Registration Document
including the Financial Report

2011

Profile

ALTEN, THE REFERENCE TECHNOLOGY PARTNER

€1,065.7
MILLION REVENUE

PRESENT IN
14 COUNTRIES

14,800
EMPLOYEES *(at 31 December 2011)*

ALTEN, the European leader in Technology Consulting and Engineering, works closely with its customers to develop their industrial strategy in the areas of Innovation, Research & Development and Information Systems Technologies. The Group's 13,100 highly qualified engineers carry out studies and design projects for the Technical and Information Systems Divisions of major clients in the industrial, telecom and tertiary sectors. In an increasingly globalised world, ALTEN's approach is in line with its customers' R&D strategies, in order to strengthen their performance and their penetration of new markets. ALTEN is present in 14 countries, offers coverage of the whole development cycle thanks to its specialised subsidiaries and offers different levels of services from technology consulting to outsourced projects. These advantages, among others, make it the reference technology partner of major European companies.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This document and the corresponding financial report constitute the ALTEN Registration Document for the 2011 financial year.
It was submitted to the Autorité des Marches Financiers (the French Financial Market Authority, or AMF) on 27 April 2012 in accordance with Article 212-13 of the Autorité des Marches 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 Marches Financiers.
Furthermore, pursuant to Article 28 of European Regulation No. 809,2004, the following information is included in this Registration Document:
• The separate and consolidated financial statements as of 31 December 2010, along with the relevant reports prepared by the Statutory Auditors and presented on pages 1669 to 236 of Registration Document No. D.11,0420 filed with the Autorité des Marches Financiers on 29 April 2011.
• The separate and consolidated financial statements as of 31 December 2009, along with the relevant reports prepared by the Statutory Auditors and presented on pages 144 to 222 of Registration Document No. D.10,0478 filed with the Autorité des Marches Financiers on 27 May 2010.
It was prepared by the issuer under the responsibility of the signatories.

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ALTEN, an expanding European leader

Interview with the Chairman and CEO

Simon Azoulay,
Chairman and CEO

HOW WOULD YOU SUM UP 2011?

In a post-crisis environment, ALTEN crossed the symbolic revenue threshold of one billion euros while maintaining its margins. With almost 15,000 employees, of which 13,100 highly skilled engineers in 14 countries, we have confirmed our status as the European leader in Engineering and Technology Consulting.
Revenue increased by more than 16% year on year to €1,065.7 million, of which 14.5% organically. This growth was stronger abroad and was driven by all business sectors, particularly Aeronautics, Automotive, Energy and Telecommunications-Multimedia.
We have continued to develop abroad, which now represents a third of our business. Three countries posted sustained growth: Sweden, the Netherlands and Germany. In these countries, and in Spain, the Group now has leading positions and has reached the critical mass needed to continue its development. We are working on achieving the same in other regions such as Italy, North America, the United Kingdom and China.
Our sound financial position has allowed us to carry out numerous external growth operations aimed at strengthening our packages and our position in strategic countries. We thus acquired Calsoft Labs, a company based in India and the United States specialising in Electronics and Telecommunications; Bardenheuer, a 30-person German company specialised in network security; and Telecommunications sector player Enea, a Swedish company with 250 engineers.

ARE YOU SATISFIED WITH THE RESULTS FOR 2011?

Completely. We have managed to maintain a satisfactory level of results in 2011 thanks to an occupation rate of 92.5% for our engineers, as in 2010, but also thanks to the strict management of our workpackages. We have overhauled our administrative and technical departments to make them more efficient in dealing with the development of our business.
These measures have allowed us to maintain profitability at 10.2% at a time where there is substantial pressure on prices, particularly in France.

WHAT IS THE OUTLOOK FOR 2012?

The lack of visibility in Q4,2011 led us to slow our recruitment drive. This was a great shame as the beginning of the year has proven reassuring and even encouraging. Demand for experts remains high among our major customers and there is a shortage of engineers in Europe.
All our referencing procedures with our major Aeronautics, Automotive, Energy and Telecommunications customers have been renewed, which gives us a competitive edge at a time when companies are drastically cutting their lists of engineering subcontractors. Our size, international foothold, diversified services and proven expertise in the management of technology projects will help us continue to expand. Our sound financial resources provide the means to continue our targeted acquisition strategy, mainly abroad.
In this context, we hope to achieve satisfactory organic growth at least in line with that generated by the increase in the number of projects in 2011, as our business activity in Q1,2012 was higher than in January 2011. We aim to maintain a double-digit operating margin despite the pressure on prices, through productivity gains and accelerated growth abroad where margins are higher.

> Demand for experts remains high among our major customers and there is a shortage of engineers in Europe.

WHAT CHALLENGES DO YOU FACE TO ACHIEVE THESE TARGETS?

We must first of all focus on synergies and enhance the Group's expertise. In Germany, for example, we have significant potential for improvement in the automotive sector. Our key customers, such as BMW and Daimler, are likely to be interested in our feedback from France regarding engine control and on-board systems or from Sweden in terms of mechanical engineering. This is true of all the countries where we have reached a critical size and in all sectors (Automotive, Rail, Aeronautics, Energy, Telecommunications, Tertiary, etc.)

In France, our Technical Division should implement productivity gains in the workpackages in an environment of continuous improvement, in order to protect margins and answer our customers' needs. CMMI level 3 certification, which ALTEN hopes to achieve by mid-2012, will be proof of the quality of our project methodologies.

All of this will only be possible if we have the best expertise at all levels. We have made considerable investments internally to professionalise the career management of our personnel and all careers opportunities by business line (engineering and technical, business managers, operational and administrative support). We have thus put in place a programme to identify, train and coach high potential ALTEN engineers to evolve towards project management positions. In the long term, the best will pilot workpackages that are outsourced to our Delivery Centers. We aim to recruit almost 3,000 new engineers to carry out new projects and reinforce our existing teams. I am confident that we will achieve this aim thanks to our excellent recruitment teams and processes. We have forged close relationships with the major French engineering schools and European universities and I am very proud of the partnership agreement that we signed with the Confédération Nationale des Junior Entreprises (the National Confederation for Junior Enterprises) in 2011. These highly skilled future engineering school, business school and university graduates are a reflection of ALTEN's values: entrepreneurs, dynamic, focused on the future.

Finally, we aim to continue our Sustainable Development efforts. Our customers expect us to provide them with innovative solutions that are environmentally friendly, eco-design projects and more responsible services. The R&D projects financed through equity are in line with this objective. To decrease our environmental impact we have decided to favour BBC (Low Consumption Building) and HQE (High Environmental Quality) certified buildings and have implemented selective waste sorting. The Group continues its support of «Elles Bougent», an association promoting careers in science, especially to young female students. We also decided to renew our involvement in 2011 of the United Nations Global Compact, and support the ten universal principles bearing on ethics, the environment and labour law. We are committed to respecting the rules that govern us within our sphere of influence.

A FINAL WORD OF CONCLUSION?

Yes, simply to say that thanks to our development in France and abroad, the quality of our structure, our financial stability and our leadership in workpackages, I remain confident in the Group's ability to strengthen its leading position in Europe in Engineering and Technology Consulting.

The ALTEN Group's corporate governance

THE BOARD OF DIRECTORS

Simon Azoulay
Chief Executive Officer

Gérald Attia
Deputy Managing Director
Head of Sales & Structured Project Development

Bruno Benoliel
Deputy Managing Director
Head of Finance, IT and Legal affairs

Catherine Behar
Director

Emily Luna
Director

BOARD OF DIRECTORS

The Board has five members. Detailed information on the Board's composition appears in Chapter 16 of the Annual Financial Report.
The Board of Directors' primary duty 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 2011, the Board of Directors approved the 2010 financial statements and the provisional management documents, approved one (1) internal restructuring operation, examined and authorised financial press releases, decided on remuneration 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 one (1) project to form a company.
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 complying with the Reference Code's eighth recommendation.

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 Gérald 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.
Mr Bruno Benoliel was nominated as Deputy Managing Director by the Board of Directors during its meeting on 27 September 2011.
The Chief Executive Officer and the Deputy Managing Directors 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.

CORPORATE GOVERNANCE

Mr Simon Azoulay and his peers (including the Société Générale holding company for Technologies and Engineering - SGTI) held 30.63% of the equity in ALTEN SA and 46.24% of its voting rights as of 31 December 2011.

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 linked to ambitious growth objectives.

THE EXECUTIVE COMMITTEE

Simon Azoulay
Chief Executive Officer

Gérald Attia
Deputy Managing Director
Head of Sales & Structured
Project Development

Bruno Benoliel
Deputy Managing Director
Head of Finance, IT
and Legal affairs

Hélène Grignon-Boulon
Human Resources Director

Olivier Granger
Chief Operating Officer
Head of International

Benoît Maistre
Chief Operating Officer
Head of Technology Consulting
and Engineering Paris (TCE Paris)

Pierre Marcel
Chief Operating Officer
Head of French regions
and Solutions subsidiaries

Jean-François Guyomar
Executive Vice President
Head of Networks Telecom
and Information Systems Paris
(NTIS Paris)

Fabrice Pecqueur
Executive Vice President
Head of M&A

THE COMMITTEES

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

The Executive Committee

The Executive Committee, which meets at least once (1) a month, comprises the Chairman and Chief Executive Officer, he Deputy Managing Directors, the Chief Operating Officers and Executive Vice Presidents that manage the Group's different business divisions, and the Head of 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;
- Analyse its sales and financial performance and determine operational measures to be implemented;
- Monitor ongoing projects.

The Management Board

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

The Group Administrative Committee

The Administrative Committee, which meets at least once (1) a quarter, is composed of the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer in charge of Finance, IT Systems and the Legal Department, and the heads of the Legal and Human Resources Departments.

It is chaired by the Chairman and Chief Executive Officer. Depending on the agenda, the Director of Information Systems and the Managing Directors may be requested to attend meetings of the Group Administrative Committee.

This committee relies on work carried out by the Divisional Administrative Committees.

Its primary missions are to:

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

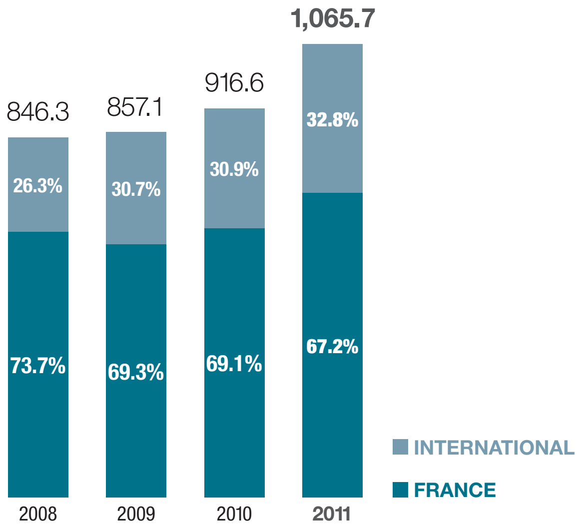
It is also consulted on policies regarding remuneration and incentives for the Group's senior executives.

The Divisional Administrative Committees

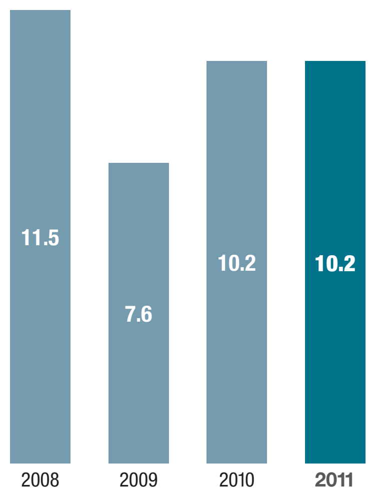
Each Division has its own Administrative Committee and each committee meets once a week. They are composed of the Chief Financial Officer, the Managing Director and the heads of the administrative departments. Members of the Group Administrative Committee may attend. They are chaired by the Division's Chief Financial Officer.

The Divisional Committees allow for operational information to be relayed in a more precise manner to general management and also ensures that decisions taken and measures implemented during the Group Administrative Committee meetings are passed on more efficiently.

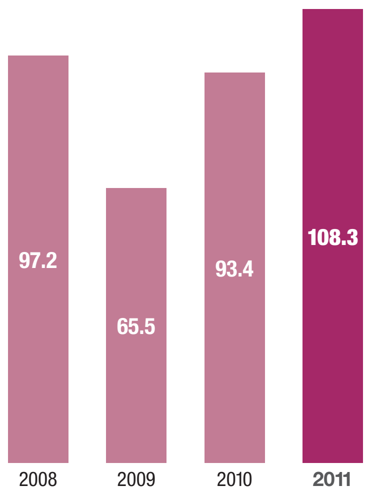
2011 key figures



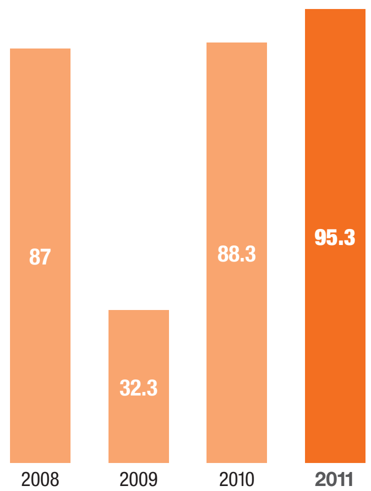
REVENUE
IN MILLION OF EUROS



OPERATING PROFIT ON ACTIVITY
AS A % OF REVENUE



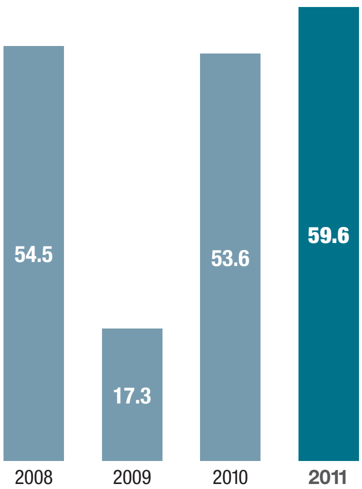
OPERATING PROFIT ON ACTIVITY
IN MILLION OF EUROS



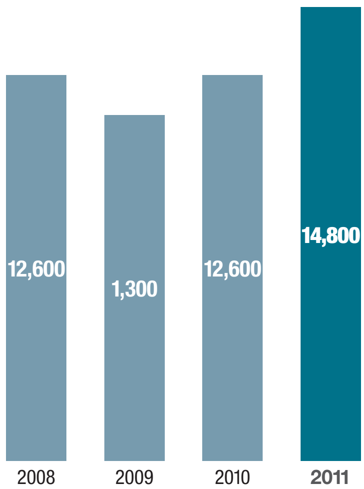
OPERATING PROFIT
IN MILLION OF EUROS

€1,065.7

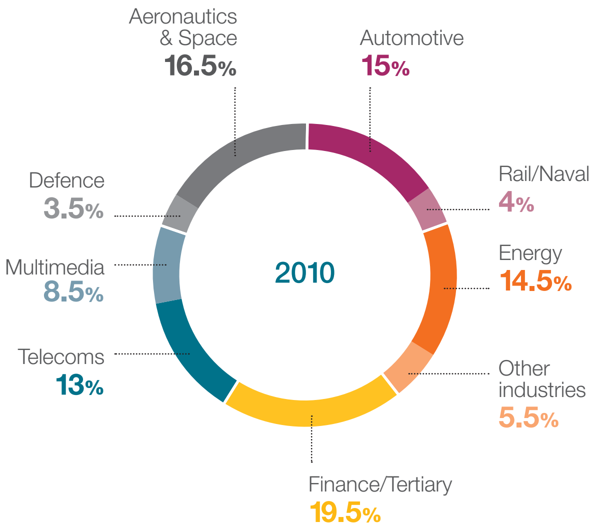
MILLION REVENUE

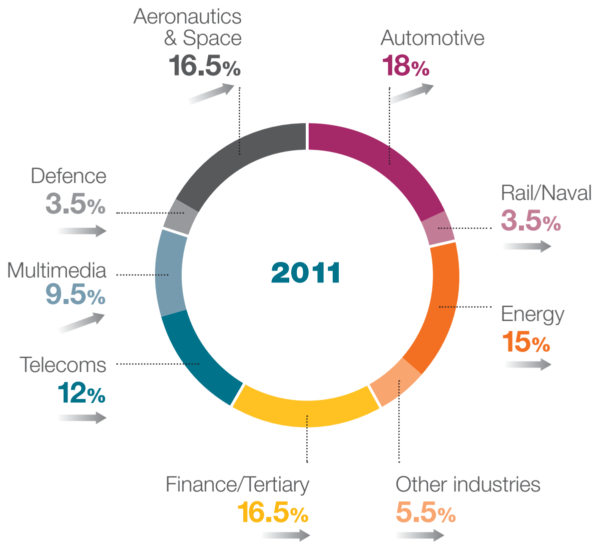


NET EARNINGS, GROUP SHARE
IN MILLION OF EUROS



HEADCOUNT
END OF PERIOD





REVENUE BY BUSINESS SECTOR
IN %

ALTEN,
a full range of TCE and NTIS services

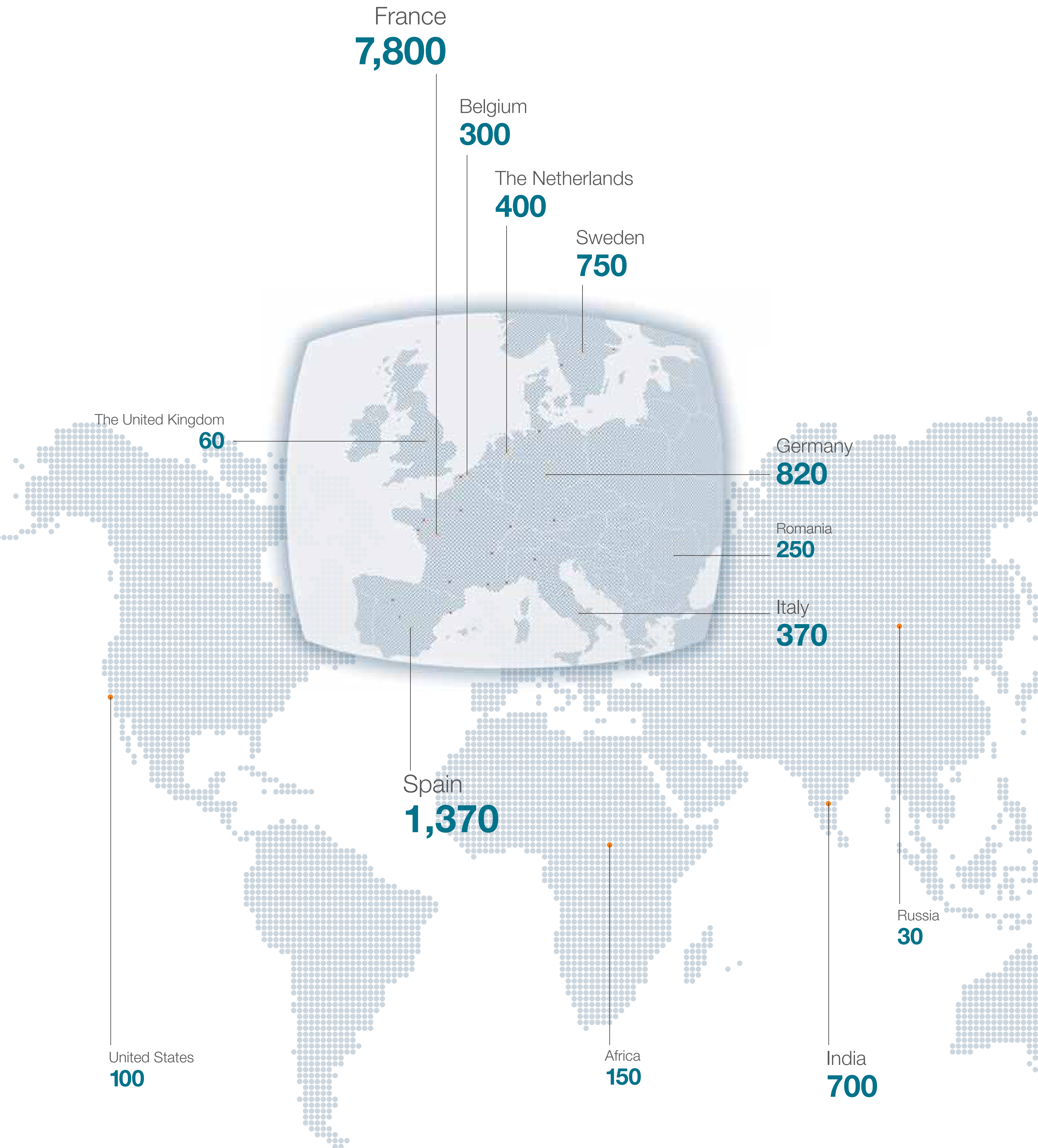
13,100

ENGINEERS, OF WHICH MORE THAN

40%

ABROAD

PRESENT IN 14 COUNTRIES



A HIGH VALUE-ADDED TECHNOLOGY-BASED POSITIONING

- Services are provided by **engineers** that have been trained by the best schools and universities.
- ALTEN is the European leader in **research and design** in ETC (Engineering and Technology Consulting) and NTIS (Networks Telecom and Information Systems).
- The "**Solutions**" line, made up of ALTEN Group independent and transnational companies, rounds off its services. These companies are growing strongly and are **leaders in their speciality:** MI-GSO (PMO and major programme management); Anotech Energy (Oil and Gas exports in complex environments), Atexis (customer support engineering), Avenir Conseil (technical training and training engineering).

VARIOUS LEVELS OF SERVICES ADAPT TO CHANGES IN CUSTOMERS' NEEDS

CONSULTING	Level 1	Technology consulting with a commitment to provide resources
WORKPACKAGE	Level 2	Globalising numerous technology consulting projects in a unique contract
	Level 3	Service agreement with a commitment to provide resources based on performance indicators
	Level 4	Service agreement based on work units with a commitment to provide resources or a commitment to results
FIXED-PRICE PROJECT	Level 5	Fixed-price project with commitment to results based on technical specifications

ALTEN, LEADER IN WORKPACKAGES

- ALTEN carries out 46% of its projects in Workpackage mode.
- Specific methodology processes are used to adopt services to customer needs.
- The ALTEN Delivery Centre (ADC), which rolls out methodologies and manages workpackages, will gain level 3 CMMI-certification in mid-2012.
- Knowledge Management tools allows the Group to capitalise on project experience and generate productivity gains, in an environment of continuous improvement.
- ALTEN has 13 Delivery Centres in France and abroad which manage projects that are outsourced by customers.

A GLOBAL FOOTHOLD

13,100 engineers in 14 countries, of which more than 40% abroad.

