past three fiscal years:

	Revenue eligible for tax reduction		Revenue not eligible for tax reduction
For fiscal year	Dividends	Other distributed income	
2007	-	-	-
2008	-	-	-
2009	€28,677,599.10 * i.e. €0.90 per share	-	-

* *Not taking into account amounts corresponding to dividends not distributed to holders of treasury shares.*

Third resolution

Approval of the consolidated financial statements

The General Meeting, in accordance with the quorum and majority vote requirements for Ordinary General Meetings and having heard the reports prepared by the Board of Directors and the statutory auditors, approves the consolidated financial statements prepared in accordance with Articles L. 233-16 et seq. of the French Commercial Code for the fiscal year ended on 31 December 2010 as presented, showing profit (Group share) of €53,607,050, as well as all transactions reflected in these financial statements or summarised in these reports.

Fourth resolution

Statutory auditors' special report on regulated agreements and commitments – Approval and ratification of these agreements

The General Meeting, in accordance with the quorum and majority vote requirements for Ordinary General Meetings and having heard the special report prepared by the statutory auditors on agreements and commitments described under Articles L. 225-38 et seq. of the French Commercial Code, approves the new agreements listed therein.

Fifth resolution

Nomination of a Director

The General Meeting, in accordance with the quorum and majority vote requirements for Ordinary General Meetings decided to nominate as a Director, in addition to the members currently under mandate, Mrs Emily Luna, who lives at 9, rue Papillon, 75009 Paris, for a term of four (4) years, expiring at the end of the General Meeting called to vote in 2015 upon the approval of the financial statements for the fiscal year ending 31 December 2014.

Mrs Emily Luna made it known in advance that she accepts the mandate of Director entrusted to her and that she personally fulfils the conditions and obligations required under the laws in force, especially with regard to concurrent appointments.

Sixth resolution

Nomination of a Director

The General Meeting, in accordance with the quorum and majority vote requirements for Ordinary General Meetings decided to nominate as a Director, in addition to the members currently under mandate, Mr Bruno Benoliel, who lives at 131, rue du Faubourg Saint Honoré, 75008 Paris, for a term of four (4) years, expiring at the end of the General Meeting called to vote in 2015 upon the approval of the financial statements for the fiscal year ending 31 December 2014.

Mr Bruno Benoliel made it known in advance that he accepts the mandate of director entrusted to him and that he personally fulfils the conditions and obligations required under the laws in force, especially with regard to concurrent appointments.

Seventh resolution

Authorisation for the Board of Directors to allow the company to repurchase its own shares pursuant to Article L. 225-209 of the French Commercial Code

The General Meeting, after having heard the Board of Director's report, authorises the latter, for a period of eighteen months, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to carry out one or several purchases of the Company's shares at the times it shall deem appropriate, up to a maximum of 10% of the total number of shares forming the Company's share capital, adjusted if necessary to account for any increase or reduction of share capital that may arise during the duration of the programme.

This authorisation terminates the authorisation given to the Board of Directors by the General Meeting of 21 June 2010 in its sixth ordinary resolution.

The purchases may be made for the purpose of:

- ensuring a secondary market or the liquidity of the ALTEN shares through a securities service provider via a liquidity agreement in compliance with the AMF code of conduct (Amafi);
- holding the purchased shares and later offering them in exchange or payment in potential acquisitions, it being specified that shares purchased for this purposes may not exceed five percent (5%) of the company's share capital;
- covering stock option plans and other forms of share allocations to Group employees or company officers or directors under the conditions and in accordance with the terms stipulated by law, especially with respect to company profit-sharing, a company savings plan or through the award of free shares;
- covering securities which give a right to shares in the company within the scope of regulations currently in effect;

- proceed with the potential cancellation of the shares purchased, subject to the authorisation to be granted by the present General Meeting in its seventh extraordinary resolution.

These share purchases may be carried out by any appropriate means, including the purchase of blocks of share, and at the times that the Board of Directors will determine.

In particular, these transactions may be carried out in the event of a public offering in compliance with regulations in force.

The Company reserves the right to use an option system or derivatives within the scope of applicable regulations 1.