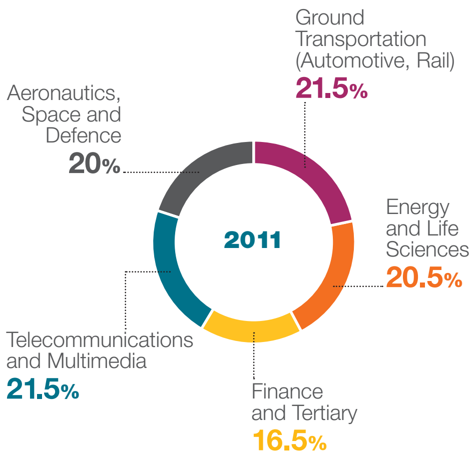
- Critical size in most countries.
- Transnational projects managed.
- Nearshore and offshore facilities are available to meet manufacturers' offset requirements.
- Potential development opportunities in countries that invest considerably in R&D (Germany).

A SOUND FINANCIAL POSITION WHICH IS A CONSIDERABLE COMPETITIVE ADVANTAGE

- ALTEN has the means to carry out external growth operations to strengthen its services and develop its market share in France and abroad. Three acquisitions were completed in 2011, all of which were abroad (Germany, Sweden, India and the United States).
- ALTEN has the ability to invest in complete infrastructures (premises and equipment) to manage projects outsourced by customers and to self-finance its organic growth.

ALTEN, THE TECHNOLOGY PARTNER OF CHOICE OF MAJOR CUSTOMERS IN THE INDUSTRIAL, TELECOMMUNICATIONS AND SERVICE SECTORS

- The balanced sector mix means that ALTEN is not dependent on any particular sector.
- ALTEN has renewed all its mandates (PSA, Renault EAAA, EADS, Safran, Thales, Alstom, etc.) and will allow the Group to continue gaining market share.



HIGH LEVEL RECRUITMENT MEASURES

Solid partnerships with the biggest engineering schools

ALTEN offers made-to-measure programmes (technical training, technical conferences, simulations etc.) to more than 70 engineering schools all over France. These programmes are managed by the Engineer Recruitment Divisions and are aimed at strengthening the professional profile of young graduates when they enter the working world. More than 1,000 of these young graduates are recruited each year by ALTEN.

An ambitious partnership with the CNJE (the National Confederation for Young Enterprises)

The Confédération Nationale des Junior-Entreprises (CNJE) is a leading player in entrepreneurial and student circles and is France's main confederate student body with 17,600 students. Its role is to coordinate and accompany the 160 structures present within French schools and universities. The Junior-Entreprises are present in 76 French towns and cities and allow students to put the theory they have learnt into practice by following profession training courses.
This partnership allows ALTEN to train Junior-Entreprises students in high value-added fields such as project management and sales prospecting, and offers numerous opportunities year round to exceptional students who show entrepreneurial flair.

MIP is a recruitment programme for high-potential managers to accelerate international growth

The MIP programme (International Manager Programme) allows new graduates from a top European engineering or sales school (Group 1) to join ALTEN and to receive made-to-measure training over 18 months in a subsidiary outside their country of origin. They benefit from the best management and personal development practises, and at the end of the programme master tools and methodologies that will allow them to accelerate the Group's development in complex situations.

CAREER OPPORTUNITIES BY PROFESSION THAT TARGET EXCELLENCE

Regardless of their profession (engineer, manager, support function), all ALTEN employees have the opportunity to specialise in a given field or to evolve towards management positions. Development programmes exist to help employees in their career choices and allow the top performers to be promoted to strategic operational positions.

Engineers: AWPM (ALTEN Way of Project Management)

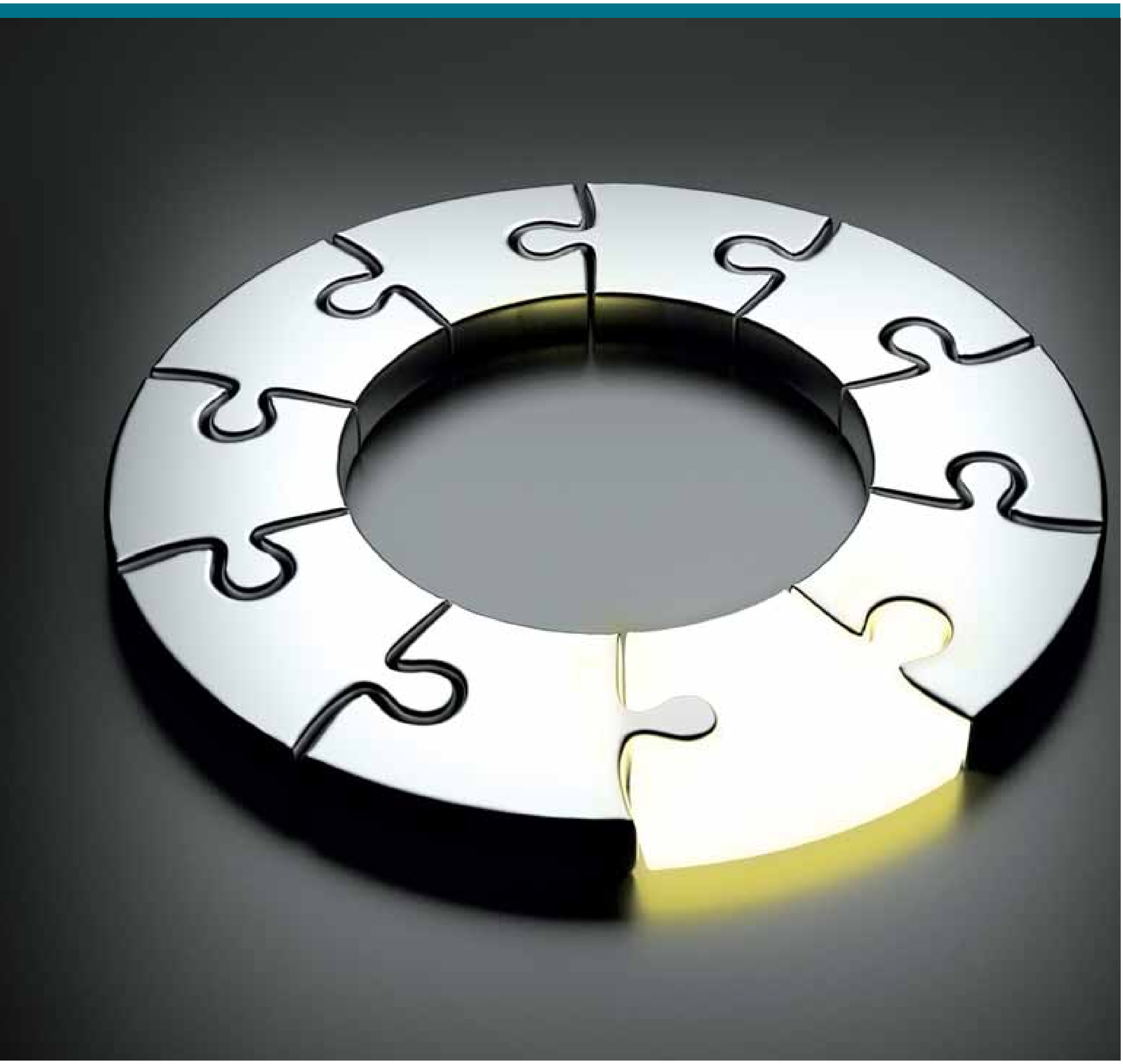
The growing demand from our customers for ALTEN to manage their projects is making Project Manager a key role in our future challenges. We have therefore put a system in place to find, train and certify our project managers. This provides our project managers with the necessary tools and techniques and also trains them in ALTEN's standard CMMI-certified project management procedures. Tens of project managers received training in 2011 and even more will follow suit in 2012.

Managers: Amplify, ALTEN's corporate university

The AMPLIFY© technical training structure, which is unique in France, provides ALTEN managers the keys to success in demanding environments by allowing them to gain essential skills and reflexes throughout their journey along the managerial chain. The SPA programme helps, in particular, experienced managers, if they successfully complete the course, to gain promotion to sales and complex project management positions.

Designing real-time software in the Delivery Center.

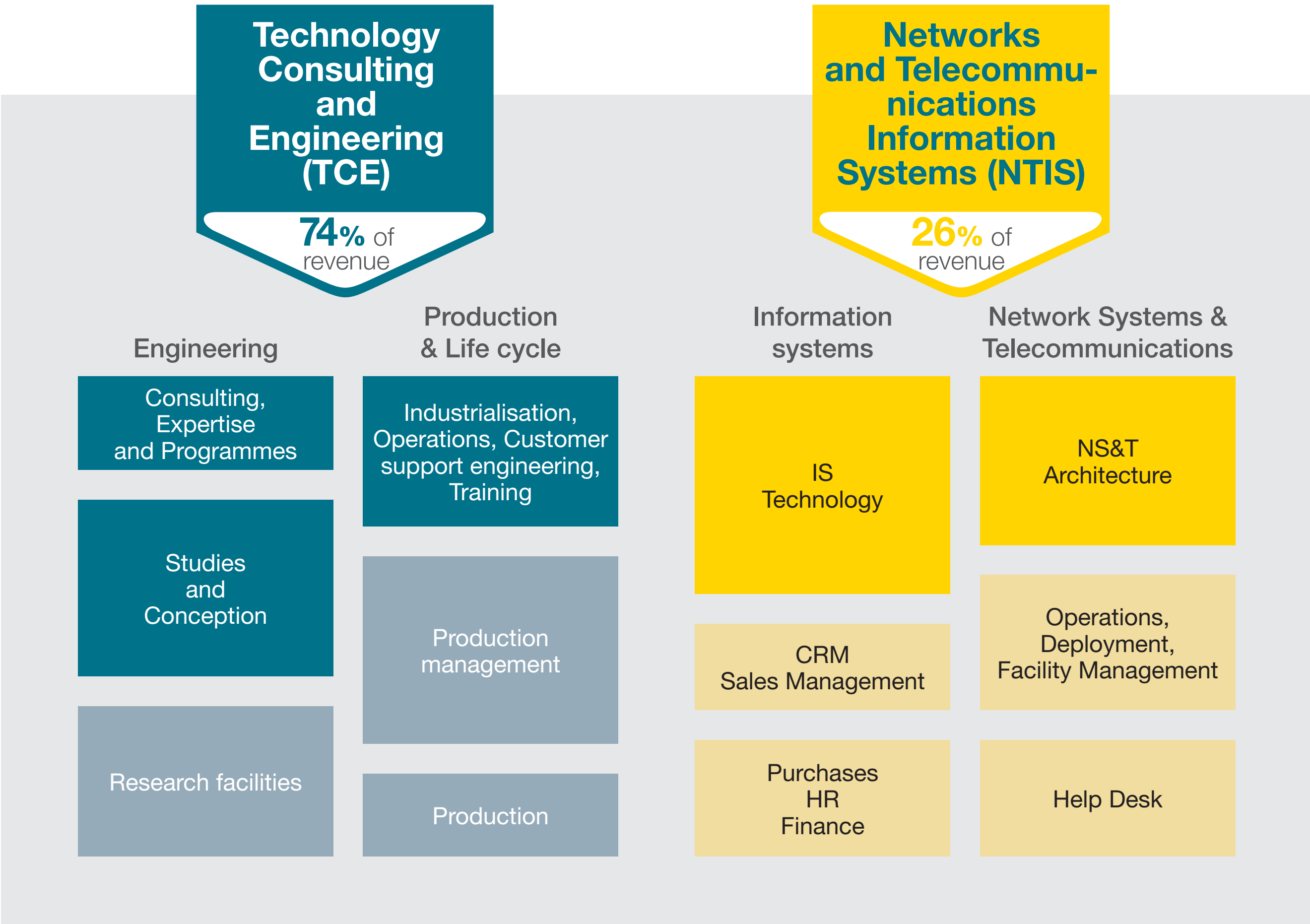
ALTEN, the Industrial, Telecoms and Tertiary sectors' technology partner



ALTEN Group services

ALTEN works closely with its customers in the areas of innovation, Research and Development and IS technologies.

ALTEN'S TWO BUSINESS LINES: **TCE** AND **NTIS**



FIELDS OF INTERVENTION OF ALTEN'S TWO BUSINESS LINES.

ALTEN is present in two business lines:

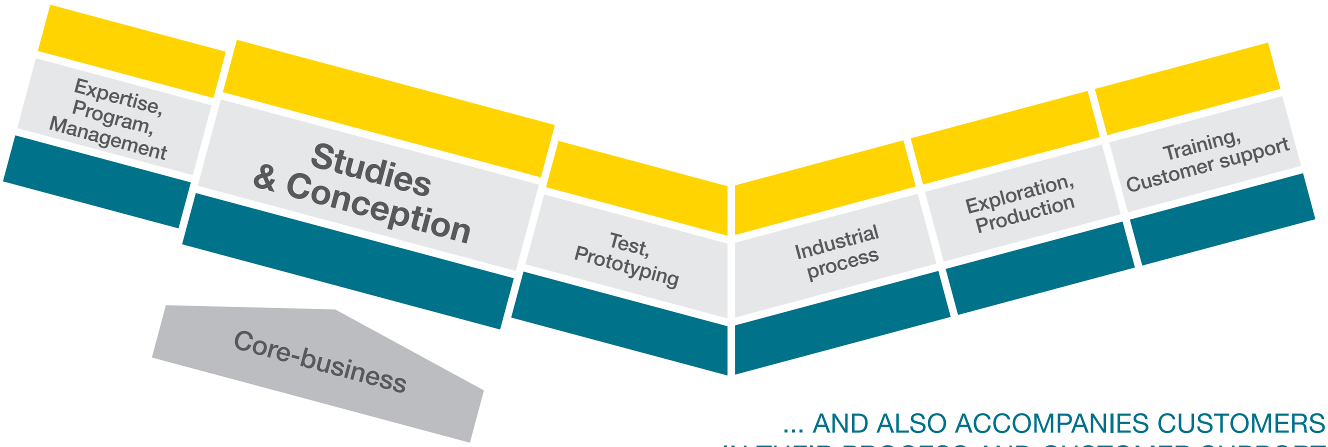
- **Technology Consulting and Engineering - (TCE):** studies and conception of technological products for the technical divisions of customers in the industrial and telecom sectors;
- **Network and Technological Information Systems (NTIS):** network and telecom architecture, creation of technological information systems for the Technical and Information Systems divisions of customers in the industrial, telecom and service sectors.

We play a role in all projects that present technological challenges:

- **Transport and mobility:** designing and inspecting drive trains for electric vehicles, European standardisation of railway signalling systems, developing aerostructure parts in the context of working towards the use of lighter materials, validating network equipment software for the rolling out of High Capacity Broadband, etc.;
- **Energy management:** research and design of production sites, export operations, innovative battery technologies for storage and distribution, etc.;
- **Security and risk management:** securing access to information systems, the security of nuclear plant systems, detection and identification systems for public places, key avionic systems etc.;
- **User services:** professional mobile applications, "in-vehicle infotainment", developing ticketing systems, etc.

ALTEN'S POSITIONING AND THAT OF ITS SOLUTIONS LINE

ALTEN PLAYS AN UPSTREAM ROLE IN PROJECTS AND STUDIES...



... AND ALSO ACCOMPANIES CUSTOMERS IN THEIR PROCESS AND CUSTOMER SUPPORT

The ALTEN Group's strategic positioning is based on:

- **The ALTEN Core business line:** consulting, project management, studies and conception, mainly carried out by engineers;
- **The Solutions line,** which is carried by specialised companies through local and transnational lines. These companies, which work autonomously, meet a specific customer need on the remainder of the development cycle (such as PMO/programme management for MIGSO, technical documentation for ATEXIS and technical training for Avenir Conseil). They can also supplement ALTEN's services through a comprehensive approach (consulting and expertise).

ALTEN offers different levels of services to provide its customers with solutions that are best adapted to their needs:

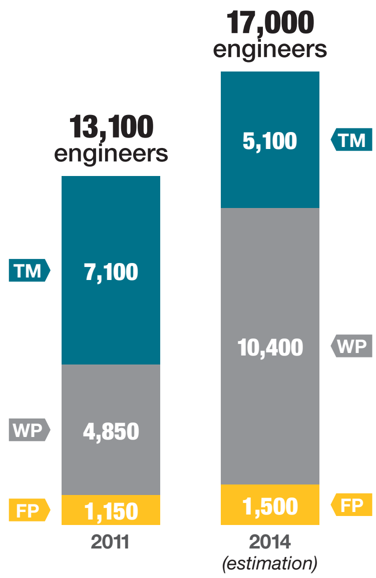
CONSULTING	Level 1	Technology consulting with a commitment to provide resources
WORKPACKAGE	Level 2	Globalising numerous technology consulting projects in a unique contract
	Level 3	Service agreement with a commitment to provide resources based on performance indicators
	Level 4	Service agreement based on work units with a commitment to provide resources or a commitment to results
FIXED-PRICE PROJECT	Level 5	Fixed-price project with commitment to results based on technical specifications

Projects can be outsourced to one of ALTEN's Delivery Centers in "outsourced platform" or "workpackage" mode.

ALTEN IS THE UNCONTESTED MARKET LEADER IN FRANCE

in workpackages, which currently represent

46% of its business.



TM Consulting support for the successful completion of studies and projects

WP Workpackage (project team and a commitment to provide resources)

FP Fixed-price package, based on specifications

TRENDS AND CHANGES IN CUSTOMER DEMAND

The rate of outsourced R&D, which allows us to quantify the market accessible to TCE companies, is increasing and is currently between 10% and 25% in Europe. The market as a whole is outperforming GDP growth thanks to state-led investment policies (the *Grand Emprunt* -the French State's Large Loan-, the research tax credit, etc.) and technological breakthrough programmes led by industry players (such as the electric vehicle, Machine To Machine and High Capacity Broadband).

The TCE sector, especially in France, has changed radically over the past ten years. The market has become more structured due to pressure from Purchasing Departments. The operating methods of Engineering and Technology Consulting companies have changed in terms of resources provided, operating methods, results and even risk sharing. This operating method mainly concerns engineering specialists, the industrial partners of major customers.

Following the same logic that led industrial players many years ago to give their system and equipment suppliers more autonomy and greater responsibility, TCE companies are now being asked to become integrated service providers and technological partners. This measure is aimed at improving the efficacy of the R&D sector and generating productivity gains at a time when limits have been reached in the consulting sector.

Requirements to meet this target are stringent and are a real entry barrier for a number of companies:

- Ability to manage studies workpackages, which require tools, processes and project management expertise as well as specialised technological know-how;
- Have quality and process certification (CMMI);
- Be present among all the top industrial service providers (e.g. equipment suppliers and systems suppliers) to facilitate the industrial process;
- Be present in all scopes and countries where industrial customers have R&D set ups;
- Be present on complete business line segments, from the system specification phase to design, from the testing phase to commercial production;
- Be proactive in the choice of technologies and innovation.

Outsourcing expectations are high, with the TCE company taking responsibility for the engineer's working environment. This requires a sound financial position, and the ability to invest in a complete framework (premises, equipment, software, etc.) to carry out the projects.

A solid Technical Division is also essential to be able to offer ad-hoc technological solutions in response to calls for tender, manage projects, provide feedback, capitalise on knowledge management and generate productivity gains for the customers and for ALTEN. This development has led to the streamlining of service providers, which allows mandated companies to gain market share and have better long-term visibility. ALTEN renewed all its mandates in 2011 (including EADS, PSA, Renault EAAA, Alstom, Alcatel, FT and Safran). ALTEN is the French leader in workpackages, which account for 45% of its projects, and has 13 Delivery Centers in France and abroad (including in Germany, Spain, Romania and India).

The work package mode provides specific advantages

Globalising numerous technology consulting projects in a single contract.	Reduced costs thanks to more efficient administrative management: one overall monitoring system, one invoice, while maintaining the flexibility of the consulting mode.
Service agreement with a commitment to provide resources based on performance indicators.	Gain in management time due to the absence of interaction with ALTEN engineers.
Service agreement based on work units with a commitment to provide resources or a commitment to results.	Reduced costs thanks to a measurable industrial approach: productivity gains via feedback and ALTEN's methodology.
Fixed-price project with commitment to results based on technical specifications.	Cost control due to the fixed-rate nature of invoicing, providing the technical specifications are accurate.

CUSTOMER ADVANTAGES

Generally, outsourcing allows an industrialist to:

- **Manage internal R&D costs, as the size of the internal teams can be correlated to the recurrent nature of the project business;**
- **Manage the large swings in required headcount, at times of peak loads;**
- **Concentrate on product strategy and the design and drawing up of the related technical specifications, as ALTEN takes care of project management and the finding and recruiting of the necessary engineers;**
- **Generate productivity gains thanks to project management methodologies developed by ALTEN.**

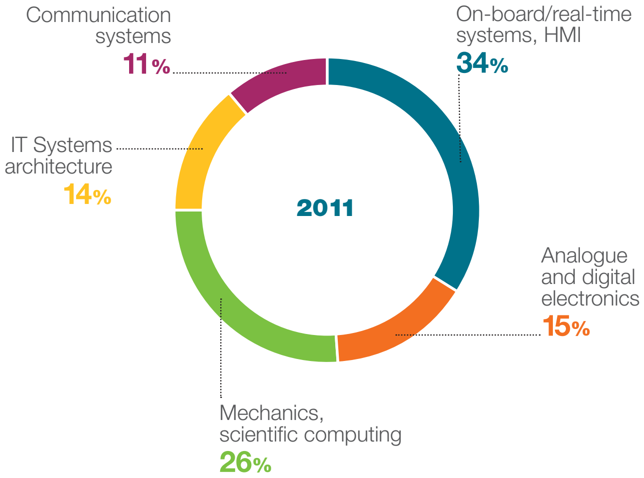
THE **CONSULTING** OFFER

The Consulting offer consists of carrying out a project at a customer's premises, based on a commitment to provide resources or on a time basis under an ALTEN manager's responsibility.

AREAS OF OPERATION ARE VARIED, DEPENDING ON THE DEVELOPMENT STAGE

AREA OF OPERATION	ALTEN EXPERTISE	CONSULTING ASSIGNMENTS' CONTRIBUTION
Project Analysis Assistance	Operational expertise	Contribution upstream of specifications which requires a good understanding of the customer's structure, challenges and business lines, and leads to the drawing up of technical specifications.
Project Management	Technical expertise	Strengthening capacity during the design and research phase, or bringing technological know-how in niche high value added areas
Project Management Assistance	Support expertise	Strengthening each stage of the project management (planning, quality, cost control, managing service providers, etc.) or working with the customer to drive change, for example through training incentives.

All of these areas of operation are undertaken by ALTEN's highly-qualified engineers.



BREAKDOWN OF PROJECT MANAGEMENT CONSULTING ASSIGNMENTS *as a %*

Research...

... and design.

WORKPACKAGES OFFER

In 2011, 45% of ALTEN's projects were carried out in workpackage mode. This should reach 70% in 2014. This policy has gained pace due the combined effect of the streamlining of service providers which has led to the implementation of integrated engineering service providers as technological partners, and customers seeking productivity gains that have reached their limits in the consulting mode. Workpackages have numerous levels of liability and shared risk and can either be implemented on the customer's premises or, in the case of transnational projects, be entirely outsourced to one or more ALTEN Delivery Centers:

- Globalising numerous technology consulting projects in a unique contract;
- Service agreement with a commitment to provide resources based on performance indicators;
- Service agreement based on work units with a commitment to provide resources or a commitment to results;
- Fixed-price project with commitment to results based on technical specifications.