The maximum purchases price is fixed at 40 euros per share. In the event of a capital transaction, in particular a stock split, reverse split or issue of free shares, the amount indicated above shall be adjusted in the same proportions (multiplier equal to the proportion between the number of shares making up capital before the transaction and the number of shares after the transaction).

The maximum amount of the transaction is thus fixed at 128,129,400 euros.

The General Meeting grants to the Board of Directors all powers necessary to carry out these transactions, to determine the terms and conditions thereof, to enter into all necessary agreements and to carry out all formalities.

21.4.2 DRAFT RESOLUTIONS FOR THE EXTRAORDINARY GENERAL MEETING

Eighth resolution

Authorisation for the Board of Directors to allow the Company to cancel the shares it repurchases pursuant to Article L. 225-209 of the French Commercial Code.

The General Meeting, having heard the Board of Director's report and the report of the Statutory Auditors:

1) gives the Board of Directors the authority, in its sole discretion, on one or more occasions, up to a maximum of 10% of the share capital calculated on the date of the cancellation decision less any shares cancelled during the 24 previous months, to cancel shares that the Company holds or will hold following repurchases carried out under Article L. 225-209 of the French Commercial Code and to reduce the share capital by the same in accordance with the legal and regulatory provisions in force;
2) sets at 24 months as from the present Meeting, namely until 21 June 2013, the duration of the validity of the present delegated authority;
3) gives full powers to the Board of Directors to conduct the required transactions for such cancellations and the corresponding reduction in the Company's capital, to modify the Company's articles of association accordingly and to carry out all required formalities.

Ninth resolution

Delegation of authority for the Board of Directors to increase the capital by the incorporation of reserves, profits and/or premiums

The General Meeting, in accordance with the quorum and majority vote requirements for Ordinary General Meetings, having heard the Board of Director's report and in accordance with Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

1) delegates to the Board of Directors the authority to decide on increasing the share capital, on one or more occasions, at the times and under the conditions that it deems favourable, through the incorporation of reserves, profits, premiums or any other amounts that may be capitalised, followed by the issuance and the free allocation of shares or the increase in the nominal value of the existing ordinary shares, or any combination of these two methods;
2) resolves that in the event that the Board of Directors makes use of this authorisation, in accordance with Article L. 225-130 of the French Commercial Code, to increase the share capital through the free allocation of shares, the rights corresponding to fractional shares may neither be negotiable nor transferable and that the corresponding shares shall be sold; the amounts from the sale shall be distributed to the holders of the rights within the applicable legal time period;
3) delegates such powers for a period of 26 months from the date of this General Meeting;
4) resolves that the total amount of the increase in share capital that may be achieved, pursuant to this resolution, is fixed at €16,662,400, not taking into account the amount necessary to protect, in accordance with the law, the rights of the holders of securities giving access to the share capital.

   This maximum amount is independent of other maximum amounts set out in the other resolutions for this General Meeting;
5) delegates to the Board of Directors the authority to implement this resolution and generally to take all measures to carry out all required formalities for the best implementation of each capital increase, duly record the completion and amend the articles of association accordingly;
6) notes that this delegation of authority terminates, as of present, when applicable, the unused portion of any prior authorisation granted for the same purpose.

Tenth resolution

Delegation of authority for the Board of Directors to issue ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the maintenance of preferential subscription rights

The General Meeting, having heard the Board of Directors report and the special report of the statutory auditors and in accordance with provisions of the French Commercial Code and, notably, Article L. 225-129-2:

1) delegates to the Board of Directors the authority to issue, on one or more occasions, at the times and under the conditions that it deems favourable, either in euros or in any other currency or currency unit established by reference to more than one currency,
   - ordinary shares,
   - and/or securities granting immediate or future access, at any time or on a specific date, to the company's ordinary shares, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner,
   - and/or securities conferring a right to allotment of debt securities.