The upstream phases of adapting services are carried out with the customer in cases when more integrated levels of work package management are required. The "workpackage" structure provides the assurance of an integrated, multi-disciplinary team led by a project manager with commitment levels defined with the customer. This approach provides customers with business-related skills (PMO, technical supervision and project engineers) and logistical resources (facilities, business software, secured links, etc.).

The fixed-price contract, which represents the highest level of commitment, accounts for 9% of ALTEN's business and should remain stable through to 2014. Under a fixed-price contract, working under the responsibility of the Technical Division, one of ALTEN's teams takes charge of the project through all of its phases from launching calls for tenders to the end of the guarantee period, including dealing with deliveries and the acceptance processes.

Depending on the challenges faced by its customers, ALTEN can also:

- 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 nearshore or offshore organisations (Romania, India) during certain phases of the project.

INTERVIEW WITH

Pascal A., Group Technical Director and Head of the ALTEN Delivery Center

Major customers increased their use of listing agreements in 2011 which has led to the streamlining of their service providers. This selection was made on the basis of new requirements and in particular on service providers' ability to manage complex projects entirely on their premises. In anticipation of this change in type of intervention, the ALTEN Delivery Center had set up a dedicated framework to manage the whole outsourcing process. ALTEN thus works with its customers from the upstream phase of adapting services to specific needs and guarantees that the necessary means are made available throughout the processes (premises, IT connections, project management, etc.) to guarantee that the project's objectives are met once it is outsourced. ALTEN's ability to provide this level of guarantee on both the national and international level makes it one of the preferred strategic partners of major clients. Thanks to these partnerships, and the increase in the number of outsourced projects, new Delivery Centers were opened in Massy and Sèvres in 2011 and another will be opened soon in La Garenne Colombes. Our customers increasingly ask ALTEN to manage their projects, which makes the project manager role a key element in our future challenges. We have therefore put a system in place to find, train and certify our project managers. This provides our project managers with the necessary tools and techniques and also trains them in ALTEN's standard CMMI-certified project management procedures. The complete AWPM (ALTEN Way of Project Management) cycle includes:

- **Recruitment;**
- **Training in ALTEN's project management techniques and processes (e-learning: between five and nine days according to their initial level of expertise);**
- **Behavioural training, project coaching (ranging from one week to several weeks according to their initial level of expertise).**

Tens of project managers received training in 2011 and even more will follow suit in 2012.

DELIVERY CENTERS

ALTEN carries out its projects at several Delivery Centers located in France and abroad. These centers are involved in all business sectors and are managed by the Group Technical Division through the ADC (ALTEN Delivery Center).

ALTEN HAS SOME FIFTEEN DELIVERY CENTERS IN FRANCE AND ABROAD:

- **Germany,**
- **Sweden,**
- **Spain,**
- **Italy,**
- **Romania,**
- **India.**

The Delivery Centers have all the infrastructure necessary for the smooth running of projects: offices and workstations grouped by project, equipment (PCs, workstations, test machines etc.), software (project, scientific software etc.) and secure networks.

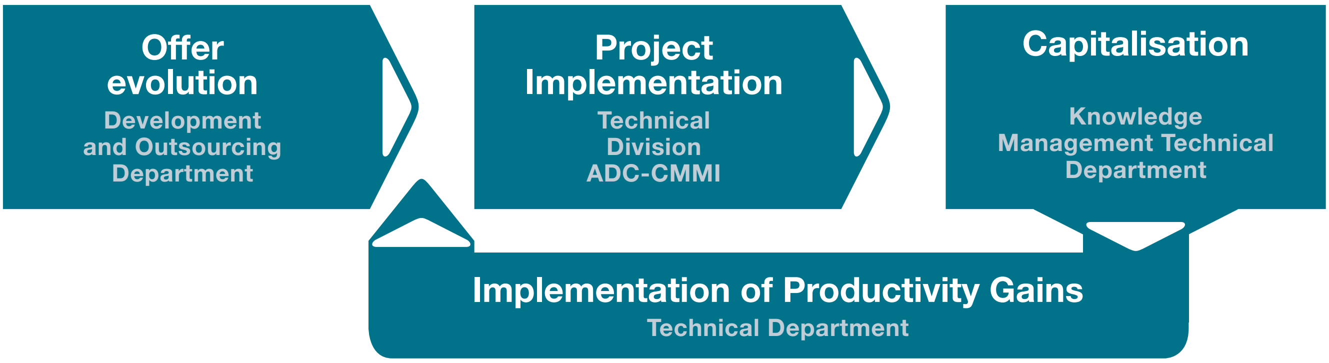
Each project is executed in a secure access zone which can only be accessed by members of the project's team. In certain cases, VPN connections or direct fibre links are used to work with the customer in an «extended enterprise» content.

ORGANISATION OF THE **TECHNICAL DIVISIONS**

- **Systems Engineering**
  - Command & Control
  - System
  - Verification & Validation
  - Software
  - Products
  - Diagnostics & SDF
- **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**
  - Networks Services & Telecom
  - Telecom Software & Multimedia
  - Production Operation/ Support
  - User Experience
- **Information Systems**
  - Business Support & AMOA
  - Software & Web Development
  - Decision-making System & Data Management
  - IT Production

THE **WORKPACKAGES** OFFER

Ability to develop and carry out projects, methodologies, tools, knowledge management, CMMI.



The development of workpackages, which come with various levels of responsibility, carry strong implications for both ALTEN and its customers. As well as implementing the workpackage, either on the customer's premises or at one of ALTEN's Delivery Centers, processes, methodologies and tools must be put in place to development the requested solution, and to identify and generate the expected productivity gains. ALTEN provides solutions to these requirements.

Offer evolution

The Development and Outsourcing Department was set up within the ALTEN Delivery Center. Its aim is to answer the growing demand from our customers to outsource their business and accompanies them throughout the adaptation process up until the necessary technical and human means have been put in place on ALTEN's premises to carry out the projects. In particular, the department defines, notably with the customer, the governance that will be applied to the workpackages, depending on the level chosen (entry level, deliverables, interfaces, guarantees). It therefore contributes to ALTEN and its customer's organisation.

Project implementation

The ALTEN Delivery Center has stepped up the implementation of its own processes for the management of service and development projects.

These standard ALTEN processes were level 2 CMMI-certified in 2010 and were rolled out in 2011 on various projects and in ALTEN's Delivery Centers. ALTEN is seeking certification for its "level 3 CMMI" processes in 2012. This standard, broad-based approach allows ALTEN to guarantee the quality of the expertise and management methodology of all of its projects and Delivery Centers both in France and abroad. It also helps enhance the expertise of its teams, including in its offshore centres.

Capitalisation and management of experts: Knowledge Management

INTERVIEW WITH

Rémi C., Mechatronics Technical Director

The standardization of engineering activities (software development, electronic development etc.) needed to gain level 3 CMMI-certification requires the accumulation of know-how used in the management of projects. In order to accumulated this knowledge and manage the various experts, an extensive Knowledge-Management project has been launched by ALTEN's Technical Department. This project should allow ALTEN to complete and complement the accumulation methods and tools needed to draw even more benefits from its technical know-how. This is a considerable challenge as it should enable each participant in ALTEN's internal R&D or current projects to take part in the accumulation of the company's expertise and know-how.

THE **SOLUTIONS** LINE OFFER

MI-GSO
PMO AND MAJOR PROGRAMME MANAGEMENT

www.mi-gso.fr

R&D programme management (PMO) is now carried out across all business sectors. This is a high value-added, narrowly tailored package which few companies in the TCE business can offer to industrial customers in terms of Operations, Diagnostics and Consulting and Training.
Since its creation in 1991, MI-GSO has gained expertise in management and in running QCDP (Quality-Cost-Delivery-Performance) projects, and currently holds key positions in the Aeronautics, Automotive, Energy, Defence, and Rail transport sectors.
MI-GSO's team 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. 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.

ANOTECH ENERGY
OIL AND GAS EXPORT OPERATIONS IN COMPLEX ENVIRONMENTS

www.anotech.fr

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 often complex environments (weather conditions, deep subsea, geopolitical etc.). Anotech Energy has a strong international presence, with 80% of its business carried out on the export market. At present, around 500 consultants work for Anotech Energy in some 40 countries spanning five continents: Scotland, Norway, South Africa, Russia, Kazakhstan, South Korea, the Middle East, Brazil and Australia.
Anotech Energy is present in all of Total's projects and also takes part in the implementation of projects by engineering companies such as Technip and Saipem. The quality of Anotech Energy's services led to contract wins in 2011 with Statoil, Repsol and ENI which provide considerable development prospects.

ATEXIS
CUSTOMER SUPPORT ENGINEERING

Optimize your support
www.atexis.eu/fr

Atexis is a leading European player in Customer Support Engineering. With offices in France, Spain, Germany, Romania and India, Atexis manages transnational projects and provides its services after the delivery of products, offering customers an optimized support service for the administration and maintenance of equipment. As well as Tech Doc, the company also specializes in systems security, integrated software support and training. These specialities constitute Customer Support Engineering (CSE). In 2011, ALTEN was the service provider chosen by Airbus, under the Atexis brand name, which formalises the existing co-operation in the field of Customer Support.

THE **SOLUTIONS** LINE OFFER

AVENIR CONSEIL

TRAINING AND ENGINEERING EDUCATION

www.avenir-conseil.fr

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. The business sectors of Avenir Conseil Formation's customers are mainly Automotive, Energy and Telecom companies. Avenir Conseil Formation is a certified training organization for Dassault Systèmes' Catia V6 design tool.

Business lines:

- Change management: 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 project analysis and project management.

Areas of operation:

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

ELITYS CONSULTING

LEAN MANUFACTURING AND MANUFACTURING PROCESSES

www.elitys.fr

Elitys Consulting works with manufacturing industries (pharmaceuticals, automotive, aeronautics) in their bid for lean manufacturing and optimised manufacturing processes. The company is based in Lyon, and has strong market positions in the Rhône-Alpes region. Elitys Consulting specialises in the roll out of continuous improvement methodologies such as Six-sigma, Kanban and Hoshin.

ID.APPS

MOBILE APPLICATIONS

www.id-apps.fr

iD.apps designs and develops applications for Smartphones, tablets and connected TVs. These include B2B2C applications and business applications for in-house use (for example mobile CRM functions interfaced with the company's IS). The solutions can be used in a multi-platform environment (Apple/iOS, Google/Android, RIM/BlackberryOS, Nokia/Symbian, Samsung/Bada) and are focused on four business lines answering all or some of customers' needs: consulting, development, validation/publication, support.

PEGASE SI

SAP SOFTWARE IMPLEMENTATION

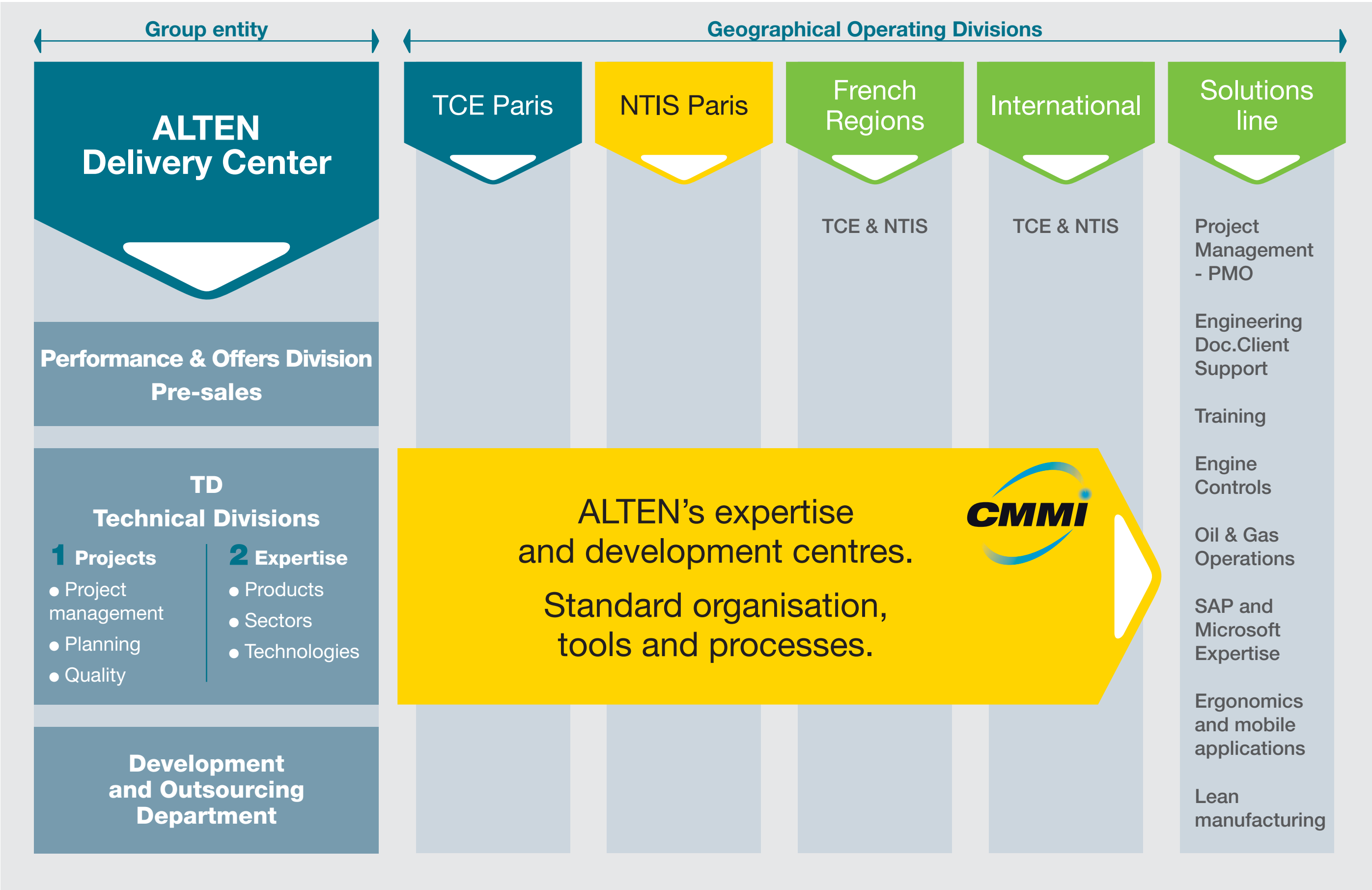
www.pegase-si.com

Pegase SI is the dedicated solution for providing consultancy and support to implement the SAP software package. This structure is organised by application domain to cover the broadest spectrum of SAP's abilities:

- Core ERP: finance, sales, purchasing, execution logistics as well as the NetWeaver platform's technological components;
- Other components of Business Suite 7 (CRM, SRM, SCM);

Pegase SI offers a full range of goods and services to validate and implement SAP solutions either on a cost base or under a fixed-price contract depending on its customers' requirements. Pegase SI has a Service Partner agreement with SAP and it belongs to SAP's PartnerEdge programme.

THE FIVE OPERATIONAL DIVISIONS AND THE STRUCTURED PROJECTS DEPARTMENT



The ALTEN Delivery Center intervenes on a cross-divisional basis in all of the Group's operating divisions for the management of work package and fixed-price projects and to lend its expertise.

Business segments

ALTEN offers its services to all sectors faced with challenges in the areas of innovation, R&D and information systems technology:

- Ground Transportation: Automotive, Rail;
- Aeronautics, Space and Defence;
- Energy and Life Sciences: Nuclear, Oil and Gas, Renewable Energy, Process Industries;
- Telecommunications and Multimedia;
- Finance and Tertiary.

ALTEN's strategy consists of ensuring a balanced mix between the five major industries, and to support them through a technological partnership. A concrete example is the roll out of the specialised ALTEN Delivery Centers for outsourced projects.

In 2011 and 2012, ALTEN is ranked as tier 1 supplier in all sectors.

Ground Transportation

21.5%

OF REVENUE

AUTOMOTIVE

The automotive market is changing rapidly, in terms of both technology and industrial strategies. In 2012, the market should drop by 3% in Europe and increase by 5-10% in other regions in the world.

Growth strategies in emerging markets (China, Argentina, Brazil, etc.) and overcapacity at production facilities are leading to operating agreements and cost optimisation. The electric vehicle has yet to penetrate the mass-market and has mainly been adopted by public services. The significant investment needed to design and produce these vehicles encourages partnerships among carmakers. Major challenges include the autonomy of these vehicles which is currently fairly limited and allows new entrants to position themselves on this market. Know-how in energy storage technologies for satellites could be used in the automotive sector. Equipment suppliers are growing rapidly and seeing a return to profit. Faurecia, Valeo, Dephi and Bosch have tapped into European carmakers' growth and have penetrated emerging market carmakers (e.g. China) thanks to their technological progress. In France, the TCE market is experiencing substantial pressure on prices and the focus is on productivity gains and the transfer of certain engineering activities, mainly design facilities, to low-cost regions. PSA has cut R&D staff and streamlined its supplier base. The group has maintained its contracts with just four companies, including ALTEN. Following a satisfactory 2011, the challenges for the year ahead are to roll out outsourced delivery centers and generate productivity gains on the work packages. ALTEN's referencing with Renault in the field of electronics has been renewed for a further three years. In the rest of Europe, customer relations are mainly focused on technical value added, which customers value through higher prices. ALTEN has grown strongly in Sweden, where almost 500 engineers work in mechanical engineering and electronics.

"ALTEN, a leader in highly technical projects in on-board electronics, powertrain control systems, electric drive trains."

Olivier J., Managing Director, head of the Terrestrial Transport division, TCE Paris

PROJECT REFERENCES

- **Development of an aluminium/air battery prototype aimed at increasing the autonomy of electric vehicles;**
- **Design of a hybrid traction system calculator;**
- **Dashboard researching and modelling, dashboard lighting modelling and software testing;**
- **Design and execution of tests of the Autolib' systems, and accompaniment of their launch.**

The priority in Germany, where 300 engineers work in on-board electronics and interiors (dashboards, etc.), is the opening of offices in Northern Germany (VW, Opel) and client development in the South (BMW, Daimler) in work package mode. In terms of engineering, demand is high for the Powertrain (traction system), an area where ALTEN has considerably expertise and know-how in France, in particular within its B2i solution subsidiary.
Partnerships have been developed between B2i and Daimler for the Powertrain as part of the Daimler/Renault joint development project.

In China, contact has been made with local engineering companies for external growth operations or partnerships that will enable ALTEN to offer its services to local carmakers and the local R&D centres of European carmakers and equipment suppliers.
Finally, ALTEN aims to maintain its leadership position in high-technology based fields such as on-board electronics, powertrain control systems and electric drive trains.
The in-house aluminium/air battery prototype R&D project is part of this strategy.

“ALTEN has become Alstom Transport’s main engineering partner.”

Eric V., Global Account Manager Alstom

RAIL

With a rapidly growing world population, urbanisation will increase from 50% in 2012 to 60% in 2030. Rail transport will be a key sector in the future as it is the means of transport that generates the lowest CO_2 emissions.
Solutions offered by manufactures will help de-congest towns and cities and facilitate intercity and transnational mobility with access to town centres. Train passengers and freight is set to increase by at least 5% per annum and the rail market should exceed €110 billion between 2015 and 2016.
The main global leaders (Alstom & TMH, Bombardier, Siemens, GE) are now faced with competition from local manufacturers in China, Japan and India who are attempting to expand beyond their domestic markets. They must therefore demonstrate their strengths in terms of innovation, the economic competitiveness of their products, the understanding and adaptation of their service to the targeted markets, quality and delivery deadlines. These changes are affecting all rail activities (rolling stock, signalling equipment, infrastructures, service) and all forms of transport (high-speed, underground, regional, tramway, freight).
ALTEN is fully committed to these challenges and works in partnership with the manufacturers, equipment suppliers and network operators. 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.

In terms of equipment, ALTEN is Alstom’s main engineering partner and contributes to train design activities, working with manufacturers in their study of all rolling stock and in most signalling projects. In 2007, ALTEN and Alstom Transport signed the “LP150” charter, binding them to a global strategic relationship and technological know-how and large international project support. This charter was renewed in 2011 for three years.

PROJECT REFERENCES

- **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.**
- **Validation of on-board electronics for the AGV, the fourth generation high speed train. Definition and implementation of testing, in particular of critical functions such as energy management, fire detection, train dynamics and door management.**
- **Overall development of the cockpit of the new PRIMA ELII locomotive, from the pre-development phase through to commercial production, including think tanks on the “design to cost”, the “make or buy” and mass savings. The project is carried out at ALTEN’s services centre.**

Aeronautics, Space and Defence

20%

OF REVENUE

The aeronautics industry had an excellent year and received a record number of orders, particularly the European aircraft manufacturer Airbus. One of the main challenges is the performance of the Supply Chain which is built on an extended enterprise approach centred on Airbus. A limited number of manufacturers, the RSP (Risk Sharing Partners), are responsible for all or part of complete kits:

- sub-system and system manufacturers with strong expertise in aerostructure;
- equipment suppliers and system manufacturers that deliver highly technical on-board systems.

PROJECT REFERENCES

- Contribution to the **definition of fire control** for the Rafale's ammunition.
- Design of technical solutions (composite materials, design) that would help **decrease the weight of the A350.** Multi-discipline (structure, mechanical systems, electric and cabin systems) and multi-location team.
- **Structural studies for the SMS, Dassault Aviation's new business aircraft.** Enhancing the expertise and training of the team carried out by Avenir Conseil, the ALTEN Group's specialised training body and the certified training organisation for the Catia V6 design tool.
- **Mechanical and electronic design of remote controlled and embedded software** for different FELIN equipment (integrated equipment and communications for the dismounted soldier), the French Terrestrial Army's combat system.
- **Service centre for the upstream research for the Ariane 5ME, Ariane 6 and Vega launchers: system design, trajectory and guidance.**

Airbus' expectations of its engineering suppliers evolve in the same way. Research workpackages must be understood by all engineers, with significant expertise in project management and solid technological skills. The difference depends on their ability to become an integrated supplier, and respond to two major challenges:

1 Have a strategic vision linked to the "Make or Buy policy" and guarantee a presence with all the RSPs to facilitate the industrial process.

2 Be a technology partner:

- with a presence in all scopes and countries where the aircraft manufacturer is present;
- with a presence on complete business line segments or ATAs, from the system specification phase through to design, from the testing phase through to commercial production;
- providing advice on technological choices and innovation.

The services of ALTEN in engineering, MI-GSO in PMO and Atexis in Customer Services has allowed the Group to maintain its top-tier ranking with EADS in the seven business lines of the E2S streamlined list, which has been reduced from 29 to 20 or 21 suppliers since 2008. ALTEN has also renewed its top-tier mandates with Sagem (January 2012) and Thales (2011). Prospects will be good at Dassault Aviation, where our position has improved greatly, if the sale of the Rafale to India and Brazil is confirmed. The Group's international foothold (France, Germany, Spain, the United Kingdom, Romania, India) allows it to take charge of projects.

> The services of ALTEN in engineering, MI-GSO in PMO and Atexis in Customer Services has allowed the Group to maintain its top-tier ranking with EADS in the seven business lines of the E2S streamlined list.

Pierre B., Head of ALTEN Sud-Ouest and Airbus Global Account Manager

Multinationals, and synergies among Business Units boost technological innovation and sales expansion. Numerous delivery centers have been opened in the Paris region to support the development of services. Five new delivery centers have been opened at Sagem, in addition to the three existing centres. This development has helped the Group gain market share while maintaining margins, and ensures better long-term visibility.

The **Defence** market is driven by the security segment. Challenges in Brazil (Olympic Games, Word Cup) and emerging markets require on-site design and implementation capabilities which ALTEN are well-placed to provide thanks to the quality of its services and its international presence.

Finally, the **Space** market is set to enter a new cycle of adaptation of the range of launchers to the change in satellites. This highly specialised long-term industry requires technological innovation and offers the opportunity to transfer know-how to other sectors of activity. Expertise in storage and energy production for satellites could benefit the automotive industry in electric drive trains. ALTEN's internally funded aluminium/air renewable battery R&D project and the Group's presence in manufacturers' electric powertrain business lines will help favour these inter-sector exchanges.

PROJECT FOCUS

Olivier,
Transnational work package manager, sent to Hamburg to manage the German team

Validation of the compliance of the systems and cabin fit-outs of the A350 XWB airframe using a 3D digital model.

"The project covers the validation of the design for the integration of the systems in the A350. Different subcontractors are responsible for the 3D design of the aircraft's various systems, from the structure to the cabin, before their production. Our role is to ensure that the design respects a certain number of rules that guarantee a trouble-free installation, that the systems operate correctly and ensure the security of future passengers. A bad design can lead to serious risks, such as the risk of explosion if, for example, electric cables are placed too close to an oxygen tube.

The team's mission is to identify and anticipate integration problems as early as possible in order to deal with them before the unnecessary production of aircraft parts that must then be modified. The design phase includes all systems: oxygen, air conditioning, drinking and used water, electrical systems, structure, cabin, etc. Each time a problem is identified, the team ensures that solutions are found and are implemented in 3D. The team includes 25 engineers in Toulouse and 12 in Hamburg. The business is divided between the Airbus site and on ALTEN's premises in France and Germany. A team is currently being built in India. The business lines and expertise employed are of course technical for the integration of our systems, but also include communication with our service providers and customers. My role is to ensure that all teams have access to the same level of information. I also manage the workload and am in charge of the quality process and of recruitment. In down periods, it is possible to transfer a team to another business line or another integration-related project as the expertise of our engineers allows them to switch from one project to another. This flexibility is also an advantage for winning new work package contracts."

Energy and Life Sciences

20.5%

OF REVENUE

The **Nuclear** sector was clearly impacted by the Fukushima disaster. Germany will pull out of nuclear power completely over the next ten years, closing its 17 reactors. Switzerland and Italy have abandoned their nuclear programmes. The new nuclear plant market nonetheless remains buoyant with four EPR units currently being developed in the United Kingdom and other planned in numerous countries. Areva aims to win ten new EPR orders for 2012-2016. The French nuclear sector is thus faced with tough challenges: winning new export contracts, and securing and extending the service life of French nuclear power plants from 40 to 60 years. The engineering needs to meet these challenges are considerable: security studies, maintaining operations, design of new reactors, commissioning of plants.

During the second half of the year, ALTEN positioned itself well in strategic areas and set up project platforms to support the change in the type of service requested by Areva and then EDF. The challenge for 2012 will be to continue to roll out platforms, continue the start-up of the UK EPR project and to affirm our top-tier service provider position with Areva when the APTE 2 reference comes up for renewal.

The **Oil and Gas** market is growing rapidly. High oil prices lead to oil companies increasing exploration investments for new oilfields. Projects are increasingly large and complex and are situated in areas that are increasingly difficult to access.
Total launched numerous projects in 2010 (Australia, South Africa). ALTEN is present on all of these projects. Its subsidiary Anotech Energy is involved in all business lines (exploration, drilling, project development, construction, operation) and is one of the leaders in the field with 500 engineers worldwide. ALTEN's international foothold provides the Group with a strong competitive advantage. The number of regions to cover is high, and it is sometimes impossible to invoice without a local subsidiary. Anotech Energy also carries out projects for engineering companies such as Technip and Saipem. Developments will be carried out with the majors, such as Statoil, Repsol and ENI, which have entrusted the Group with projects in 2011.

PROJECT REFERENCES

- Study of **methods of calculation** in order to define sub-sea oilfield structures based off the coast of Angola, in **1,800 to 2,100 meter-deep waters.**
- **Multi-location research** and monitoring project for the renovation work on installed French hydro-electric plants (engineering, civil engineering, command & control).
- Studies to **maintain nuclear power plants in operating order,** in line with regulations and with a view to preparing the **extension of their service life to 60 years.**

> ALTEN's international foothold provides the Group with a strong competitive advantage.

Gilles L., Head of the Solution Anotech Energy subsidiary

Christian M.,
Civil engineer
(*Polytechnique* graduate)
with ALTEN for the past
four years, runs the
ALTEN platform

PROJECT FOCUS

Batch control - General Installation for Areva at Pierrelatte (26).

"In 2010, ALTEN launched this major General Installation project with two engineers. Their role was to assist the customer in the monitoring of piping batch studies at the beginning of the implementation phase.

The context was challenging: delays on the batch, organisation of suppliers for an exceptionally complex project, refocusing business line expertise, etc.

The customer's recognition and confidence in our work and our expertise led to us being chosen to ramp-up the project and expand the service in outsourced platform mode. This migration was carried out in the autumn of 2011. The platform currently has five engineers to monitor the piping batch on two units that are being implemented.

Tasks include: support studies implementation (regulatory, operating, security and equipment issues, among others), monitoring and assistance with changes, negotiation for the implementation of additional work with the piping batch supplier, validation of technical solutions, verification of supplier plans (1,000 plans within the platform scope), monitoring of the compilation of the end of case file, either independently or cross-divisional with the various project business lines.

A part of the production facilities are operational pending a definitive delivery and the completion of the project at end-2014.

The aim is to expand the business locally around this platform and take advantage of the potential synergies in the general installation business lines in the Pierrelatte region."

The development of **Sustainable energies** is closely correlated to the State's strategic thinking in the nuclear sector. Wind and hydroelectric projects still remain limited in terms of engineering, mainly in terms of mechanics, but continue to increase over the medium and long term. Finally, the **Medical** and **Pharmaceutical** market is an area of strong growth for ALTEN in the Energy and Life Sciences sector in 2012 and draws on the Group's know-how in critical software, algorithmics, telecommunications, signal processing and image processing to gain market share in medical equipment.

Telecommunications and Multimedia

21.5%

OF REVENUE

The telecommunications market has been boosted by the development of quadruple play offers, the arrival of 4G and the explosion of mobile applications. The arrival of a fourth mobile operator on the French market will nonetheless force the three major players to implement substantial productivity plans to finance the significant investment needed to roll out fibre and 4G services. Equipment suppliers on the other hand have seen a return to growth in a climate of intense pricing competition. Technological engineering needs are high throughout Europe and are constantly changing:

- rolling out fixed (fibre-optic, etc.) Very High Bandwidth and mobile (4G/LTE, etc.) networks, primarily to support the explosion of mobile data traffic (3G dongles, unlimited contracts) and domestic video services (HDTV, interactive TV, etc.);
- corporate communication systems (video-conferencing, social networks, contact centres, etc.);
- convergence projects (voice/data, fixed/mobile, network/services) primarily linked to quadruple play services;
- innovation in terms of services and the reduction of Time-To-Market in a highly competitive market;
- the agility and the modularity of the IS operators to launch new offers (Billing, Distribution, etc.);
- the continuous improvement of customer relations and satisfaction;
- developing applications for both mobile technology, via Smartphone and tablet (iOS, Android, BlackBerry, Windows Mobile, etc.), and multimedia technology (Digital Television, Set-Top Box, on-board multi-media, virtual reality, augmented reality, etc.), as well as IS (Customer Relations, Provisioning, Roaming, Legal Compliance, etc.) applications; ALTEN is present in the Engineering and Technology Consulting and in Network Information Systems professions and is one of the main players in convergence projects and the launch of innovative applications and services.

PROJECT REFERENCES

- **Development of 4G systems (WCDMA) for an equipment supplier.**
- **Development and integration of HD digital TV functions in a Set Top Box for an operator.**
- **IT development of client management tools for an operator.**

> ALTEN is involved in convergence projects and the roll out of Telecommunications and Multimedia infrastructures and applications.

Marc U., Telecommunication and IT Technical Director

A global foothold

Our close proximity to our customers in France (Paris/Paris region, Lyon, Rennes, Sophia, Bordeaux, Toulouse), Europe (Spain, Germany, Belgium, Italy, Sweden) and further afield (United States, India) makes ALTEN the partner of choice for large Telecommunications projects. Three major acquisitions were carried out in 2011, all of which were international:

- Calsoft Labs, a company based in India and the United States specialising in Electronics and Telecommunications with 650 engineers;
- Bardenheuer, a 30-person German company specialised in network security;
- Enea, a Swedish company with 250 engineers, a leader in Telecommunications.

In 2012, the challenges faced in France will include the roll out of services in outsourced work package mode to meet the productivity needs expected by the operators. The ALTEN Delivery Center in Sèvres, which was officially opened in January and specialises in Telecommunications and digital TV, meets this target.

The target abroad is to diversify Calsoft Labs' services in Europe and reinforce its presence on US projects. Cross-development measures may be considered with ALTEN for customers such as Alcatel, which has an R&D centre in Texas.

PROJECT FOCUS

Pierre P.,
project manager

Development of new generation Telecommunication network equipment for Alcatel-Lucent.

"For many years, ALTEN has worked in association with telecommunications equipment suppliers in their race for innovation. We are a long-standing partner of Alcatel-Lucent and thanks to our track record in 2G and 3G technologies we have been able to rapidly build a project team thanks to our local expertise. We have also included ALTEN consultants from Calsoft Labs India in the team as their expertise in the Telecommunications field, and more particularly in layered host protocols, allowed us to meet the deadline to implement this project.

This international and multicultural team was created immediately to meet the expectations of Alcatel-Lucent. Implementing a rapid-response approach, the team is divided into two "scrum teams" which are both independent in terms of their developments and integrated in Alcatel-Lucent's overall project plan. Following an immersion training period at Alcatel-Lucent's Lannion site, the project is carried out on ALTEN's premises in Rennes, with specific testing means and a remote connection to Alcatel-Lucent's software configuration management environments.

ALTEN is proud to be able to contribute in this way to the development of Alcatel-Lucent's new radio equipment product line, called "lightRadio", which is based on a "system-on-chip" architecture and which in time will cover second, third (3G WCDMA) and fourth generation (LTE) radio protocols.

This is also the first joint project carried out between ALTEN France's teams and those of the Indian subsidiary Calsoft Labs that was acquired in 2011."

Finance and Tertiary

16.5%

OF REVENUE

In 2011, ALTEN faced a particularly challenging situation in the **Bank, Finance, Insurance and Tertiary sector.**

Spain was particularly affected by the 2010 economic slowdown which intensified in 2011: public sector bodies drastically reduced investments in the modernisation of IT systems. In France, the situation became tenser in the second quarter due to the economic crisis and Greek sovereign debt worries. Against this difficult backdrop, we succeeded in renewing our mandates for the next two years with major customers (Société Générale, BNP Paribas), and expanding our customer coverage through the Prestige referencing of Crédit Agricole and its subsidiaries and with BPCE and Natixis. Almost 1,500 consultants provide services to our customers' business line projects and information systems, mainly in the Paris region, but also in other regions of France, in 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.

Recognised skills and expertise

ALTEN's ability to develop its service range in terms of operating methods, due to the maturity of its gradual change management model (service catalogue, outsourced platforms, fixed-price charges), enables the company to pro-actively adapt to its customers' changing relationship with their service providers. Our presence, our solid understanding of customers' issues and our expertise in the implementation of operational service centres (TSA, TRA, TMA, Prod/Infrastructure) allows us to maintain and even develop our mandates and will facilitate our expansion in a complex economic climate.

PROJECT REFERENCES

- Implementation of a Management of Infrastructure project skills centre.
- Introduction of a fixed-price business charge for level 1 application support in four capital market business line divisions.
- Implementation of a Security Support Centre for a large banking customer.

"Despite a fragile economic environment, ALTEN strengthened its positions in investment banking and retail banking."

Jean-François Guyomar, Executive Vice President Head of NTIS Paris

Validation of a mathematical derivative risk hedging model.

Lourdes A.,
ALTEN project manager

PROJECT FOCUS

Trading functions Delivery Center, level 1 support in the Credit Investment Banking Division of a large French bank.

"Since January 2010, ALTEN's level 1 Support Delivery Center offers Applications Support for trading functions and "apparent" business lines (front, middle and back office). More than 50 applications used by these department are managed by ALTEN's engineering teams.

The customer's initial wish was to rapidly bring the Delivery Centers in line with its needs and optimise resource management by capitalising on its organisation with two main objectives: benefiting from cost reductions and being able to measure and improve operational performances.

The initial situation was characterised by a very high backlog and badly-designed organisation, which led to a loss of efficiency and a drop in service quality as well as reactive management with no analysis or continuous improvement.

The new organisation following the implementation of a Delivery Center has redefined roles and allowed for a more rapid-response management with motivated, dedicated and empowered production resources.

The Delivery Center, which is run by a project manager who is assisted by four Technical Leaders, operates in accordance with three contractual lines.

A quality assurance plan sets out the means and measures implemented by ALTEN to guarantee the correct provision of services. A catalogue of services then describes 342 operational procedures (the set-up of trader accounts, application configuration for apparent business lines, etc.). Finally, a service agreement outlines the invoicing system and requirements. The business, based on actual production, is invoiced in work units.

In January 2010, the Delivery Center employed 12 consultants. As the model met expectations, the Delivery Center was launched at another subsidiary. Currently, 40 consultants provide services on the customer's premises.

As part of the renewal of this partnership in 2012, ALTEN has offered the customer the possibility to completely outsource these services to its premises. The maturity of the Delivery Center and its ability to bear that responsibility was proven during a physical move carried out by ALTEN which is the first stage of the outsourcing process. The analysis, optimisation and pooling of procedures will generate further cost savings."

ALTEN worldwide

ALTEN generates one-third of its turnover abroad and two-thirds in France. The success of European customers in new markets, globalisation and the increasing outsourcing of R&D in Europe have led ALTEN to accelerate its expansion worldwide.

France

France is the second-biggest investor in R&D in Europe behind Germany. ALTEN is the leading Technology Consulting (TCE) and Engineering company on this market.

ALTEN's revenue has increased markedly (+13%) as has its engineering headcount (+500).
Growth was sustained in the automotive sector. Unfortunately, PSA's sharp reduction in R&D spending at the end of the year considerably dampened this trend. Our tier one ranking with all the major customers will enable us to maintain our positions. The challenge will be to generate productivity gains in the implementation of our work packages in order to maintain margins.

> A satisfactory year, ALTEN confirms its uncontested position as market leader in TCE in France.

Simon Azoulay, ALTEN's Chairman and CEO

The challenges nonetheless vary by region

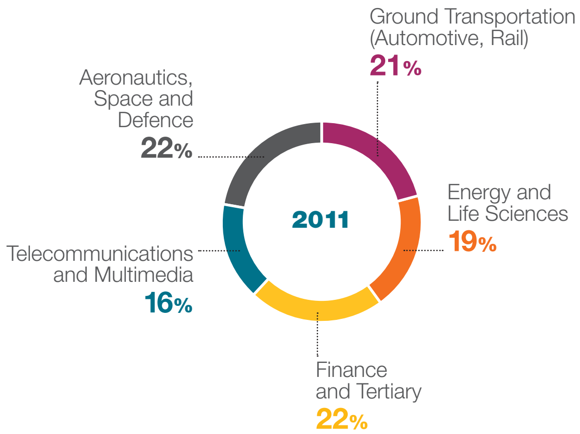
In the Paris region, the outsourcing policy is managed by the purchasing departments and there is permanent pressure on prices. Productivity gains are generated by offshoring partly to low-cost countries and/or by adapting solutions (higher volumes, globalisation). An increasing number of projects are carried out in work package mode, based on work units defined with the customer. Outsourcing expectations are high, with ALTEN taking responsibility for the engineer's working environment.

›››

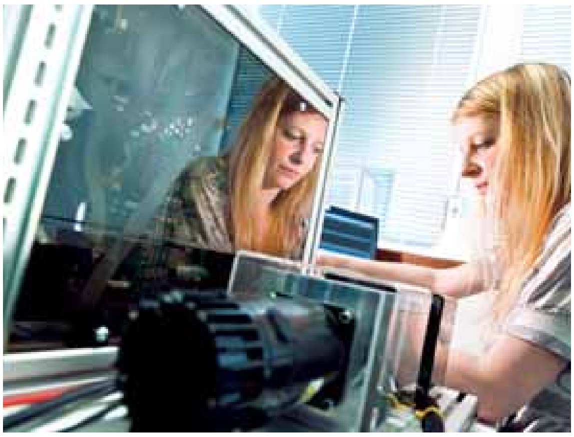
€715.7 MILLION
67.2% of revenue
of which
TCE: 72%
and **NTIS: 28%**

7,800 ENGINEERS

In Aeronautics, we are continuing to develop at Airbus and have confirmed out top tier ranking in the E2S streamlined list of outsources for EADS. Our growth outlook is good with Dassault, assuming sales of the Rafale abroad. In the Energy sector, 2011 was a year of transition in Nuclear energy. The Group's repositioning in terms of solutions and in strategically challenging fields at Areva and EDF should yield benefits in 2012.
In Telecoms, mobility needs and the switch to High Capacity Broadband is increasing demand for research. Finally, the Finance and Tertiary sector has suffered due to the economic environment however the market positions have been preserved and early 2012 has been better than expected.



France



To make further productivity gains, certain parts of projects can be outsourced to countries such as Spain and Romania.
This development has led to the streamlining of service providers, which allows mandated companies to gain market share and have better long-term visibility. A strong Technical Division is required in order to manage projects, take advantage of feedback and Knowledge Management, generate productivity gains for the customer and maintain margins. Technical infrastructures are also required to manage outsourced projects.
ALTEN is the leading player in work package solutions which account for 45% of its projects. ALTEN had 13 Delivery Centers in France, one of which was opened in 2011 in Massy to manage Safran and Renault's outsourcing and another in January 2012 in Sèvres for telecommunication and digital TV manufacturers and for PSA. A new Delivery Center is set to open in La Garenne-Colombes to manage the outsourcing of PSA's R&D business in work package mode.
This change in type of solutions, which started as early as 2003-2004 in Aeronautics, then in 2008 at Renault, accelerated in 2011. ALTEN has renewed all its tier 1 ranking (PSA, Renault EEEA, EADS, Thales, Sageln Alstom, Alcatel, etc.). Elsewhere in France, excluding the Aeronautics (Toulouse/Airbus, Marignane/Eurocopter) and Rail sectors (Alstom), the main market is Technology Consulting and the addressable market share is higher than in the Paris region. Potential for expansion therefore remains high in all sectors and regions.

Spain

ALTEN Spain has offices in Madrid, Barcelona, Sabadell and Valladolid. In 2011, two sites were opened in Pamplona and Cadiz, in order to increase the geographic coverage offered to our clients.

The Engineering department specialises in Engineering and Technology Consulting and works in cooperation with its customers in all phases of their projects' life cycles, from upstream research through to their development:

- Technology consulting for researching and designing technological products;
- Technological and industrial project management.

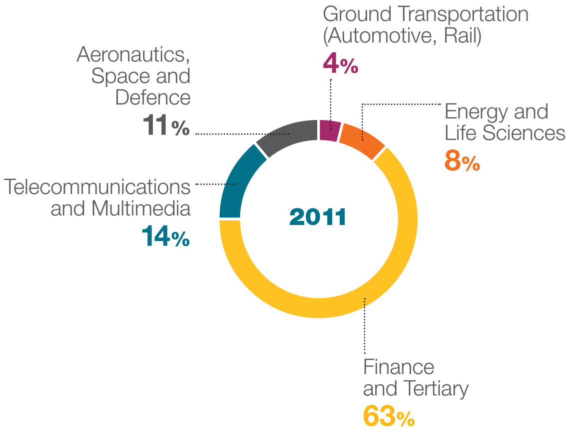
The TIC division provides global IT services for the public and private sector as part of its business solutions: e-Business, software development, management system integration, Business Intelligence, and Risk Management. 2011 was affected by the recessionary climate and a sharp reduction in investment. This was true of both the public and private sectors, which had already dropped 7.5% and 9.9% respectively in 2010. In these challenging market conditions, ALTEN Spain managed to maintain its business at the same level as in 2010 thanks to its development in the Services, Telecommunications and Energy sectors.

The opening of the regional headquarters in Pamplona and the technical centre in Seville strengthened our position in the Industrial and Aeronautics sectors and benefited customers such as Airbus, Gamesa and Gas Natural. The stiff competition and pressure to cut prices from the majority of our customers in the public authorities have, at times, led us to reduce our activity to ensure that we remain profitable in this market.

The creation of new teams in 2012 to develop the Aeronautics sector and strengthen the engineering business in Northern Spain will help boost growth in the Engineering department. The TIC department will continue its expansion in Madrid, Catalonia and Northern Spain. New sources of growth will be targeted in the private sector to compensate for the strong decline in the public authorities sector which is expected to make further reductions in investments or even axe certain government agencies.

€70.2 MILLION
6.6% of revenue
of which
TCE: 22%
and **NTIS: 78%**

1,370 ENGINEERS



> We have started major work on developing our TCE solution.

Ignacio V., Managing Director ALTEN - Madrid

Sweden

In 2011, Xdin celebrated 20 years in business and posted very strong and profitable growth in all business sectors.