   In accordance with Article L. 228-93 of the French Commercial Code, securities to be issued could grant a right to receive ordinary shares of all companies that directly or indirectly owns more than half of its share capital or of which it directly or indirectly owns more than half of its capital;
2) delegates such powers for a period of 26 months from the date of this General Meeting;
3) decides to set, as follows, the maximum amount of share issues authorised in the event that the Board of Directors chooses to exercise the present delegated authority:

   The nominal amount of shares able to be issued by virtue of the present delegated authority shall not exceed €16,662,400.

   The maximum amount thus set does not include the nominal total value of the possible extra shares to be issued to protect, in accordance with the law, the rights of the holders of securities giving access to the share capital. This maximum amount is independent of other maximum amounts set out in the other resolutions for this General Meeting.

   The total nominal amount of debt securities susceptible to be issued in accordance with this delegation cannot exceed 200,000,000 euros;
4) in the event that the Board of Directors executes this delegation of authority in the scope of share issues described in paragraph 1 above:
   a) resolves that the issue or issues of ordinary shares or securities conferring a right in the share capital be reserved in preference for shareholders who will be able to subscribe on an irreducible basis,
   b) resolves that if the subscriptions on a irreducible basis, and if applicable on a reducible basis, do not absorb the entirety of the issue reserved for a/, the Board of Directors may use one or other of the following options:
   - to limit the issue to the amount of the subscriptions provided that this amount is three quarters of the issue decided upon,
   - at its discretion, to distribute all or part of the shares or securities which have not been subscribed,
   - to make a public offering of all or part of the shares or securities which have not been subscribed.
5) resolves that the Board of Directors will have, within the guidelines set forth above, the necessary powers notably to fix the conditions for the issue or issues, if applicable duly record the resulting capital increases, amend the articles of association accordingly, charge, in its sole discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and, more generally, take all necessary and useful steps;
6) notes that this delegation of authority terminates all previous delegations of authority granted for the same purpose.

Eleventh resolution

Delegation of authority for the Board of Directors to issue ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the rescission of preferential subscription rights through a public offering

The General Meeting, having heard the Board of Directors report and the special report of the statutory auditors and in accordance with provisions of the French Commercial Code and, notably, Article L. 225-136:

1) delegates to the Board of Directors the authority to issue, on one or more occasions, at the times and under the conditions that it deems favourable, in France and/or abroad, through a public offering, in euros or in any other currency or monetary unit established by reference to more than one currency:
   - ordinary shares,

- and/or securities granting immediate or future access, at any time or on a specific date, to the company's ordinary shares, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner,
- and/or securities conferring a right to allotment of debt securities.

These shares may be issued in consideration for the shares that will be tendered in the framework of a public exchange offer for the company's shares in accordance with conditions set out in Article L. 225-148 of the French Commercial Code.

In accordance with Article L. 228-93 of the French Commercial Code, securities to be issued could grant a right to receive ordinary shares of all companies that directly or indirectly own more than half of its share capital or of which it directly or indirectly owns more than half of its capital;

2) delegates such powers for a period of 26 months from the date of this General Meeting;
3) the nominal amount of ordinary shares able to be issued by virtue of the present delegated authority shall not exceed 8,139,415 euros.

   This amount is deducted from the maximum authorised amount for a capital increase set out in the twelfth resolution.

   The total nominal amount of debt securities susceptible to be issued in accordance with this delegation cannot exceed 200,000,000 euros.

   This amount is deducted from the maximum authorised amount for debt securities set out in the twelfth resolution;
4) resolves to rescind the shareholders' preferential subscription rights for the ordinary shares and securities granting access to the Company's capital and/or debt securities subject to this resolution, nonetheless granting the Board of Directors the authority to offer shareholders preferential rights, in accordance with the law;
5) resolves that the sum paid or owed to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account the issue price of subscription or share warrants if such warrants are issued, shall not be less than the minimum legal and regulatory requirements in force at the time at which the Board of Directors issues the delegation authority;
6) resolves, in the event of a share issue as consideration for shares contributed under a public exchange offer, that the Board of Directors will have, in compliance with conditions defined by Article L. 225-148 of the French Commercial Code and within the limits set above, the necessary powers to determine the list of shares to be brought to the exchange, set the conditions of the share issue, the exchange rate, as well as, if applicable, the amount of the equalisation payment in cash to be paid, and to determine the conditions of the share issue;
7) resolves that if the subscriptions do not absorb the entirety of the ordinary shares or securities conferring a right in the share capital issued, the Board of Directors may use one or other of the following options:
   - to limit the issue to the amount of the subscriptions provided that this amount is three quarters of the issue decided upon,
   - to distribute all or part of the shares or securities which have not been subscribed;
8) resolves that the Board of Directors will have, within the guidelines set forth above, the necessary powers notably to fix the conditions for the issue or issues, if applicable duly record the resulting capital increases, amend the articles of association accordingly, charge, in its sole discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and, more generally, take all necessary and useful steps;
9) notes that this delegation of authority terminates all previous delegations of authority on the same subject.