€70.5 MILLION

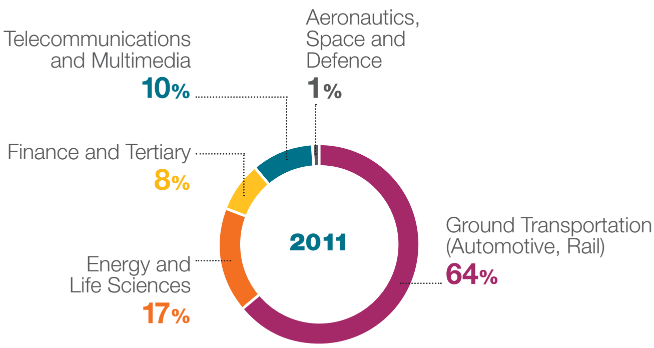
6.6% of revenue
of which
TCE: 90%
and **NTIS: 10%**

750 ENGINEERS

Despite the major changes in the Automotive sector (sale of Volvo Cars to Chinese shareholders, closure of Saab Automobile), engineering demand was high. Numerous new silhouette designs were launched in 2011, which generated research and design projects in bodies (mechanics) and on-board electronics, two areas in which Xdin is very well positioned.
The commercial vehicle segment (Volvo AB, Scania), where Xdin has leading positions, also grew rapidly in the same areas of expertise.
The Group also performed well in telecommunications, with customers including Telia and Ericsson. The acquisition on 1 January 2012 of Enea Consulting, a leader in Telecommunications with 250 engineers, made Xdin a major player in this sector. It has allowed it to launch cross-sector development activities and offer a higher value-added expertise in on-board systems (for example, M2M - Machine to Machine - for automotive) and IT. Finally, the demand has remained high in the Energy sector, for Oil & Gas projects in Norway (facility designs, digital computation and simulation) and renewable energy in Denmark (wind farms, mechanical design).
New offices were opened in Malmö, Linköping and Västerås to deal with this overall growth. These are in addition to our existing offices in Gothenburg and Stockholm.
Xdin is currently the largest foreign engineering company in Sweden, with critical size in the country's three largest sectors (Automotive, Telecommunications, Energy) and top-class regional coverage. In 2012, the main challenges include the integration of Enea, continuing our expansion in the Energy sector and generating synergies in the Automotive sector to broaden our services (Enea/Automotive) and customer base (leverage our know-how in the bodies business lines with German car makers with ALTEN GmbH, develop relations with Chinese car makers).

> “ALTEN has become the largest foreign engineering company in Sweden.”

Fredrik N., Managing Director Xdin ALTEN - Sweden



Germany

Germany is the leading investor in R&D in Europe (90 billion in 2012). Its economy withstood the economic crisis, largely due to industrial sectors such as Automotive, Aeronautics, Energy, Telecommunications and Medical equipment with solid market share worldwide.

The Automotive sector is experiencing strong growth and ALTEN works with all the major car makers. Opel, a subsidiary of GM, is set to collaborate with PSA in the design and manufacturing of common parts, probably in the small vehicle segment. In terms of engineering, demand is high for the powertrain (traction system), an area where ALTEN has considerable expertise and know-how.

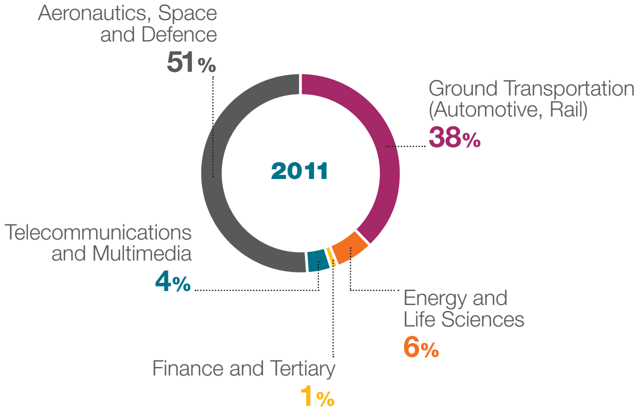
> "Expansion in Germany is a priority for 2012, since it offers good growth prospects and margins."
>
> **Simon Azoulay, ALTEN's Chairman and CEO**

The de-commissioning of nuclear reactors will favour the development of renewable energies, traditional plants and intelligent energy storage and distribution technologies (smartgrids) which will generate demand for telecommunications and control electronics, as well as a number of studies on nuclear safety and dismantling engineering.
The TCE market is dominated by major German integrated engineers such as IAV (50%-owned subsidiary of VW), Bertrand, AVL, FEV, Ferchau and T Systems (subsidiary of Deutsche Telekom). Numerous small and medium sized single-sector companies work alongside them in high value-added niche markets. Temporary staffing agencies benefit from favourable legislation and provide back-up capacity. Prices and margins are higher than in France, with outsourcing strategies mainly driven by technological value-added. ALTEN grew by 20% in 2011, through both ALTEN Technology in the northern half of Germany and ALTEN GmbH in the south.
ALTEN grew by 20% in 2011, via ALTEN Technology in the Northern half of Germany and ALTEN GmbH in the South.

The acquisition of Bardenheuer, a highly specialised network security company with 30 engineers, allowed us to position ourselves in the Telecommunications sector. Expansion in Germany is a priority for 2012, since it offers good prospects in terms of margins. This will mainly be achieved through organic growth as external growth opportunities are complex. ALTEN Technology will open three offices, in Hanover, Bremen and Berlin. These offices will reinforce our presence in Hamburg where we have provided transnational work packages for the Aeronautics sector (Hamburg) for many years. They will be developed by experienced mangers. We will also open a management training centre there. In the south of the country, we aim to gain market share with BMW and Daimler by promoting the work package mode, and capitalising on France's know-how in terms of the powertrain and Sweden's experience in vehicle body design. The partnership between B2i and Daimler on the thermal and electric powertrain (B2i Automation Suite software to validate the Daimler/Renault programme control laws, HIL benches for the testing of inverters) will also benefit ALTEN GmbH.

€70 MILLION
6.6% of revenue
of which
TCE: 96%
and **NTIS: 4%**

820 ENGINEERS



The Netherlands

In the Netherlands, ALTEN's sole business is Engineering and Technology Consulting.

€34.7 MILLION

3.3% of revenue
of which
TCE: 90%
and **NTIS: 10%**

400 ENGINEERS

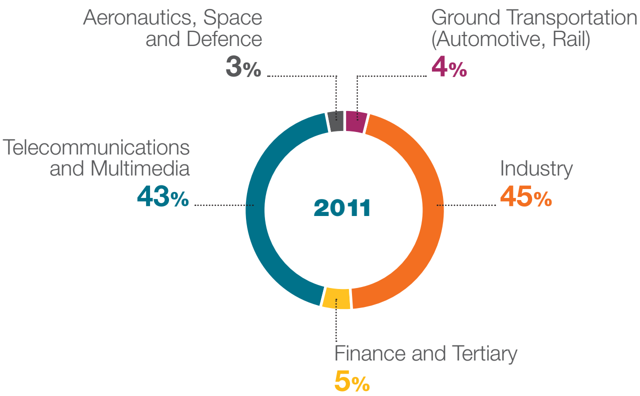
Our three offices, in Eindhoven, Apeldoorn and Capelle a/d Ijssel, cover the country's main technological centres. A large share of our services is in technical software development (on-board electronics, command and control, automation etc.). In this field, we are one of the top five companies in the country.
We provide our customers with consulting and project solutions in work package mode, both on site and outsourced. We have gained the trust of most of the major industrial players in electronics (Thales), manufacturing (Philips, ASML), energy (Shell) and the ministry of Transport. We have a top-tier ranking with a number of these companies, which gives us a strong market position and good long-term visibility.
The quality of our services and our organisation has allowed us to generate growth of close to 30% in 2011, making ALTEN a leading TCE player in the Netherlands.
In 2012, ALTEN will restructure by business line, in order to provide more efficient services on a national level.

The first step will be the creation of three business units:
- ALTEN PTS: technical software development;
- ALTEN DDA: technology for production facilities and units, in particular for the energy and chemicals sector;
- ALTEN Mechatronics: mechatronics and robotic technologies;

At a later date, new business units will be formed to support growth and the capitalisation of certain business line segments.

"The quality of our services and our organisation has led to growth of nearly 30% in the Netherlands in 2011."

Olivier Granger,
COO, International



Belgium

ALTEN Belgium's services are based on ALTEN's two business lines: NTIS and TCE.

The NTIS solution is available in four areas of expertise: Business & Management (business line expertise, governance), software development (business/software analysis), Infrastructure and Systems (IP & wireless networks, security, databases/data storage) and software integration (Business Intelligence, Knowledge Management and CRM).
In the TCE business line, we provide both Advanced Technology and Engineering services. The Advanced Technology department provides services for companies who design and develop innovative products.

This approach allowed us to develop strategic partnerships with major Belgian companies in various sectors, including telecommunications and pharmaceuticals. Furthermore, margins have improved markedly. The financial sector continues to suffer from the economic climate (Dexia, ING, Euroclear). Moreover, innovative medium-sized industrial companies in Flanders are also starting to feel the effects of the slowdown, which suggests possible cost cutting in 2012.
We are nonetheless confident of a return to growth.

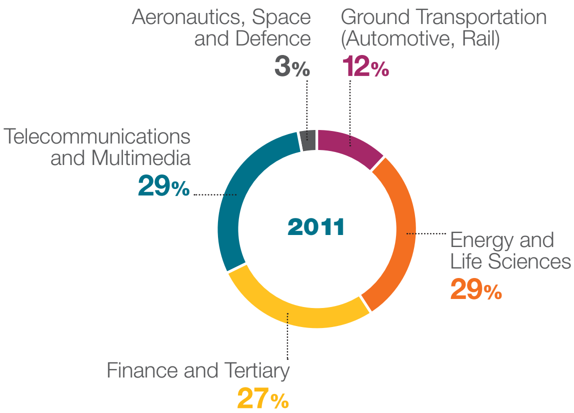
€33 MILLION
3.1% of revenue
of which
TCE: 50%
and **NTIS: 50%**

300 ENGINEERS

"In a particularly gloomy economic climate, business investments in 2011 and the quality of our new structure make us confident in a return to growth in 2012."

Fabrice L., Division Director ALTEN Belgium

The Engineering department focuses on the industry and the technology required to design, create, run and keep complex business units operational.
The subsidiary was overhauled and completely restructured in 2011 due to the gloomy economic environment.
In terms of business, ALTEN Belgium invested massively in a sales strategy based on work package solutions, in particular in software development and testing.



Italy

ALTEN Italy's business solutions are mainly focused on Networks and Information Systems, with a strong presence in the Banking-Finance-Insurance sector.

€26
MILLION
2.4% of revenue
of which
TCE: 30%
and **NTIS: 70%**

370
ENGINEERS

ALTEN Italy has created a fourth division dedicated to the steadily growing telecommunications sector. Its other three divisions are TIC, Solutions and Techno.

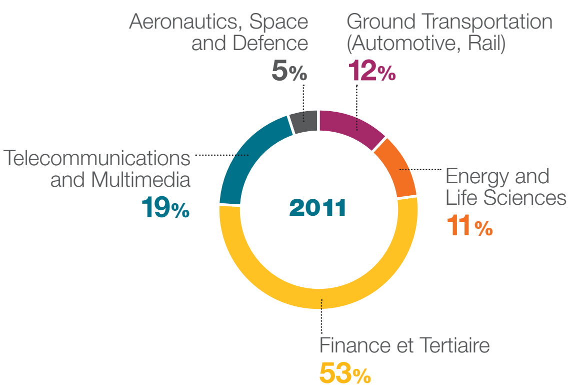
> "We are set to rapidly gain critical size on the Italian market."
>
> **Gualtiero B., Managing Director ALTEN Italy**

A technical expertise centre specialised in Java-Oracle-Mobile technologies was created to meet growing needs in this booming market. ALTEN Italia has four centres of excellence (Java, Microsoft, BMC, IT Governance & Testing), which rely on large-scale partnerships:

- Microsoft Gold;
- BMC Remedy at the national level for licenses and services and at the international level for training;
- ISTQB.

The only ISTQB (International Software Testing Qualifications Board) certified trainer in Testing, ALTEN Italia will again be Forum Software Testing's Platinum partner, at the Italian event dedicated to software products and services quality and testing.
The outlook for 2012 is good, and ALTEN Italia's aim is to rapidly reach the critical size of 800 engineers in Italy.
External growth operations are currently being examined to strengthen the subsidiary's positions in the Automotive and Aeronautics/Space/Defence sectors and to broaden its regional presence.
Organic growth will be achieved by:

- diversifying business sectors. For example, the ENI account, a major Energy account, was opened in 2011 and promises significant growth prospects in a sector that accounted for just 3% of 2011 revenue.
- enhancing the TCE and Telecommunications business line. This will be boosted via synergies with the Group's other business units. For example, we will rely on Alstom's LP150 reference that was negotiated in France to penetrate this high-potential customer.
- consolidating solutions in which we have strong expertise and know-how.



Romania, India and the United States

“India and Romania: two solid foundations for nearshore and offshore, and specialised know-how in both TCE and NTIS.”

Gérald Attia, ALTEN's Deputy Managing Director

Nearshore (geographically close countries) and Offshore (geographically distant countries) operations are essential in addressing customer strategies in terms of:

- 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 exchange rate;
- costs, in order to achieve productivity gains in some stages of the product design and research process.

ALTEN's offshore and nearshore delivery services are a key part of the ADC (ALTEN Delivery Center), a structure that is managed by the Technical Division to ensure project development standards.

In Romania, ALTEN is present in TCE and NIS through its ALTEN Romania subsidiary and also deploys significant resources for technical documentation projects in the Aeronautics sector, which are managed by Atexis SRL. The two subsidiaries employ 250 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.

On the local market, ALTEN Romania mainly operates in the automotive sector, infrastructure and in information systems.

ALTEN Romania also performs 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 NTIS field for the ALTEN Group as a all or part of IT development or mobile application projects for its internal requirements or those of its customers.

Atexis 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 and France, who benefit from a qualified, stable and lower-cost skills base.

In India, ALTEN is the largest European TCE company with almost 700 engineers. ALTEN depends on two structures:

- ALTEN India Private Limited (AIPL), a subsidiary created in 2010. Based in Bangalore, AIPL has more than a hundred employees that work on transnational engineering and technical documentation projects, mainly for the Aeronautics sector;
- Calsoft Labs was acquired in 2001. With offices in Bangalore, Chennai and Mysore, it generates 10% of its business locally and 90% via offshore production for US projects. Calsoft Labs therefore also has offices in Santa Clara (California) and Boston (Massachusetts) where its teams advise local customers and liaise with the Indian production centres. Its 600 engineers design, develop and test technological products that require considerable expertise in electronics and embedded software, telecom networks, multimedia, mobile platforms (Android) and information systems.

Calsoft Labs' presence in **the United States** provides ALTEN with a solid base for future expansion (some 100 engineers) which will allow the Group to market their services to the country's other sectors (e.g. Aeronautics, Oil, Gas and Telecommunications). In 2012 Calsoft Labs will initially try to market its services offshore to European customers in order to broaden its customer base. Synergies have been implemented in the Telecommunications sector, offering interesting opportunities for clients such as Alcatel-Lucent.

ALTEN's commitments

Against a backdrop of widespread internationalisation of sector challenges and risks, stricter regulations and rapidly changing technologies, ALTEN embraces its role of sector leader by integrating the challenges of Sustainable Development into its Group strategy.

Stakeholder mapping

As the leader in Technology Consulting and Engineering and present in 14 countries, ALTEN is committed to its stakeholders - to meet their needs, anticipate their requirements and balance the performance and Sustainability of its activities.

STUDENTS AND RECENT GRADUATES, FUTURE HIGH VALUE-ADDED PARTNERS

- Meetings, training workshops during student trade fairs, school forums, open days, conferences and competitions
- Partnerships with schools and student associations
- Employing interns and apprentices
- High percentage of post-graduate recruitment

BODIES PROMOTING SCIENTIFIC CAREERS, UNVEILING TOMORROW'S POTENTIAL

- Supporting the promotion of the engineering profession, in particularly to females, through the "ALTEN Fund for Engineering"
- Supporting students' entrepreneurial initiatives
- Supporting and organising events to promote careers in science: competitions, exhibitions, etc.

LOCAL AUTHORITIES, GENERATING SUSTAINABLE ACTIVITY

- Respecting the legal obligations for a company trading on the Euronext
- Commitment to implementing responsible practices with the Syntec
- Anticipating changes in regulation when possible

SHAREHOLDERS, SUPPORTING OUR DEVELOPMENT

- Results in line with expectations
- Generating sustainable growth

INTERNATIONAL ORGANISATIONS, LEADING TOWARDS A MORE RESPONSIBLE APPROACH

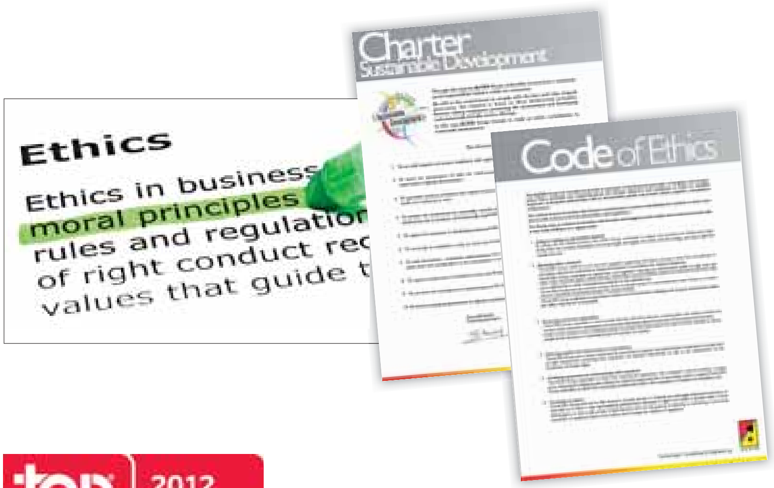
- Compliance with the ILO and Global Compact's fundamental principles
- Communication on ALTEN's progress in Sustainable Development
- Use of the Global Reporting Initiative principles
- Monitoring the arrival of new standards and new initiatives that ALTEN could apply to its business

OTHER SECTOR PLAYERS, COMPETITORS WHO DRIVE US TO SURPASS OURSELVES

- Monitoring competitors' projects in terms of Sustainable Development
- Targeting performance and emulation of ALTEN's employees

OUR CUSTOMERS, DRIVING OUR QUEST FOR INNOVATION

- Development of innovative projects and quality services
- Support in the creation of environmentally-friendly solutions
- Commitment to investing means and gaining results in the drive for excellence
- Respect of CSR criteria
- Meeting customers' expectations



EMPLOYEES, ALTEN AMBASSADORS

- Training and gaining expertise
- Managing careers and internal mobility opportunities, guaranteeing healthy, safe and stimulating working conditions
- Raising awareness and offering training in Sustainability, ethics and stress management
- Equal opportunities in employment and career management
- Supporting projects led by employees in line with the Group's values
- Taking note of employees expectations

SUPPLIERS AND SUBCONTRACTORS, THE PARTNERS OF OUR SUCCESS

- Building sustainable partnerships
- Raising awareness among ALTEN's purchases and managers in terms of ethics
- Co-signature of the Responsible Purchasing Charter

CIVIL SOCIETY, INSPIRING RESPONSIBLE INITIATIVES

- Contributing to a healthier and more sustainable environment thanks to Low Consumption Buildings, waste sorting, etc.
- Contributing to local life through the hiring of personnel and partnerships with suppliers
- Development of partnerships with protected sector companies
- Development of innovative solutions that respect the environment and social development: sustained mobility, energy efficient buildings, etc.

SOCIAL PARTNERS, DRIVING THE SUSTAINABILITY APPROACH

- Raising awareness, participation and exposure to ALTEN's projects and improvements in terms of Sustainable Development
- Guarantee for employees to be defended and listened to

PROFESSIONAL BODIES, DEFENDING THE SECTOR'S INTERESTS

- Participation in SYNTEC's and GEICET's work, in particular in terms of Sustainability improvements in the sector
- Together with these organisations, commitment to the ministry of Ecology, Sustainable Development, Transport and Housing relating to the implementation of responsible practices
- Defending engineering professions to the local authorities and industrialists

Sustainable Development Charter

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

OUR COMMITMENTS

1 To act with integrity and ensure compliance with the applicable laws and regulations.

2 To foster the development of skills, the social promotion of its employees, diversity and equality of opportunity in fighting discrimination.

3 To guarantee working conditions that respect fundamental rights and provide its employees with security, health and well-being at work.

4 To protect the environment by sustainably reducing the impact of its activities on natural resources and biodiversity and to promote environmentally responsible practices on the part of its employees.

5 To support its customers in developing environmentally-friendly solutions.

6 To encourage its employees to play an active part in responsible innovation.

7 To unite its partners – customers, subcontractors and suppliers – around its values and encourage them to make their own contributions to its commitments in terms of sustainable development.

8 To support programmes of solidarity in line with Group values.

9 To strive for the development of engineering and the promotion of scientific and technical careers.

10 To base its corporate governance on rigorous management and responsible communication.

Responsible Purchasing Charter

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

HUMAN RIGHTS

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

LABOUR

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

ENVIRONMENT

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

FIGHT AGAINST CORRUPTION

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

SUPPLIERS' OBLIGATIONS

This charter is part of the general conditions of sale and applies to all ALTEN Group suppliers, who must also transmit these provisions to their own suppliers, including those in countries that have not signed International Labour Organization agreements and where they may work.
Suppliers of the ALTEN Group must comply with the national and international regulations in force.
They undertake to take the necessary measures to ensure that the principles set forth in this charter are respected.
ALTEN reserves the right to carry out audits for which suppliers undertake to provide the requested information and present an annual report of compliance and improvement measures during annual steering meetings with ALTEN.

Code of Ethics

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

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

RESPECT OF HUMAN RIGHTS

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

COMPLY WITH LABOUR STANDARDS

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

HONOUR TRADE RELATIONSHIPS

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

ENSURE THAT SUPPLIERS AND SUBCONTRACTORS ADHERE TO OUR STANDARDS

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

PROHIBIT AGREEMENTS AND UNDERSTANDINGS WITH COMPETITORS

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

PREVENT CORRUPTION

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

MANAGING EXPORT CONTROL

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

RESPECT OF PRIVACY POLICIES

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

OUTLAW INSIDER DEALING

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

SYNTEC-INGÉNIERIE

SYNTEC INGÉNIERIE VOLUNTARY COMMITMENT: ALTEN CONTRIBUTES TO SUSTAINABILITY IN THE ENGINEERING FIELD

As part of the voluntary agreement signed in 2010 with the French Ministry of the Environment, Syntec Ingénierie - the federation of engineering professionals, of which the ALTEN Group is a member - has developed projects and tools to improve the recognition of Sustainability issues by its stakeholders, and to accelerate the implementation of the decisions made at France's Environment Summit.
The focus was mainly on the **construction** industry with the development of tools and measures to optimise energy consumption in a hands-on manner, and strengthen links with the High Quality Environmental association; **mobility,** in particular challenges concerning intermodality, interoperability and the development of intelligent transport networks; **corporate social responsibility,** with the creation of Sustainability best-practise guidelines in the engineering filed, and a CSR approach aimed at its stakeholders; biodiversity, through the mapping of internal expertise in terms of the environment and **biodiversity.**
A **Project Sustainability Logbook (CBDD®)** was created: this management tool aimed at promoting dialogue and raising awareness was created to support the players of Sustainability projects beyond the strict application of standards and regulatory requirements, by taking into account the entire lifecycle of a project, including the impact on Sustainability aspects.

To its employees

ALTEN's employees are the guarantors of the quality of customer relations and the Group's competitiveness. Thanks to its proactive Human Resources policy, ALTEN is committed to bringing out and developing talent and to fostering the employability and welfare of its employees. The Group promotes equal opportunities and encourages diversity.

ALTEN, A RESPONSIBLE EMPLOYER

INTERVIEW WITH
Hélène GB.,
ALTEN Group
Human Resources Director

How is this commitment reflected in the company's HR policy?

The ALTEN Group has seen sustained growth, both in France and abroad, in recent years, which confirms its position as leader in its sector. The key to this success is the men and women who work for the Group, they are its strength. Acting as a responsible employer is firstly about making a commitment to encourage the entry of young people into the employment market. In 2011, we recruited almost 3,500 persons on permanent contracts, of which 30% were young graduates. We are very active in the student community and have solid partnerships with more than 50 schools. We also take part in workshops to prepare future graduates for finding employment, and we employ over 150 interns and apprentices each year. We also accompany our employees in their professional development by implementing HR processes that favour training, mobility and access to information on career opportunities. We promote diversity. A particular concern in our sector is access for women to careers in engineering. We actively promote careers in engineering in schools, especially to young females.

More particularly, what measures have been taken to boost employees' employability?

Our employees, engineers, support staff and managerial staff are recognised for their know-how and their expertise. Within our Group we encourage everyone to master their trade and thus improve their employability. Moreover, our customer-orientated approach means that we must guarantee that our employees keep apace with the constant changes in technology.

How do you balance Group performance with your employees' quality of life at work?

The Group ensures a high quality of life at work for its employees by offering them a safe, healthy and motivating working environment. An agreement on methods of preventing stress was signed by the end of 2010 by management, trade unions and employee representatives. This agreement allowed us to carry out a study of stress and welfare in the workplace in 2011 through an anonymous questionnaire distributed to employees. This provided us with an initial insight into the real welfare of our employees. At the same time, we launched a made-to-measure training programme for stress management in all our French offices, which was attended by 193 managers. This training programme will continue in 2012. Our focus in 2011 was the security of our employees, especially for those working at the premises of our customers whose businesses present certain risks. We contact and monitor them regularly and have preventive measures in place for their benefit: all risk scenarios must be identified, studied and anticipated! Our employees' job satisfaction remains our main objective; we thus distributed satisfaction surveys to our engineers and the information drawn from these surveys drives our desire to improve working conditions even further. Finally, we are proud to announce that ALTEN was crowned Top Employer at the beginning of 2012, an award which recognises the Group's efforts to be an exemplary employer.

What measures has the Group taken in terms of diversity and equal opportunities?

We are strong believers that diversity within the workforce is a source of value. The average age of our employees is fairly young, but we have nonetheless introduced a dedicated career management process for our more experienced profiles. All senior employees are entitled to an interview during the second part of their careers with the HR teams, which allow them to envisage their future career within the Group and voice their wishes and aspirations. They also have dedicated access to training. To make the most of these senior profiles, these employees are sometimes asked to mentor junior engineers with the aim of passing on their expertise. The Group acts to respect gender equality and sets out to promote the professional development of women and to ensure equal pay. Diversity is also linked to the multiculturalism of our employees: more than 70 different nationalities are represented in the ALTEN Group's workforce! Finally, we have set up a think tank on a policy for integrating disabled employees and keeping them in employment. This will be one of the main priorities of our HR policy in 2012.

DEVELOPMENT OF SKILLS

The ALTEN Group has reiterated its wish to develop the expertise of its employees and to ensure their employability, via the setting up of various frameworks.

The ALTEN Training Center, a vehicle for employee training

Enhancing the expertise of our employees is one of our main objectives. Since 1 January 2011, the ALTEN Group has its own certified training organisation, the ALTEN Training Centre, which enriches internal training and structures and diversifies training solutions for employees. The ALTEN Training Center exchanges and promote the Group's values and establishes internal relations between the Group's various departments and employees. It is also a source of innovation and reflection which accompanies changes within the company and the development of its professions. Some employees are moreover given the opportunity to become internal trainers; and can themselves enrol on training courses for trainers.

ALTEN Management Programme, strengthening the expertise of the Group's sales managers

The Group's managers drive customer relations, are responsible for the expertise and motivation of its engineers and must demonstrate their value added in terms of management and sales. ALTEN have developed dedicated training programmes for its managers: the ALTEN Management Programme (AMP), which aims to rapidly make managers independent via training modules called Amplify. The AMP programme teaches managers to achieve their full potential, draw on their experience to make it meaningful and then draw up best practises. Group-based training, based on business lines, is provided by some 100 of the Group's operational employees and by various external consultants. Topics covered vary according to the level of responsibility of each manager. One-on-one support aims to develop individual efficiency.

Finally, managers much achieve two internal certifications to validate their progress towards greater responsibilities. AMC (ALTEN Managerial Coaching) measures their capacity to be inspirational leaders with strategic expertise through the use of professional role-play exercises. SPA (Structured Projects Aptitude) measures their capabilities in terms of legal, technical and economic project risks, as well as their knowledge of the Group's processes and tools. Amplify modules on certain subjects are also available at our international subsidiaries.

ALTEN WAY OF PROJECT MANAGEMENT

The ALTEN Way of Project Management training cycle was designed for project managers by the ALTEN Training Center and a team from the Structured projects division. The aims of this training cycle are to improve the quality and profitability of the Structured projects carried out for our customers, accelerate the implementation of the Delivery model and to develop the interpersonal and leadership skills of the project managers. In 2011, several dozen employees completed the three-part training cycle: e-learning training modules on the CMMI method, one-on-one coaching on the technical aspect of a project manager's role, followed by a four day module: "Asserting oneself in the role of project manager". Since the launch of this project, the trainees' appraisals gave marks above the satisfaction score of 9/10.

In total, nearly
500
of the Group's
SALES MANAGERS
were trained in 2011.

CAREERS MANAGEMENT, EQUAL OPPORTUNITIES AND WORKPLACE WELFARE

Creation of a Human Resources Department within each division

ALTEN has created Human Resources Departments for support functions within each division to develop a Human Resources policy that is better adapted to each division's needs and each type of position. Career and skills management tools and procedures have been restructured accordingly.

Internal mobility, at the heart of the wealth of skills

Internal mobility lies at the heart of ALTEN's HR policy: it is encouraged within the Group's subsidiaries and divisions, in France and abroad, for all types of positions. Employees' skills are enhanced by the discovery of new roles, other activity sectors and different cultures. Internal mobility is a source of growth and development which allows the Group to meet the needs of transnational customers. ALTEN has set up a skills and expectations identification process to balance the Group's needs with the aspirations of its employees: review meeting are carried out by a HR team, called the Careers Committee, on an annual basis for support functions and twice a year for sales managers. At the same time, the Talent Review scheme allows HR to source potential in each type of profession. Finally, "Mobility Opportunities" was created in 2011. This page on the ALTEN Group's intranet is aimed at support functions, and regularly publishes and updates internal promotion opportunities, by function and/or by region within the Group's various structures. Employees thus have a better view of internal promotion opportunities and are the "masters of their own careers" as they can apply directly for a published position. Encouraging internal mobility favours the careers prospects of our employees and, as a result, their motivation. We therefore benefit from the skills and know-how of our workforce.
This proactive, cross-departmental and transnational career management means that employees are constantly evolving within the ranks of management and technical expertise, providing them with fresh outlook on their professional careers.

EQUAL OPPORTUNITIES

Sandwich training: Alten supports students following courses that combine tuition with practical experience in the workplace, training them in the Engineering and Technology Consulting professions. Alten's tutors follow their integration and the smooth running of their contracts, and pay particular attention to the transmission and then acquisition of know-how and skills to each student. This allows Alten to identify potential candidates for future recruitment.
Disability: During Disabled Employment Week, Alten strove to raise awareness regarding disability among its employees with the aim of challenging prejudices. Alten has developed partnerships with the protected sector as part of its purchasing and sub-contracting policy. In 2011, Alten awarded the mailshot contracts for its non-confidential correspondence, i.e. more than 156,000 sheets, to Copiver, a specialist company adapted for employees with disabilities.

CEFRI

Employee safety, our responsibility

ALTEN's global approach in terms of employee health and safety led to the creation of a dedicated structure in 2011. This structure is dedicated to analysing and preventing risks, as well as to defining and launching the Group's Health Security Environment (HSE) strategy aimed at meeting regulatory requirements and our customers' expectations. Our CEFRI (manual for the management of radiation protection) certification demonstrates to our customers the efficiency of our HSE management system. Management procedures for our premises and risk management related to our customers' businesses are outlined during the drafting of prevention plans. Adapted infrastructures, protection equipment and other equipment that is in line with regulations are therefore made available. Our policy includes awareness campaigns and HSE-specific training, in particular on the risks of addiction and road safety, to which our employees are exposed on a daily basis when travelling for work purposes.

"I LOVE MY COMPANY"

On 15 October 2011, ALTEN's Boulogne-Billancourt sites launched the national "I love my company" campaign on their premises in order to re-establish the company as a place of life, discussion, creation and conviviality.

To engineering professions and technological innovation

ALTEN is committed to the flourishing of the engineering profession and scientific careers and encourages student entrepreneurship to promote excellence in tomorrow's engineers.

INTERVIEW WITH
Stéphane D.,
Engineer Recruitment Director

RECRUITMENT OF YOUNG GRADUATES

ALTEN is a benchmark in the French employment market and is dedicated to recruiting the strongest candidates to embrace its development.

What does ALTEN's recruitment policy consist of?

Since its creation in 1988, ALTEN has gained the confidence of numerous customers and has experienced strong growth. In order to guarantee the highest possible quality at all levels of customer relations, ALTEN actively recruits young engineers and employees that demonstrate strong potential. In 2011, ALTEN took part in almost 80 trade fairs and forums, built long-lasting relationships with engineering schools, universities and business schools by organising various technical training sessions and conferences, and also by supporting sporting events and humanitarian operations.

STRIVING TO FURTHER IMPROVE OUR RECRUITMENT PROCEDURE

In order to improve the quality of its recruitment procedure, ALTEN carried out a survey of 4,500 candidates interviewed during 2011 asking them to state the strong points of the Group's procedure as well as the areas that could be improved. The recruiter's ability to listen, answer questions and be professional as well as the presentation of the Group are strong points that were highlighted and on which ALTEN should continue to build. In order to optimize our recruitment procedure, corrective measures are being implemented, in particular a training session led throughout France by the Engineering Recruitment Division.

What professions does ALTEN offer?

The Group is currently a major employer. ALTEN is a great career springboard. In 2011, the Group made 3,500 recruitments on permanent contracts, of which 1,000 (around 30%) were young people with less than two years' experience, and almost all recruited on management contracts. A large proportion of the Group's hires are of engineers, which account for 90% of our headcount and are key to our success and performance. ALTEN recruits and trains business managers that are tasked with developing the Group's sales activity with its customers. To assist these two roles, the Group sources the best employees for its support functions, in finance, management, human resources, etc. Finally, ALTEN employs interns and students following courses that combine tuition with practical experience in the workplace , who are offered a permanent position when placements are a success.

What value added does working for ALTEN bring to candidates?

Joining a Group of 14,800 employees offers candidates access to the biggest technological projects in the Aeronautics, Automotive, Energy, Nuclear power, Telecommunications and Tertiary sectors. They benefit from ALTEN's sector and regional promotional opportunities with mobility programmes within France and in the 14 countries in which the Group is present. The Group's internal skills management and training policy also helps them improve their employability.

ALTEN'S OPEN DAY

In late December 2011, ALTEN had an open day for engineering school students. In addition to a presentation of Engineering and Technology Consulting professions, the students participated in several different sessions, allowing them to experience the roles of trainee, ALTEN engineer and recruiter. The students discovered the various aspects of the profession of engineer and learnt how to write their CV and also optimize their search for suitable positions.

Supporting ambitious projects

ALTEN AND THE CNJE SIGN AN AMBITIOUS PARTNERSHIP

ALTEN signed a partnership with the *Confédération Nationale de Junior-Entreprises* (CNJE, the National Confederation for Young Enterprises) in 2011. This partnership's aim is to defend and promote careers in engineering and encourage entrepreneurship by fostering exchange and dialogue between students and the corporate world. ALTEN aspires to pass on its expertise and know-how to the students, facilitate their professional integration, encourage entrepreneurship among young people by providing them the means to strengthen their fields of expertise, in particular through team building events, specialised training and careers opportunities.
The partnership's first event took place in November 2011 during the CNJE's conference. ALTEN's team held project management training sessions and sales prospecting workshops.

WINSTRAT, A CHALLENGE FOR ENTREPRENEURS OF THE FUTURE

ALTEN is a historical partner of WinStrat, an event which promotes student entrepreneurship. WinStrat is a virtual company management challenge open to engineering schools, based on strategies applied by a company in a competitive environment. Each school is represented by a team of budding engineers. Around 50 teams take part in the challenge, where they benefit from advice and coaching from the companies that sponsor the event, including the ALTEN Group. In 2011, ALTEN sponsored two team from the Ecole Centrale in Paris and one team from ESSTIN in Nancy. The Ecole des Mines in Alès won the 2011-2012 edition of the challenge for the second year in a row.

THE ALTEN FUND FOR ENGINEERING

In 2010, ALTEN set up the ALTEN Fund for Engineering, with the aim of:

- Promoting 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.

ALTEN SUPPORTS INNOVATION WITH THE ENGINEERS OF THE YEAR AWARD

To promote careers in engineering, the ALTEN Group has sponsored the *Prix des Ingénieurs de l'Année* (Engineers of the Year award) since its creation. This award is organized by *L'Usine Nouvelle magazine* and the *Conseil national des ingénieurs et scientifiques de France* (the French national council for engineers and scientists). Each year the Group awards the "Innovation" prize, in line with our engineering and innovation-focused culture and our values of team spirit and excellence.

At end-2011, this prize was awarded to Edmond Abergel for the development of the Jet Card, mechatronic inkjet equipment that is revolutionising the printing world.

PARTNERSHIP WITH *"ELLES BOUGENT"*, TO INCREASE THE NUMBER OF WOMEN IN ENGINEERING PROFESSIONS

ALTEN works in partnership with the *"Elles Bougent"* association to promote technical and scientific careers to females, raise awareness among students and sector players on the reality and challenges of the feminisation of the engineering profession, to make it easier to recruit women for these positions in the future. Through meetings with female ALTEN mentors, secondary school and university students can discover the exciting careers enjoyed by female engineers. 2011 was an eventful year for this partnership. During the 49th edition of the International Paris Air Show at Le Bourget on 21 June 2011, in the presence of Roselyne Bachelot-Narquin, the French minister for Solidarity and Social Cohesion, around one hundred secondary school and university students from all over France met with sector professionals to discuss their line of work. In October 2011, *"Elles Bougent"* and ALTEN took part in the tenth edition of the *"Rencontres de l'ingénierie"* (the engineering sector encounters) and organised the *"Ingénieure à 360°"* event (the 360° of a female engineer) in order to present the career opportunities open to women in sectors and professions that are still heavily male-dominated.

ALTEN TOUCH BLOG, AN ALTERNATIVE VIEW OF THE ALTEN GROUP'S ASSETS AND HUMAN DIVERSITY

The ALTEN Touch blog was created in February 2011 and is intended as a place for the Group's French employees to express their talents. The aim is to present an authentic image of the Group and to facilitate relations between the company's employees.

They can use the blog to share their passions, encounters and commitments, in line with the Group's values. ALTEN Touch highlights causes supported by ALTEN, in particular in terms of technological advances, the sporting and cultural feats of our employees and our backing of various events and associations. ALTEN Touch brings our corporate culture to life.

TECHNICAL CONFERENCES, BUILDING ON EXISTING SKILLS

ALTEN shares its "engineering culture" partly thanks to its technical conferences. These conferences are an opportunity for participants, who are Industry and Scientific Research experts, to discuss professional skills and technological advances with the Group's engineers.

Lionel Rousseau, a scientist with an inquiring mind and 2010 *Prix des Ingénieurs de l'année* "Innovation" winner, presented on 28 March 2011 the project to use electrodes made of diamonds for retinal implants. This project is a major breakthrough in the treatment of neurodegenerative conditions. On 16 November 2011, Christophe Bonnal, Senior Systems Expert at the CNES (*Centre National d'Etudes Spatiales,* the French National Centre for Space Studies) shared his work on space debris (the upper stages of old launchers and satellites that have reached the end of their operational life). He presented the current state of orbital pollution which calls for «cleaning» in space, and then explained the new technical solutions to deorbit this debris with a view towards Sustainable Development.

"LES ENFOIROS"

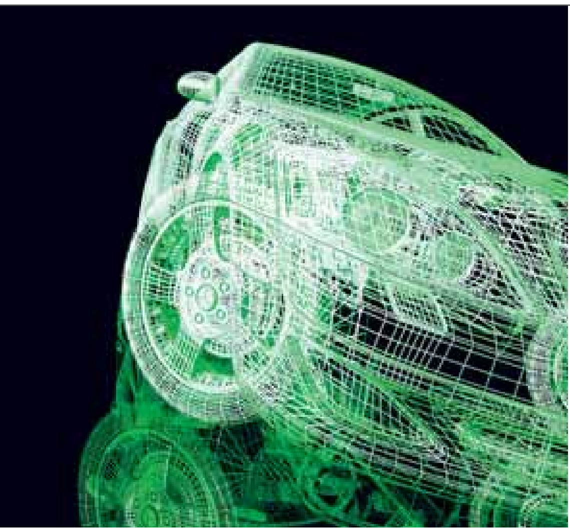
In 2011, to celebrate the tenth anniversary of Les Enfoiros, the alumni association of former students and teachers of the National Institute of Applied Science (INSA) in Toulouse, ALTEN decided to support this wonderful initiative and become its main partner. Some of the Group's employees took part in this event which is modelled on the Enfoirés (an annual concert in support of a food charity called Restos du Coeur). Three concerts were held in Toulouse in November, of which one was a private concert for the beneficiaries and the volunteers of the Restos du Cœur charity.

ID'MOBILE COMPETITION

Id'MOBILE is a competition that was launched in 2011 by iD.apps, one of the Group's subsidiaries.
Some 90 engineering schools and universities were invited to create and develop mobile applications. The students are asked to demonstrate their entrepreneurial creativity by designing potentially viable solutions in a rapidly growing sector. The 10 categories for new applications include: media, leisure, transport, health, e-commerce, technology, social networks, utilities and tablets.
A team from INP Grenoble won the first edition of Id'MOBILE in 2011 for its application for making micro-donations to charities. The second edition of the challenge began in February 2012.

To our customers

Companies must meet social, corporate and environmental requirements in order to guarantee their economic competitiveness. ALTEN is committed to its customers and develops innovative and sustainable solutions that meet all their current and future needs, thanks to the expertise of its employees and of the R&D department.



INNOVATION, AT THE HEART OF ALTEN'S MOMENTUM

In order to boost and enhance skills, the R&D division develops projects based on innovation and solutions that offer high value-added.

Innovation is a key pillar in ALTEN's business model: it allows the Group to guarantee customers the most relevant answer to their needs, and permanently motivates its employees. The Research and Development (R&D) division was created in 2010, for non-commercial purposes, to manage the research of highly technical projects and allow Group managers to apply the results to customers' needs while providing for current regulations.

The Group's R&D platform in Massy is home to ALTEN's engineers and researchers (engineers preparing doctoral thesis), as well as to engineering undergraduates approaching the end of their studies and R&D coordinators working on exploratory projects. Partnerships with research laboratories and small and medium-sized companies bring value-added to innovative projects. Finally, B2i, a subsidiary of the Group that specialises in the design and validation of on-board systems and their related control laws on virtual benches, places R&D at the very centre of its business.

The highly technological projects developed by the R&D division are driven by curiosity, creativity and the quest for innovation. ALTEN's R&D business is structured around **four main lines of development** in association with its customers' projects. These are: **overall security and risk management; sustainable mobility; energy performance; quality of life and consumer services.**

The projects launched in 2011 cover a wide range of fields, ranging from health to aeronautics to innovative home automation systems. These projects lead to the implementation of innovative solutions which combine social and corporate equity, including assistance to the visually impaired; ecological integrity, with more efficient avionics in terms of electricity consumption and density; and cost efficiency thanks to research into low-cost solutions for consumers and manufactures for example. ALTEN thus widens its skill base in terms of sustainable design.

Development outlook for the Group is good. Internal communication mechanisms to inform and involve ALTEN's engineers in these projects will also be put in place, in particular through the creation of a blog and an R&D forum where they will be able to share their expertise. More than 30 new projects have been launched at the beginning of 2012 at Massy, and at least 15 additional projects are forecast for the second half of the year. Partnerships with world class medical and technological research institutes have allowed ALTEN, since the beginning of 2012, to launch solutions for the visually impaired.

INTERVIEW WITH

Jean-Claude B.,
Head of ALTEN R&D

CORAC (French Strategic Advisory Board for Civil Aviation Research): MORE MODULAR AVIONICS FOR "GREENER" AIRCRAFT

More intelligent aircraft systems, customer expectations, in particular in terms of Internet access, and the need for uninterrupted communication with air traffic control, imply considerable needs in terms of computing power which has a direct impact on the electric consumption and the weight of an aeroplane. As a result, its kerosene consumption and thus its carbon footprint increase. A modular architecture for on-board computers would allow needs to be shared according to the flight phase, but this raises numerous design and security issues.

The largest aeronautics companies in France have chosen ALTEN to partner them on the CORAC platform which aims to create technological prototypes as part of the French government's Investissements d'Avenir (Investments for the future) programme: ALTEN is tasked with designing an innovative testing tool to trial this modular architecture and control risks.

Sustainable Development
Economic

Sustainable solutions for our customers

ALTEN works closely with its customers on innovative projects as part of an approach targeting progress in respect of the environment and civil society. In the areas of Telecommunications, Aeronautics, Automotive and even Energy and Life Sciences, our employees' expertise and leading-edge thinking result in the development of sustainable solutions for our customers, ahead of new regulations.

ecovadis
SUSTAINABLE SUPPLY MANAGEMENT

EXTERNAL ASSESSMENT OF OUR CSR APPROACH

Since 2009, ALTEN has been committed to improving its CSR policy and its environmental and social performance, in particular for its responsible purchasing. ALTEN is assessed by EcoVadis, a company which specialises in this field and bases its standards on the Global Reporting Initiative (GRI) indicators and on ISO 26000. ALTEN scored 3/10 in the first year, 4/10 in 2010 and 5/10 during EcoVadis' last non-financial assessment. The Group is therefore now among the best performers in its sector.