Twelfth resolution

Delegation of authority for the Board of Directors to issue ordinary shares and/or securities conferring a right in the share capital and/or a right to allotment of debt securities, with the rescission of preferential subscription rights through a private placement

The General Meeting, having heard the Board of Directors' report and the special report of the statutory auditors and in accordance with provisions of the French Commercial Code and, notably, Article L. 225-136:

1) delegates to the Board of Directors the authority to issue, on one or more occasions, at the times and under the conditions that it deems favourable, in France and/or abroad, through an offering described in paragraph II of Article L. 411-2 of the Monetary and Financial Code, either in euros or in any other currency or currency unit established by reference to more than one currency:
   - ordinary shares,
   - and/or securities granting immediate or future access, at any time or on a specific date, to the company's ordinary shares, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner,
   - and/or securities conferring a right to allotment of debt securities.

   In accordance with Article L. 228-93 of the French Commercial Code, securities to be issued could grant a right to receive ordinary shares of all companies that directly or indirectly own more than half of its share capital or of which it directly or indirectly owns more than half of its capital;

2) fixes the validity of this delegation of authority at 26 months, from the date of this General Meeting;
3) the nominal amount of ordinary shares able to be issued by virtue of the present delegated authority shall not exceed 8,139,415 euros, and it is noted that it will also be limited to 20 of the share capital per year.

   This amount is deducted from the maximum authorised amount for a capital increase set out in the eleventh resolution.

   The nominal amount of debt securities on the Company able to be issued by virtue of the present delegated authority shall not exceed 200,000,000 euros.

   This amount is deducted from the maximum authorised nominal amount of debt securities set out in the eleventh resolution;
4) resolves to rescind the shareholders' preferential subscription rights for the ordinary shares and securities granting access to the Company's capital and/or debt securities subject to this resolution;
5) resolves that the sum paid or owed to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account the issue price of subscription or share warrants if such warrants are issued, shall not be less than the minimum legal and regulatory requirements in force at the time which the Board of Directors issues the delegation authority;
6) resolves that the Board of Directors will have, within the guidelines set forth above, the necessary powers notably to fix the conditions for the issue or issues, if applicable duly record the resulting capital increases, amend the articles of association accordingly, charge, in its sole discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and, more generally, take all necessary and useful steps;
7) notes that this delegation of authority terminates all previous delegations of authority granted for the same purpose.

Thirteenth resolution

Delegation of authority for the Board of Directors to set conditions for fixing the issue price in the event of the rescission of preferential subscription rights up to an annual maximum of 10% of the share capital

The General Meeting, having heard the Board of Directors' report and the special report of the statutory auditors and in accordance with provisions of Article L. 225-136-1, paragraph 2, of the French Commercial Code, authorises the Board of Directors, which resolves to issue ordinary shares or securities conferring a right in the share capital in accordance with the eleventh and twelfth resolutions, to derogate from, up to a maximum of 10% of the share capital per year, the conditions for fixing the issue price set out in the aforementioned resolutions and to fix the price for the issue of shares regarded as capital based on the following conditions:

- the average of the five highest closing share prices during the past thirty stock market sessions prior to the fixing of the issue price, possibly discounted by a maximum of 10%.