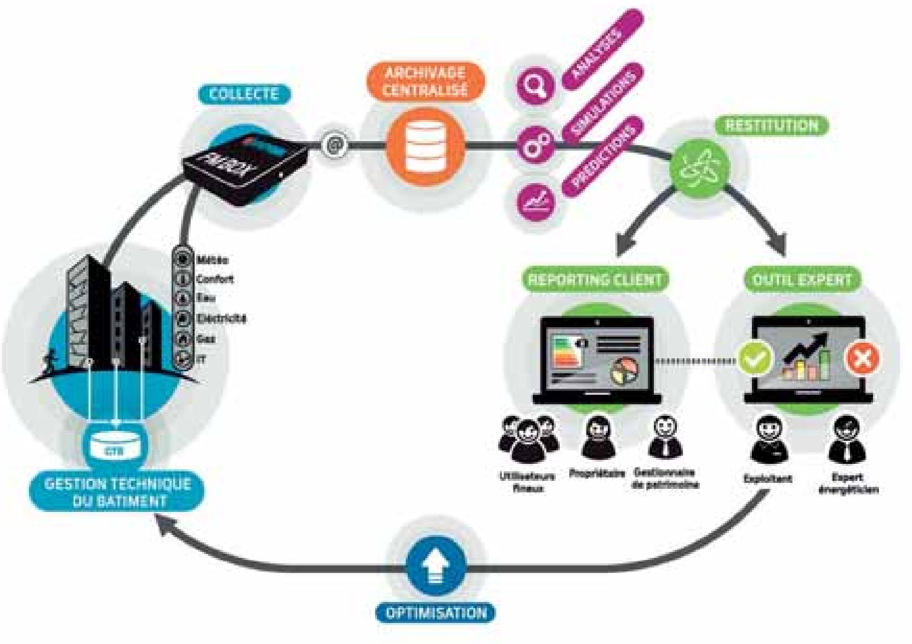
The digital TV set-top boxes of the future, an innovative and accessible home automation system

This project, which is managed by two students and backed by eight ALTEN engineers, including a recognised expert in the field, aims to create a universal home automation system that combines the multimedia functions of digital set-top boxes and the features of a computer with standard home automation functions (which generally have their own dedicated solutions) such as the control of lighting, electrical appliances, heating, alarms, etc. The main challenges of the project were to design a hardware, software and wireless network architecture based on existing systems to keep costs low, but at the same time offering a user-friendly interface and value-added services through the integration of smartphones in the system. This use of smartphones allowed for greater connectivity, access and remote notification functions: system users could pilot all of the connected equipment in their homes from their mobile phone, including adjusting the temperature or activating or deactivating the alarm system. These suggested solutions prefigure a second-to-none system thanks to their scope, their interoperability and economic nature. The system would be accessible to all thanks to its price and its use: the central unit which would cost around the same as a home computer, and the wireless actuators which enable the system's connectivity, are inexpensive and easy to install. The software development is the system's final component. The two students have been recruited by ALTEN and one of them has started a PhD thanks to his work on the project. The project will continue in 2012 with a prototype for a mobility aid for the visually impaired, as well as wireless actuator network security projects and the development of Cloud computing services.

ALTEN at the heart of innovation, the aluminium/air renewable battery

An innovative international company is currently developing an aluminium/air mechanically rechargeable battery and, based on its innovation, a long-life cathode and an easily replaceable aluminium anode. This project could lead to new applications". The aim of the project which has been entrusted to ALTEN is to design a complete system prototype which will allow testing to be carried out to achieve operational validation. The groundbreaking part of this product is the cathode's technology which, thanks to its non-carbon structure, has a useful life of more than 4,000 hours.

The system, which is completely motionless when on standby, is activated by the circulation of the electrolyte within the cells and deactivated by their discharge. This avoids any unnecessary consumption of aluminium and optimises the energetic density of the battery. The purpose of this electrochemical couple is to develop a battery with an energetic density, on the scale of the system, which is much greater than that of lithium batteries. This technology, which is part of a Sustainable Development approach, is making its mark in various sectors and in stationary applications such as standby generators, electric generators in unequipped zones and on-board applications in the Automotive sector for electric vehicles.



Weight Saving project, innovation through optimisation

In light of the energy crisis and heightened concerns regarding aircraft greenhouse gas emissions, Airbus is targeting innovative solutions to improve its carbon footprint. ALTEN Sud Ouest, Airbus' partner in this Weight Saving project, had sent a multi-disciplinary team of engineers (Structure, Mechanical systems, Electric and Cabin systems). Purpose: identifying, analysing the feasibility, designing and deploying innovative technical solutions or business rules that would help decrease the weight of various A350 components. In the future, thanks to these improvements, the A350 will consume fewer natural resources and produce lower greenhouse gas emissions while also improving its competitiveness.

Creation of a monitoring and decision support tool for the technical and energy performances of buildings

The Exprimm company, a Bouygues Construction Group structure well-known within the Facility Management (FM) field, has tasked ALTEN with the architectural design, development and maintenance of its Hypervision® project. Its aim is to measure, readjust and predict energy and fluid consumption according to actual conditions of use. The solution also enables comfort and equipment availability to be monitored via a web portal. Detailed analysis of data and the energy signature for each building allows dedicated action to be taken to reduce the building's energy consumption effectively and sustainably. Two stages of the project were managed by ALTEN.Firstly, the company carried out the design and development of a communication system between the buildings' various operating software by standardising the different software used by the information collection and information processing tools. This resulted in the invention of a universal connection box: the FMbox®. Secondly, ALTEN's employees designed and developed a decision support system that collects, aggregates and returns reliable and exhaustive information on a building's energy consumption. Thanks to its user-friendly design, the people in charge of managing the buildings can easily adapt their decisions and measures to the real situation, be it actual or anticipated, in order to reduce their energy consumption. The solution allows for the monitoring of the availability of equipment including carrying out consumption simulations and forecasts. These two ground-breaking solutions were presented by ALTEN to answer the needs of proactive restitution and scenario modelling (Qlikview, Kxen, etc.). Hypervision® and FMbox® patents and trademarks were filed. The Hypervision® tool is currently used in the Australia Building, ETDE's headquarters in Guyancourt, as well as on several of Exprimm's sites.

Chrome VI replacement project

In line with the updated appendices to the European REACH regulation (Registration, Evaluation and Authorization of CHemical substances), Chrome VI-based substances have been added to the watch list of substances that are a danger to health and the environment and which therefore must be replaced. The announcement of the end date for the use of these obsolete products has led to a surge in substitutions in order to comply with this new regulation that will come into force in a few years' time. The project in which ALTEN is taking part involves assessing, qualifying and applying replacement solutions for Chrome VI and Cadmium-based surface treatments. This project includes reviewing existing procedures in order to create new procedures and products that are more environmentally friendly.

To the environment

ALTEN is aware of the fact that everyone has a role to play in the face of climate change. The Group is committed to reducing the effect of its business on the environment and has thus implemented concrete measures that are adapted to its profession. The Group has adopted a proactive progressive approach aimed at protecting natural resources.

7%

THE RATIO OF CO_2 EMISSIONS
per employee has dropped by 7%
thanks to measures implemented in 2010.

Reducing our ecological impact:
establishing a benchmark Bilan Carbone®

The measurement of the Group's Bilan Carbone® carried out in 2011 covered all the physical procedures necessary for the running of its business in 2010 for all of the ALTEN facilities and solutions in France. The scope of data collected was widened and made more reliable compared to the 2009 Bilan Carbone® (which was measured at 48,496 tonnes of CO_2 equivalent) This year's results show a 25% increase over 2009, in line with the Group's growth over the same period. It includes the emissions of our subcontractors.

Employee travel,
our main contributor (75% of total emissions)

Commuting - 23,171 tonnes of CO_2 equivalent

Data on commuting (38% in 2010 versus 29% in 2009) was collected thanks to the collaboration of ALTEN Group employees who answered anonymous online questionnaires on their travel habits. An analysis of the questionnaires provided data for this item for all of ALTEN's employees, overall and by means of transport.
Thus, in the Paris area, 60% of employees use public transport to commute, 29% use their cars, 6% commute by motorbike or scooter and 4% use active means.

Business trips - 22,441 tonnes of CO_2 equivalent

Business trips (37% of emissions in 2010 compared to 41% in 2009) were mainly by train and plane. In terms of business trips by car, data comes from the employee questionnaires that were completed by the ALTEN Group's total headcount.

Employees' meals,
the second-largest contributor to our carbon footprint - 5,407 tonnes of CO_2 equivalent (9% of emissions)

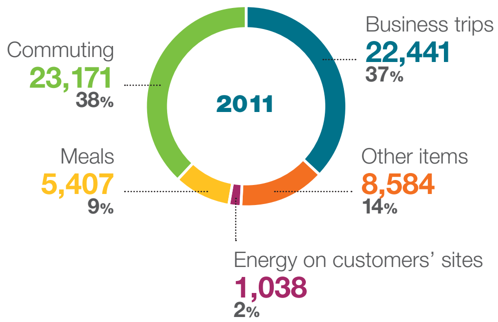
The CO_2 emissions generated by a meal depends on its content. Employees' lunchtime food habits were analysed from the questionnaire and used to calculate the CO_2 emissions generated by meals.

Next stages

The measurement of our Bilan Carbone® has provided us with the details of our ecological impact. These details are used as a base to define emission reduction measures, which are monitored and measured on a monthly basis: development of video conferencing; courses in eco-driving for employees; promoting green awareness; etc. and bio-diversity and by promoting "eco-gestures" among employees.

CO_2 EMISSIONS
in tonnes of CO_2 equivalent

TOTAL: 60,641 TONNES CO_2 EQUIVALENT



ALTEN RATIOS *per employee*

	FOR: 1 EMPLOYEE	1 ENGINEER
2009	5.8 tonnes CO_2 equivalent	6.4 tonnes CO_2 equivalent
2010	5.4 tonnes CO_2 equivalent	6 tonnes CO_2 equivalent

ECO-DRIVING COURSE

Mobility is a major challenge for ALTEN. Employee travel makes up 75% of our Bilan Carbone®, of which nearly 48% is attributable to cars. In 2011, ALTEN offered its employees an e-learning eco-driving course via the ALTEN Training Centre. This course was attended by 81 employees who learnt to adapt their behaviour on the roads to reduce polluting emissions, decrease their consumption of fossil fuels and prevent road accidents. For Sevane, *"This course was a great initiative. And an unexpected one coming from ALTEN. I'd been wondering about eco-driving for a long time. I found that I already applied a lot of what was highlighted during the course, but I find it interesting to be able to explain how to adopt a more eco-friendly driving attitude and what the advantages of doing so are. It was very welcome!"* ALTEN intends to offer these courses again in 2012.

Paper lifecycle management

Some 80% of waste generated by ALTEN's business is paper. The Group works at all phases of paper's lifecycle to decrease its environmental impact.


ALTEN, partnering reforestation in Peru.

Waste sorting system notice.

A waste sorting system, adopting good habits

In 2011, ALTEN launched a waste sorting system on all sites of more than 400 sq. m, i.e. almost 85% of all occupied floor space. A blue bin for paper sorting has been placed in each office and all service areas (coffee rooms, near photo-copying facilities) in addition to the black bins for other types of waste. Waste sorting is a simple system, but it requires the cooperation of each individual. An internal memo informed employees of the new waste sorting measures, which they have adapted well to.

Recycled paper, what a good idea!

Since 2011, ALTEN decided to use 100% FSC-certified recycled paper to replace its "standard" white paper (excluding letterhead paper). This paper is of the same quality but has a lower impact on the environment. In 2011, 12% of the Group' total paper consumption was 100% FSC-certified recycled paper. Once the stocks of "standard" paper are depleted, all paper used by ALTEN employees (except for letterhead paper) will be 100% FSC-certified recycled paper.

ALTEN, a partner in reforestation in Peru

As part of the collection of employee data to measure its Bilan Carbone®, ALTEN decided to support a reforestation project in an arid region in the North of Peru in partnership with 5Continents, a company that specialises in reforestation (www.reforestaction.com). The Group has thus financed the protection of one tree for each completed survey. The project includes protecting trees from attacks from animals and adverse weather conditions. The measures taken help fight desertification, improve the living conditions of the local population thanks to additional resources, and promote biodiversity. They also help raise awareness among our employees of the environmental impact of our business and to unite them around an unprecedented initiative at ALTEN. A week after the questionnaire was launched, 1,500 employees had already responded. In total, more than 2,500 questionnaires were completed and ALTEN decided to match the number of protected trees: three different local species, and a total of 5,010 trees, were thus protected thanks to the operation, which corresponds to some 1,650 kg of stored CO_2 over a 30–year period.

INTERVIEW WITH

Stéphane Hallaire, Chairman of 5Continents, and ALTEN's Reforest'Action correspondent

ALTEN supports a project run by the NGO, AIDER, in the José Ignacio Tavara farming community. The production of paper uses natural resources, including water, electricity and in particular wood.
ALTEN has chosen to restore and protect these resources in areas where this is necessary. In real terms, temporary employment has been created for around a hundred farmers in the protection of trees. Moreover, thanks to the protected trees' flowers, bee-keeping families earn extra revenues of around 90 euros a year. Finally, 17 schools have been made aware of the importance of the dry forest surrounding them. The project aims to allow the community to finance itself and be totally independent in five years' time.

Energy performance of buildings and Green IT

INTERVIEW WITH

Yann V., Project Manager and Responsible for Purchasing for the General Services Department

Our total real estate was 32,000 sq. m. at the end of 2011, with office space optimised following the increase in headcount. In order to meet the highest environmental and economic standards and to offer our employees an efficient and pleasant working environment, we favour when possible buildings that are BBC (High Environmental Quality) and HQE (High Environmental Quality) certified. These types of buildings have a primary energy consumption (for heating, air conditioning, ventilation) of less than 40 kWh per sq. m. a year and still guarantee a comfortable quality of life for their occupants. Since 2011, the 500 sq. m. "EcoLucioles" building that we occupy at Sophia Antipolis is certified BBC HQE. We have signed a partnership with the entrepreneur GA for our regional headquarters in the Toulouse region in line with BBC HQE requirements: we moved into office space of some 2,500 sq. m. of a certified building at the end of the summer of 2011.
We expect to occupy a further 1,500 sq. m. in an extension that is currently being built next door in Spring 2012, followed by a third building at a later date. By the beginning of 2013, ALTEN expects to occupy more than 10,000 sq. m. of office space complying with the highest environmental standards, i.e. almost a third of the Group's French real estate. With our lessors, we are currently installing management tools to collect and analyse the buildings' energy consumption on a monthly basis, and then to optimise this consumption in a pragmatic manner. Nonetheless, a building's environmental performance also depends on its occupants. We intend to raise the awareness of our employees to the environmentally-friendly measures that can save on energy and raw material consumption.

FEEDBACK

Hélène, Responsible for training at the Labège BBC site

This building was designed to be comfortable and user friendly. The general environment is calmer thanks to the sound insulation, even in the open space offices. The building is airtight: the temperature inside is adapted according to the temperature outside; thermal losses are minimal. There is genuine comfort: the room temperature is comfortable and can be easily adjusted. The indoor air quality is very good: the ventilation system and the air tightness of the building means that dust cannot settle easily. Large bay windows let through a maximum of sunlight and we are not obliged to have our desk lamps on at all times. In practical terms, this does not require any specific intervention: the building was designed to be Smart. If you want to open the windows, the air conditioning system turns itself off and then switches itself back on once we close them. Movement sensors are also installed in circulation zones. Finally, lights that people forget to turn off before leaving the building are automatically switched off at night. All these systems make our lives easier and also reduce our energy consumption.

SUSTAINABILITY AND IT

In 2011, ALTEN launched Webex, a web-based application that allows managers and support functions to organise video conferences from their computers. All participants in the meeting can share a view of their computer screen and selected files in an interactive way. This software helps decrease the amount of unnecessary business trips. Moreover, IT equipment replacement has been optimised, by replacing old generation computers, whose energy consumption is higher, with much more efficient machines.

Our performance indicators

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

REPORTING METHODOLOGY

SCOPE

The period considered for the data from which the various indicators are composed is 1 January 2011 to 31 December 2011, except for data used to measure the Bilan Carbone ® (1 January 2010 to 31 December 2010). The performance indicators only concern legal entities of the ALTEN Group that are located in France, that have generated revenue that is not zero in 2011 and that have a headcount that is not zero. They apply to all headcount considered at ALTEN Group entities, and to all surfaces occupied by one or more of ALTEN Group's entities. The Global Reporting Initiative 3.1 guidelines and recommendations have been used to set performance indicators.

DATA ORIGIN AND CONSOLIDATION

Social indicators

Data relating to employees, nationalities represented within the company, to hires and departures, contracts for students following courses that combine tuition with practical experience in the workplace, payroll, remuneration, renewal rates, frequency and severity rates of work-related accidents is taken from social reports and payroll software of companies in the ALTEN Group.

Data relating to disabled employees is taken from the annual Agefiph declaration (a French association managing a fund for the integration of disabled people).

Data relating to annual performance appraisals, training and validations of acquired experience, as well as relating to internal mobility is taken from reports by the divisions that are in charge of the Group's various entities.

Data relating to collective agreements, discussions with social partners and employee representatives was provided by the representatives of each of these entities.

Environmental indicators

Data relating to surface areas is taken from leases. Data is collected and consolidated on an annual basis by building. It is then divided according to the areas occupied by each legal entity of the ALTEN Group in the said buildings.

Data relating to consumables, water and energy is taken from suppliers and service providers' invoices. This data applies to the overall scope of surface area occupied by the ALTEN Group. Indicators for energy and water consumption, consumables and the cost of waste management are calculated on a pro-rata basis of the occupancy period. Data relating to greenhouse gas emissions is taken from the results of the Bilan Carbone® measurement carried out in 2011 on 2010 for all French legal entities of the ALTEN Group, based on which the greenhouse gas emissions of subcontractors working for ALTEN Group entities are extracted and added to the total.

Data relating to planting of trees, collected as the project progressed, is provided by the charity managing ALTEN's virtual plot of land.

Data relating to employee travel is collected and consolidated on an annual basis, then broken down by legal entity. Data relating to employee business trips is taken from data provided by the ALTEN Group's travel service provider. Data relating to employee travel by public transport in the Paris region is taken from the reimbursement of monthly travel cards in 2011.

Societal indicators

Data relating to the budget for partnerships and sponsorship is taken from the budget monitoring of the endowment fund and projects supported by the Communications Department. Data relating to the number of partnerships with charities, reference organisations and higher education institutions is taken from the reporting of the relevant departments.

LIMITS

Certain data published in 2010 have been republished in accordance with the calculation methods used for the following indicators in 2011: the quantity of opaque and translucent beakers used per employee on ALTEN sites over the year, water consumption in m^3 per sq. m., energy consumption in kWh per sq. m., the number of kilometres driven by car on business trips per employee per year, the number of professional training and apprenticeship contracts, the number of new hires aged under 25 on permanent contracts, the average rate of absenteeism and the frequency of work-related accidents with time off.

OUR INDICATORS OF SOCIAL PERFORMANCE at 31 December 2011

GRI	ALTEN			2010	2011
HEADCOUNT AND DIVERSITY					
LA1	SL.1	Total headcount	*units*	7,592	8,422
LA1	SL.2	Breakdown of employees by gender	*% women*	21.2%	21.9%
			% men	78.8%	78.1%
LA1	SL.3	Breakdown of headcount by age group	*% aged less than 25 years*	10.3%	11.1%
			% 25-35 years	68.5%	66.6%
			% 35-45 years	17.2%	17.5%
			% 45 years and over	4.1%	4.7%
LA1	SL.4	Breakdown of headcount by Group subsidiary	*ALTEN SA*	57.1%	57.3%
			ALTEN Sud-Ouest	12.0%	12.8%
			Atexis	2.2%	2.7%
			iD.apps	0.0%	0.3%
			MI GSO	5.8%	5.8%
			Winwise	1.1%	0.9%
			B2i	1.1%	1.4%
			ApTech	0.0%	0.3%
			ALTEN SIR	17.2%	15.2%
			Anotech Energy	2.0%	2.0%
			Pegase	0.2%	0.3%
			Avenir Conseil	1.7%	1.8%
			Elitys	1.1%	1.0%
LA1	SL.5	Breakdown of headcount by profession	*% Engineers*	86.6%	86.0%
			% Managers and support functions	13.4%	14.0%
LA13	SL.6	Percentage of disabled employees	*%*	0.37%	0.36%
	SL.7	Number of nationalities represented by employees	*units*	70	71
HIRES					
	SL.8	Number of new hires on permanent contracts	*units*	3,058	3,194
	SL.9	(of which) Number of new hires on permanent contracts aged under 25	*units*	707	1,021
	SL.10	Number of new hires on fixed-term contracts	*units*	147	168
	SL.11	Number of professional training and apprenticeship contracts	*units*	36	29
DEPARTURES					
	SL.12	Number of departures from permanent contracts	*units*	1,426	2,242
	SL.13	of which resignations	*units*	1,153	1,281
	SL.14	of which redundancies	*units*	168	146
	SL.15	of which other departures	*units*	105	815
	SL.16	Number of departures from fixed-term contracts	*units*	101	102
NET JOB CREATION					
EC7	SL.17	Net job creation	*units*	1,714	982

GRI	ALTEN			2010	2011
CHANGE IN REMUNERATION					
	SL.18	Annual payroll/Average headcount	*in € Managers*	37,535	38,362
			in € Non-managers	23,713	24,368
EC1	SL.19	Average monthly remuneration	*in € Managers*	3,145	3,207
			in € Non-managers	1,998	2,055
MANAGEMENT					
LA12	SL.20	% of employees having had an annual performance appraisal	*%*	77.7%	92.7%
	SL.21	Average rate of absenteeism (for sickness, work- or commute-related accident)	*%*	1.48%	1.56%
LA2	SL.22	Employee turnover rate for permanent contracts	*%*	20.3%	28.3%
WORKING HOURS					
	SL.23	% of employees working full time	*%*	98.66%	98.68%
	SL.24	% of employees working part time	*%*	1.34%	1.32%
EMPLOYEE RELATIONS					
	SL.25	Number of meetings with the CHSCT - CE - DP	*units*	N/A	202
	SL.26	Number of collective agreements	*units*	N/A	19
LA4	SL.27	% of employees covered by a collective agreement	*%*	100%	100%
TRAINING					
LA10	SL.28	Training expenditure as a % of payroll	*%*	2.30%	2.77%
	SL.29	Training expenditure per year	*in € millions*	6.20	8.38
	SL.30	Training expenditure as a % of revenue	*%*	0.90%	1.07%
	SL.31	Total number of training hours	*hours*	N/A	81,229
LA10	SL.32	Average number of training hours per year, per employee and per profession	*hours per engineer per year*	N/A	7
			hours per manager per year	N/A	52
			hours per support function per year	N/A	10
	SL.33	% of employees benefiting from (at least) one training session per year	*%*	26.21%	33.39%
	SL.34	% of women receiving training in the year	*%*	N/A	38.07%
	SL.35	Number of validations of acquired experience per year	*units*	1	2
WORK AND SAFETY CONDITIONS					
LA7	SL.36	Frequency of work-related accidents with time off	*ratio*	2.32	1.61
LA7	SL.37	Severity rate of work-related accidents	*ratio*	0.02	0.01
	SL.38	Number of stress agreements signed	*units*	2	3
LA8	SL.39	Number of managers trained in stress management	*units*	N/A	193
LA7	SL.40	Number of employees suffering from work-related pathological conditions	*units*	N/A	0