Fourteenth resolution

Delegation of authority for the Board of Directors to increase the number of shares issued in the event of over-subscription

For each issue of ordinary shares or securities conferring a right in the share capital decided in application of the tenth to twelfth resolutions, the number of shares to be issued may be increased in accordance with conditions set out in Article L. 225-135-1 of the French Commercial Code, and up to the maximum number set by the General Meeting, when the Board of Directors observes a state of over-subscription.

Fifteenth resolution

Delegation of authority for the Board of Directors to increase the company's share capital by no more than 10% for the purpose of remunerating contributions in kind of shares or securities granting access to share capital

The General Meeting, having heard the Board of Directors' report and the report of the statutory auditors and in accordance with Article L. 225-147 of the French Commercial Code:

1) authorises the Board of Directors, based on the assessment of the legal advisors, to issue ordinary shares or securities granting access to ordinary shares in view of remunerating contributions in kind made in the favour of the Company and made up of shares or securities granting access to share capital when the provisions of Article L. 225-148 of the French Commercial Code are not applicable;
2) delegates such powers for a period of 26 months from the date of this General Meeting;
3) resolves that the nominal amount of ordinary shares able to be issued by virtue of the present delegated authority shall not exceed 10% of the share capital on the date of this General Meeting, this amount being independent of any other ceiling set forth with respect to authority to increase capital;

4) delegates all powers to the Board of Directors to approve the assessment of contributions, to decide on the resulting capital increase and validate its completion, charge, if applicable, the cost of capital increase to the premium over par collected, withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase and proceed with the applicable amendments to the Company's articles of association and take all necessary and useful steps;

5) notes that this delegation of authority terminates all previous delegations of authority granted with the same purpose.

Sixteenth resolution

Delegation of authority for the Board of Directors to increase the capital through the issue of shares reserved for members of a company savings plan (PEE) in application of Articles L. 3332-18 et seq. of the French Labour Code

The General Meeting, having heard the Board of Directors' report and the report of the statutory auditors and in accordance with Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code:

1) authorises the Board of Directors, if it deems fit, in its sole discretion, to increase the share capital on one or more occasions through the issue of paid-up common shares and, if applicable, through the award of free common shares or other securities giving access to capital, reserved for employees (and managers) of the Company (and of companies related to it in the sense of Article L. 225-180 of the French Commercial Code) who are members of a company savings plan;

2) rescinds in favour of these persons the preferential subscription rights of the shares that may be issued by virtue of this authorisation;

3) delegates such powers for a period of 26 months from the date of this General Meeting;

4) limits the maximum par value of the capital increase(s) that may be carried out under this authorisation to five percent (5%) of the amount of share capital reached at the time the Board of Directors decides to carry out this increase, this amount being independent of any other ceiling set forth regarding the authority to increase capital;

5) resolves that the price of the shares to be issued pursuant to paragraph 1 of this delegation may not be more than 20% below, or 30% when the lock-up period stipulated in the plan in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labour Code is equal to or greater than ten years, of the average of the opening prices quoted for the 20 stock exchange sessions preceding the decision of the Board of Directors concerning this capital increase and the corresponding issue of shares, nor may it exceed this average;

6) notes that this delegation of authority terminates all previous delegations of authority granted with the same object.

The Board of Directors may decide whether to implement this authorisation, take all steps and carry out all formalities as necessary.

Seventeenth resolution

Request for delegation of authority to the Board of Directors to issue stock warrants, stock warrants exchangeable for new and/or existing shares, and/or redeemable stock warrants reserved for a certain category of persons

The General Meeting, in accordance with the quorum and majority vote requirements for Extraordinary General Meetings, having knowledge of the report prepared by the Board of Directors and the special report prepared by the Statutory Auditors, and in accordance with provisions set out in Articles L. 225-129-2, L. 225-138 and L. 228-91 of the French Commercial Code:

1) delegates the necessary powers to the Board of Directors to issue, on one or more occasions and at the times and conditions that it deems favourable, in France and abroad, new stock warrants, stock warrants exchangeable for new and/or existing shares, and/or redeemable stock warrants, with the rescission of preferential subscription rights for the benefit of a certain category of persons defined below;

2) delegates powers for a period of 18 months from the date of this General Meeting;

3 resolves that the total nominal value of shares able to be issued by virtue of the present delegated authority shall not exceed 3,255,764 euros;

4) resolves that the subscription and/or acquisition price of shares purchased by exercising the stock warrants after accounting for the price of issuing such warrants, if applicable, shall be equal to or greater than the average closing price of ALTEN shares for the 20 stock market sessions immediately preceding the decision to issue the stock warrants;

5) resolves to rescind the preferential subscription rights for shareholders of the stock warrants to be issued, for the benefit of the following category of persons: managers, whether or not officers and directors, and management employees of the Company or companies, French or foreign, which are related within the meaning of Article L. 225-180 of the French Commercial Code;

6) notes that this delegation of authority entails the shareholders' waiver of preferential subscription rights of the Company shares likely to be issued upon exercise of the stock warrants for the benefit of warrant holders;

7) resolves to delegate the necessary powers to the Board of Directors, in the conditions set forth by the law and resumed below, to issue stock warrants and notably:

- to establish the specific list of beneficiaries within the category of persons defined above, the type and number of stock warrants to be awarded to each beneficiary, the number of shares granted for each warrant, the price of issuing the warrants and the shares granted for each warrant under the abovementioned conditions, the conditions and deadlines for subscribing for and exercising the warrants, their terms of adjustment and generally, all terms and procedures for issuing such stock warrants,
- to prepare an additional report setting forth the final terms and conditions of the transaction,
- proceed with the necessary purchases in connection with a share repurchase programme and allocate those shares to the award plan,
- to validate the completion of the capital increase resulting from the exercise of stock warrants and proceed with the applicable amendments to the Company's articles of association,
- charge, at its discretion, the cost of capital increases to the premiums over par collected as a result thereof and withdraw from such funds the sums necessary to bring the legal reserve to one-tenth of new share capital following each capital increase,
- delegate the necessary powers to the Chief Executive Officer to increase the share capital, and to suspend the capital increase within the limits and according to the conditions that the Board of Directors may set in advance,
- and, more generally, take all necessary and useful steps.

This authorisation replaces the one given to the Board of Directors at the Combined General Meeting on 21 June 2010in its eighth extraordinary resolution.

Eighteenth resolution

Authority to carry out all formalities

The General Meeting grants the bearer of the original, a copy or an excerpt of these minutes of the meeting the authority to carry out all registration and publication formalities required by the law.

SIGNIFICANT AGREEMENTS 22

22.1 CONTRACT CONDITIONS

ALTEN invoices nearly all of its services based on a time spent basis.

ALTEN enters into technical assistance contracts or work packages (comprehensive platforms) of variable duration according to the project in question.

Only 10% of the Group's turnover is generated by fixed-price contracts. These contracts are the subject of specific monthly reporting to validate the projected margin at the end of the project. At the end of a project, any deviation noted in the change in margin is immediately identified, and corrective actions are implemented.

If necessary, losses upon termination are recorded as soon as they are identified in the project specifications. In connection with ISO certifications, a procedure covering the validation and monitoring of customer contracts has been implemented within the ALTEN group.

In 2010, the Group recognised 214,000 euros in losses upon termination (145 thousand euros in 2009).

22.2 PARTNERSHIPS

On 18 February 2010 a jointly-held company was formed with Group Critères, a simplified joint stock company with share capital of €649,920, with its head office at 27 rue Fortuny, 75017 Paris, registered with the Nanterre Trade and Companies Register under number 398 092 981 in the field of third party application acceptance testing (TRA). ALTEN holds 51% of the capital and voting rights of this company, known as ALTEN Systèmes d'Information et Réseaux Global Testing Services, while Groupe Critères holds 49% of its capital and voting rights.

22 SIGNIFICANT AGREEMENTS

INFORMATION FROM THIRD PARTIES, EXPERT DECLARATIONS AND DECLARATIONS OF INTEREST

23

None.

PUBLICLY AVAILABLE DOCUMENTS

24

24.1 CONSULTATION OF DOCUMENTS

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.fr.

24.2 ANNUAL INFORMATION DOCUMENT

24.2.1 FINANCIAL PRESS RELEASES AND NOTIFICATIONS

Publication date	Subject	Published in
02/02/2010	2009 4th quarter sales	Issuer's website *Les Échos*
03/02/2010	2009 annual sales	Issuer's website *Les Échos* *La Tribune*
03/03/2010	2009 annual results	Issuer's website *Les Échos* *La Tribune* *Investir* *Le Journal des Finances*
05/05/2010	Annual financial report	Issuer's website *Les Échos*
11/05/2010	Press release on proposal for dividend distribution	Issuer's website *Les Échos*
11/05/2010	2010 1st quarter sales	Issuer's website La Tribune *Les Échos*
29/07/2010	2010 2nd quarter sales	Issuer's website *Les Échos*
30/07/2010	2010 1st half sales	Issuer's website *Les Échos* *La Tribune*
29/09/2010	2010 1st half results	Issuer's website *Les Échos* *La Tribune* *Investir* *Le Journal des Finances*
13/10/2010	1st half financial report	Issuer's website *Les Échos*
10/11/2011	2010 3rd quarter sales	Issuer's website *Les Échos* *La Tribune*

24.2.2 OTHER REGULATED INFORMATION

Publication date	Type	Subject
07/01/2010	Half year publication	Information relating to liquidity contract
07/01/2010	Monthly publication	Information relating to number of shares and voting rights
05/02/2010	Monthly publication	Information relating to number of shares and voting rights
08/03/2010	Monthly publication	Information relating to number of shares and voting rights
09/04/2010	Monthly publication	Information relating to number of shares and voting rights
10/05/2010	Monthly publication	Information relating to number of shares and voting rights
17/05/2010	Annual publication	Press release relating to availability of preparatory documents for General Meeting
28/05/2010	Annual publication	Methods of issuing reference document and its updates
08/06/2010	Monthly publication	Information relating to number of shares and voting rights
28/05/2010	Annual publication	Annual information document
10/07/2010	Monthly publication	Information relating to number of shares and voting rights
12/07/2010	Half year publication	Information relating to liquidity contract
02/09/2010	Monthly publication	Information relating to number of shares and voting rights
10/09/2010	Monthly publication	Information relating to number of shares and voting rights
08/10/2010	Monthly publication	Information relating to number of shares and voting rights
10/11/2010	Monthly publication	Information relating to number of shares and voting rights
10/12/2010	Monthly publication	Information relating to number of shares and voting rights
16/12/2010	Annual publication	Description of share buyback program

24.2.3 ANOUNCEMENTS IN LEGAL ANNOUNCEMENTS BULLETIN (BALO)

Date	Type	Subject
17/05/2010	Convocation	Notice of meeting
10/07/2010	Periodic publication	Publication of annual financial statements

24.2.4 ACTS FILED WITH THE COURT

Date	Type	Subject
20/01/2010	N/A	Withdrawal of a secondary establishment
20/01/2010	Decision of the Board of Directors meeting	Capital increase
22/02/2010	Decision of the Board of Directors meeting	Capital increase
20/05/2010	Decision of the Board of Directors meeting	Capital increase
08/06/2010	N/A	Withdrawal of a secondary establishment
18/06/2010	N/A	Creation of a secondary establishment
23/07/2010	N/A	Withdrawal of a secondary establishment
24/08/2010	Decision of the Board of Directors meeting	Capital increase
29/10/2010	Decision of the Board of Directors meeting	Capital increase
26/11/2010	Decision of the Board of Directors meeting	Capital increase

24.3 PERSON IN CHARGE OF FINANCIAL INFORMATION

Mr Bruno Benoliel

Chief Operating Officer

E-mail: comfi@ALTEN.fr

Tel: + 33 (0)1 46 08 70 00

24 PUBLICLY AVAILABLE DOCUMENTS

25 INFORMATION ON EQUITY INTERESTS

See 20.4, Note 6, and 20.6, Note 12.

25 INFORMATION ON EQUITY INTERESTS

APPENDICES

A

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