OUR **ENVIRONMENTAL PERFORMANCE** INDICATORS at 31 December 2011

GRI	ALTEN			2010	2011
CO_2 EMISSIONS					
EN16	EV.1	CO_2 Emissions per employee	*CO_2 teq per employee*	5.8	5.4
EN16	EV.2	Greenhouse gas emissions (GHG)	*tonnes GHG*	N/A	191
SUSTAINABLE USE OF RESOURCES					
EN8	EV.3	Total water consumption	*m^3/m^2*	0.39	0.37
EN1	EV.4	Amount of paper (office + letterhead) used	*kg/m^2*	1.50	1.19
EN2	EV.5	Recycled paper used as a % of total paper use	*%*	N/A	11.64%
EN1	EV.6	Quantity of opaque and translucent beakers used per employee on ALTEN sites over the year	*units per employee*	562	667
EN3	EV.7	Energy consumption	*kWh/m^2*	116.4	122.2
	EV.8	% of m^2 occupied certified (BBC, HQE)	*%*	N/A	9.49%
	EV.9	% of surfaces fitted with motion detectors in walkways	*%*	N/A	45.43%
WASTE					
	EV.10	% of sites covered by waste sorting scheme	*%*	N/A	84.43%
MEASURES TO PROTECT BIODIVERSITY, RAISING AWARENESS AMONG EMPLOYEES AND MEASURES WITH STAKEHOLDERS					
EN 14	EV.11	Weight of CO_2 stored over 30 years thanks to reforestation projects (for 5,010 trees)	*kg CO_2 equivalent*	N/A	1,650
	EV.12	Number of employees following eco-driving courses	*units*	N/A	81
	EV.13	Number of internal memos on Sustainability	*units*	N/A	9
PERSONAL TRAVEL					
EN 29	EV.14	Number of kilometres driven on business trips by car per employee per year	*km/empl.*	3,348	2,827
EN 29	EV.15	Number of kg equivalent CO_2 emissions from business trips by car per employee per year	*kg CO_2 equivalent*	1,072	724
EN 29	EV.16	Number of kilometres on business trips by air per employee per year	*km/empl.*	4,165	4,837
EN 29	EV.17	Number of kg CO_2 equivalent emissions from business trips by air per employee per year	*kg CO_2 equivalent*	N/A	1,706
EN 29	EV.18	Number of kilometres on business trips by train per employee per year	*km/empl.*	N/A	425
EN 29	EV.19	Number of kg CO_2 equivalent emissions from business trips by train per employee per year	*kg CO_2 equivalent*	N/A	10
EN 29	EV.20	% of employees using public transport to commute each month	*%*	26.7%	34.7%
EXTERNAL CERTIFICATIONS AND ASSESSMENTS					
	EV.21	EcoVadis score	*note*	4	5

OUR **SOCIETAL PERFORMANCE** INDICATORS at 31 December 2011

GRI	ALTEN			2010	2011
SOLIDARITY PARTNERSHIPS					
	ST.1	Budget devoted to partnerships and sponsorship	*in €*	375,000	135,000
RELATIONS WITH STAKEHOLDERS					
	ST.2	Number of partnerships with higher education institutions	*units*	N/A	111
	ST.3	Number partnerships signed as part of the promotion of careers in engineering (Elles Bougent, CNJE, etc.)	*units*	3	6
	ST.4	Number of commitments to NGOs (Global Compact, etc.)	*units*	2	2
	ST.5	Legal and Regulatory Compliance Monitoring Committee	*units*	1	3
GOVERNANCE					
LA13	ST. 6	% of women on the Board of Directors	%	33%	40%

UNITED NATIONS GLOBAL COMPACT PRINCIPLES

ALTEN ensures its adherence to the ten principles of the United Nations Global Compact by the use of performance indicators for each of the four categories.

	NO.	PRINCIPLE	PAGE NO.	INDICATORS
Human rights	1	Support and respect the protection of internationally proclaimed human rights in their sphere of influence	P. 54 to 59	ST.4, ST.5 EV.21
	2	Make sure businesses are not complicit in human rights abuses	P. 54 to 59	ST.4, ST.5 EV.21
Labour standards	3	Uphold the freedom of association and the effective recognition of the right to collective bargaining	P. 54 to 59	SL.25, SL.26, SL.27 ST.4, ST.5
	4	Uphold the elimination of all forms of forced and compulsory labour	P. 54 to 59	ST.4, ST.5 EV.21
	5	Uphold the effective abolition of child labour	P. 54 to 59	ST.4, ST.5 EV.21
	6	Uphold the elimination of discrimination in respect of employment and occupation	P. 60 to 67	SL.2, SL.3, SL.6, SL.7, SL.9, SL.32, SL.33, SL.34, SL.35 EV.21 ST.4, ST.5, ST.6
Environment	7	Support a precautionary approach to environmental challenges	P. 68 to 75	EV.1, EV.2, EV.5, EV.8, EV.9, EV.10, EV.11, EV.12
	8	Undertake initiatives to promote greater environmental responsibility	P. 68 to 75	EV.1, EV.2, EV.5, EV.8,EV.9, EV.10, EV.11, EV.12, EV.13, EV.14, EV.15, EV.16, EV.17, EV.18, EV.19, EV.20, EV.21
	9	Encourage the development and diffusion of environmentally-friendly technologies	P. 68 to 75	EV.8, EV.9, EV.10, EV.12, EV.13, EV.21
Fight against corruption	10	Work against corruption in all its forms, including extortion and bribery	P. 54 to 59	ST.4, ST.5 EV.21

Investor information

SUMMARY INFORMATION

Company purpose	ALTEN
Activity	Engineering and Technology Consulting
APE Code	6202A
RCS (Trade & Companies Register)	348 607 417 Nanterre
Registered office	40 avenue André Morizet - 92513 Boulogne-Billancourt, France
Established	1988
Nationality	French
Authorised share capital	€32,803,951.06
Number of ALTEN shares issued from share capital	32,274,677
Legal form	French public limited company (Société Anonyme) with a Board of Directors
Financial 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 0000071 946

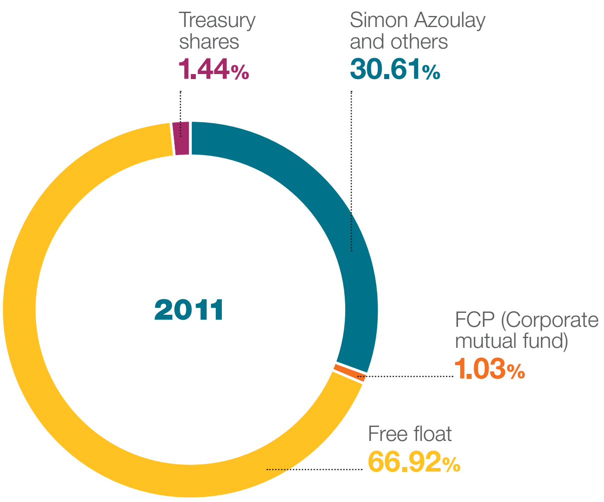
FINANCIAL ANALYSTS

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

CALENDAR 2012

Monday 30 January	Q4-2011 revenue
Wednesday 29 February	2011 annual results - SFAF (French Society of Financial Analysts) meeting Maison des Arts et Métiers, Paris
Wednesday 9 May	Q1-2012 revenue
Tuesday 19 June	General Meeting
Thursday 26 July	Q2-2012 revenue
Tuesday 25 September	H1-2012 results – SFAF meeting
Wednesday 7 November	Q3-2012 revenue

SHARE OWNERSHIP STRUCTURE
(as at 29 February 2011)



CONTACT

- Financial information is available:
- on the Internet at **www.ALTEN.fr** (under "investors")
- by e-mail at **comfi@ALTEN.fr**

QR Code
Instructions:
1. From the website www.mobiletag.com, download the application Mobiletag® onto your smartphone.
2. Launch the application.
3. Flash the QR code to access the proposed content.

CHANGES IN STOCK MARKET PRICES

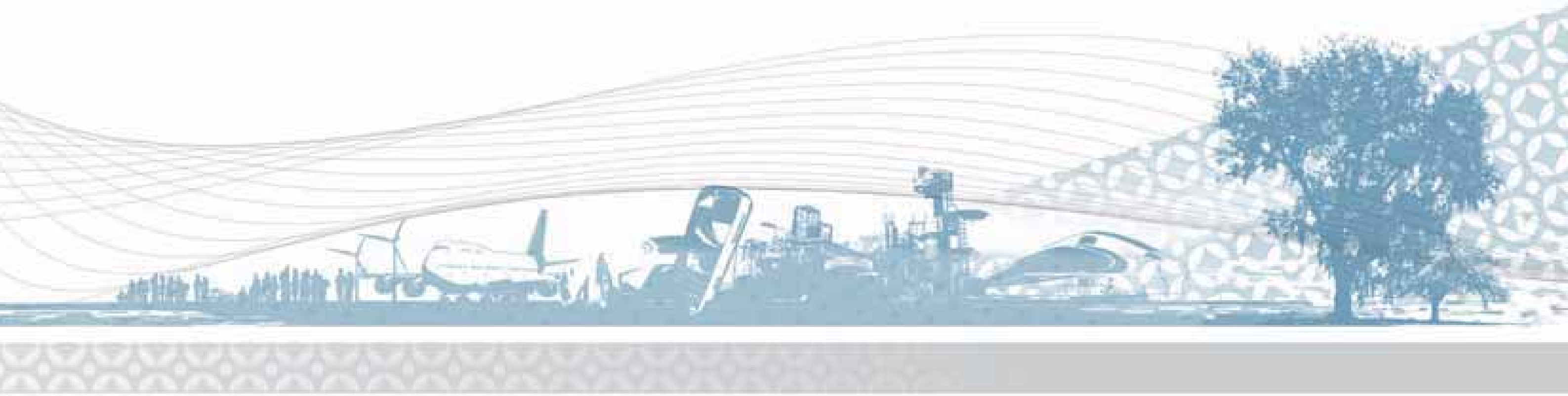
DATE	MONTHLY TRADING VOLUMES	IN € THOUSAND	HIGH	LOW	AVERAGE PRICE	AVERAGE TRADING VOLUME PER DAY	IN € THOUSAND
January 2011	1,042,598	26,528,640	26.34	24.45	25.44	49,648	1,263,269
February 2011	879,478	23,188,450	26.86	25.61	26.37	43,974	1,159,423
March 2011	1,047,995	27,165,830	26.95	23.82	25.92	45,565	1,181,123
April 2011	700,429	18,847,820	27.90	26.16	26.91	36,865	991,991
May 2011	1,098,712	30,643,710	28.53	27.00	27.89	49,941	1,392,896
June 2011	847,764	23,178,640	28.32	25.50	27.34	38,535	1,053,575
July 2011	907,824	24,470,160	29.30	25.65	26.95	43,230	1,165,246
August 2011	1,875,200	42,071,320	26.46	19.50	22.44	81,530	1,829,188
September 2011	1,712,732	35,056,150	23.95	17.56	20.47	77,851	1,593,461
October 2011	1,348,871	26,707,640	21.20	17.90	19.80	64,232	1,271,792
November 2011	1,300,053	25,544,990	21.11	17.67	19.65	59,093	1,161,136
December 2011	1,717,269	33,427,810	22.47	17.57	19.47	81,775	1,591,800
January 2012	1,156,882	22,585,290	21.46	17.78	19.52	55,090	1,075,490

Annual Report: designed and published by eurokapi GROUPE and DRAGON ROUGE dr.

ALTEN

2011 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 RESPONSIBLE FOR REGISTRATION DOCUMENT

1

1.1 IDENTITY

Mr Simon Azoulay

Chairman and Chief Executive Officer

1.2 CERTIFICATE

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 265) gives a fair reflection of the business trends, the results and the financial situation of the company and its subsidiaries and describes the main risks and uncertainties that these companies currently face.

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

Signed at Boulogne-Billancourt, on 27 April 2012.

Simon Azoulay – Chairman and Chief Executive Officer

1 PERSON RESPONSIBLE FOR REGISTRATION DOCUMENT

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.

Grant Thornton

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

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

2.1.2 ALTERNATE STATUTORY AUDITORS

Cabinet Kling – alternate Statutory Auditors for Cabinet Dauge & Associés

Represented by Mr Didier Kling – 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.

IGEC – alternate Statutory Auditors for Grant Thornton

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

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

2.2 POSSIBLE CHANGE

None.

SELECTED FINANCIAL INFORMATION

3

3.1 HISTORICAL FINANCIAL INFORMATION

KEY FIGURES FOR 2009, 2010 AND 2011

(In millions of euros)	2009	2010	2011
Revenue	857.1	916.6	1,065.7
France	69.3%	69.1%	67.2%
International	30.7%	30.9%	32.8%
Operating profit on activity	65.5	93.4	108.3
Operating profit on activity *(as % of revenue)*	7.6%	10.2%	10.2%
Operating profit	32.3	92.9	95.3
Net income, group share	17.3	53.6	59.6
Headcount	11,300	12,600	14,800

3.2 INTERIM FINANCIAL INFORMATION

None.

4 RISK FACTORS

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

4.1 INTEREST RATE, FOREIGN EXCHANGE AND STOCK MARKET RISKS

ALTEN has short-term unconfirmed bank financing indexed to the Euribor. 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 benchmark index. As at 31 December 2011, with this credit line still unused, the Group is not exposed to interest rate risks.

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

With the exception of subsidiaries in the United Kingdom, Switzerland, Romania, Sweden, India and the United States, the Group bills for its services in euros. Therefore it has a limited exchange rate risk.

As most of its operations are conducted within each country, the exchange rate risk stemming from the flow between currency zones is very limited. ALTEN conducts 93% of its business in the Euro zone.

During 2011, exchange rate effects on the Group's equity represented 56 thousand euros. See also Chapter 20.4, Note 4 Financial risk factors.

It has little risk in respect of the trading price of its shares. Indeed, in addition to treasury shares held under the liquidity contract, ALTEN holds only 464,022 treasury shares, representing 1.47% of its share capital as of 31 December 2011. In August 2011, ALTEN SA purchased 66,677 shares under its Share Repurchase Programme in accordance with the delegations of powers given by the Combined General Meeting of 21 June 2011.

Moreover, securities giving future access to capital issued by ALTEN in 2009 represents as at 31 December 2011 only 1.51% of the share capital. These securities were issued as part of an allocation of equity warrants (BSA) decided by the Board of Directors at its meeting of 7 September 2009, pursuant to the delegation granted by the Combined General Meeting on 23 June 2009.

ALTEN also holds 420,653 ordinary shares in AUSY (listed on the Euronext Paris C Compartment) representing, to ALTEN's knowledge, 9.42% of this company's share capital as at 31 December 2011.

4.2 LIQUIDITY RISK

Prudent management of liquidity risk implies keeping a sufficient level of liquidity and disposing of financial resources thanks to credit facilities obtained and being able to close one's market positions.

The Group maintains financial flexibility by keeping credit lines, opened and unused (at the end of the financial year) for a total of €110 million confirmed in April 2010 in connection with a "club deal" for a maximum period of 3 years and unconfirmed, short-term credit lines, renewable annually.

This "club deal" requires that the following ratios are met annually while the contract is in force and an advance is outstanding:

- "Net financial debt/Operating profit on activity" ratio. This ratio must be less than 1.7;
- "Net financial debt/Shareholders' equity" ratio. This ratio must be less than 0.6.

As at 31 December 2011, these ratios are met, as they were in the previous financial year.

Additional information on the "club deal" is set out in Chapter 20.4, Note II.4. "Financial risks". Discussions will be held by the Group during the second quarter of 2012 with its banking partners, to establish *ad hoc* funding when the "club deal" ends.

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

4.3 CREDIT RISK

ALTEN's services are invoiced mainly on a time-spent basis. In reality, there are few risks related to fixed-price contracts (approximately 8% of revenue). Internal procedures established by certain major account customers with regard to the issue of purchase orders and payment of invoices affect payment timeframes. In light of these ever-growing difficulties, the Group had to strengthen its procedures to limit the increase in outstanding customer accounts and the risk of non-payment by customers.

The Group's customers are among the largest European accounts. The ALTEN Group derives 39.3% of its sales from approximately ten customers, with its largest customer representing less than 10% of Group sales within various entities in several countries.

ALTEN works mainly with major accounts (nearly 90% of sales). Its credit risk is therefore limited. Customer account collection periods were 106 days (110 days in 2010).

MAJOR ACCOUNTS' SHARE *(as % of sales)*

	2009	2010	2011
Largest	9.7	9.7	9.5
Top 5	25.3	25.5	26.6
Top 10	40.2	40.2	39.3

There is no identified risk of dependency with regard to a specific client. See also Chapter 20.4, Note II.4.

4.4 RISKS CONNECTED WITH INTANGIBLE ASSETS

Goodwill represents the difference between the purchase price and the fair value at the date of acquisition of identifiable assets and liabilities and contingent liabilities. Goodwill is not 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 Chapter 20.4, Note 3.H).

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.

In 2011, only one impairment loss was recognised and concerns the company Winwise in France for €3,131,000.

See also Chapter 20.4 III Consolidated accounts, Note 1.

4.5 LEGAL RISKS

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

However, services that are results-based (fixed-price contracts) may, in case of a delay in execution or incorrect execution, lead to the application of penalties, or result in ALTEN's liability being committed. The Group has developed specific methodological processes for the management of projects of this type. The ALTEN Delivery Center which deploys the methodologies and drives the delivery of the workpackages, is certified CMMi level 2 and will be certified level 3 by mid-2012. All of these processes associated with a rigorous management of its contractual commitments enable ALTEN to control this risk.

In connection with its activities, the Group is involved in certain legal actions, mainly relating to former employees, commercial matters and taxes. A provision is posted when the Group has an obligation to a third party and it is certain or likely that it will lead to an outflow of resources for the benefit of said third party. Provisions are broken down by type, amount and expected maturity in the Notes to the consolidated financial statements (see Chapter 20.4 III Consolidated accounts Note 12).

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

4.6 BUSINESS ACTIVITY RISKS

4.6.1 PROCEDURES AND REFERENCING POLICIES

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

At end 2011, ALTEN confirmed all of its references in Aeronautics, Automotive, Energy, and Telecoms, etc.

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

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

For some years now, customers' Purchasing 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 and thus keep up the customer relationship. In practice, the number of projects carried out in offshore or nearshore mode remains very limited.

ALTEN currently has organisations in Romania, Poland and India.

The share of turnover generated by the ALTEN Group in offshore mode is 0.08% and 0.07% in nearshore mode.

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

4.6.2 HUMAN RESOURCES MANAGEMENT

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

The Group's organic growth depends on its ability to recruit highly qualified labour while coping with a high turnover rate (over 20% in 2011).

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

In particular, ALTEN adopts an active policy for the recruitment of young engineers and employees by attending trade fairs and forums (more than 80 in France in 2011), by constructing lasting partnerships with engineering schools, universities and business schools (more than 50 schools).

In 2011, ALTEN recruited 3,500 people on a permanent contract (CDI), 30% of whom are young graduates.

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

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

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

4.7 INDUSTRIAL RISKS RELATED TO THE ENVIRONMENT

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

4.8 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 ranking insurance companies for all major risks that could significantly impact its business, results or assets.

The main insured risks concern:

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

INFORMATION REGARDING THE ISSUER

5

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 COMPANY NAME, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Issuer's company name: ALTEN.

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

Sales department: 221 *bis* boulevard Jean Jaurès, 92514 Boulogne Billancourt Cedex. The telephone number of the sales department is +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 winding up 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 the number 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 Consultancy 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 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 launched 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 2003, thanks to operations launched in Italy (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 continues 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 Consultancy.

The ALTEN Group continues its expansion through organic growth and acquisitions while 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 specialising in R&D engineering and work package design is acquired in July 2006.

The nearshore offer has grown with an acquisition in Romania. It now includes the Czech Republic, Slovakia, Poland, Romania and Vietnam.

2007

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

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

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

2008

ALTEN confirms the almost comprehensive nature of its listings and partnerships in Europe, and is included among EADS' listed E2S service providers throughout the world (the five top engineering service providers for the EADS Group). 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 was sudden and was felt at the very beginning of 2009. It affected most business sectors but mainly the Automotive sector, where the drop has been significant. The Group has taken all necessary measures to adjust to this level of activity. It confirmed its listings in 2009 and continued 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 redeploy its package towards structured projects. This strategy leads it to strengthen and restructure its Technical Department and to start the CMMI certification process.

2011

In a market environment where demand remained strong, although growth slowed in the second half, ALTEN's services offer and organization allow it to continue to gain market share. ALTEN intends to continue with its strategy of growth through acquisitions, mainly overseas.

2012

ALTEN should continue its strategy of targeted acquisitions to achieve critical mass in key countries.

5.1.6 KEY EVENTS OVER THE PERIOD

5.1.6.1 Equity investments

In January 2011 the ALTEN Group acquired a 14.29% stake in Phinergy Ltd.

5.1.6.2 Acquisitions

The ALTEN Group has made two acquisitions during the past financial year:

- acquisition on 14 April 2011 of Calsoft Labs (on-board electronics, telecom networks and mobile platforms), located in India and the United States (650 strong workforce; revenue 22 million USD);
- acquisition on 15 July 2011, by ALTEN GmbH, subsidiary of ALTEN SA, of Bardenheuer GmbH, based in Munich, a company in the niche telecom security market, in Germany (30 strong workforce; €2.3 million revenue);

5.1.6.3 Disposals and exits

None.

5.1.6.4 Internal restructuring operations

5.1.6.4.1 In Europe (excl. France)

None.

5.1.6.4.2 In France

Transfer by ALTEN SA of the entire share capital of Winwise SAS to ALTEN Systèmes d'Information et Réseaux SAS. This transfer was followed by a merger of assets (in accordance with the provisions of Article 1844-5, paragraph 3 of the Civil Code) between ALTEN Systèmes d'Information et Réseaux SAS and Winwise SAS, which led to the winding up of Winwise SAS on 31 December 2011, with retroactive tax effects as at 1 January 2011.

(1) Study carried out by Pierre Audoin Conseil.

5.1.6.5 Incorporations

The ALTEN Group formed six entities during the past financial year:

- incorporation on 8 February 2011 of Atexis Spain SLU, whose capital is wholly owned by ALTEN Spain SAU, a subsidiary of ALTEN Europe SARL, whose principal activity is engineering and technical consultancy;
- incorporation of a Belgian law start-up in February 2011, in which ALTEN Europe SARL, a subsidiary of ALTEN SA, took a 15.1% stake;
- stake of 75% taken on 24 March 2011 by ALTEN GmbH, a subsidiary of ALTEN SA, in the capital of Intesima GmbH, a limited liability company under German law, based in Coburg;
- incorporation on 15 June 2011 of Aptech SAS, whose capital is wholly owned by ALTEN SA and which is primarily engaged in engineering and technical studies, system architecture and network consultancy, with an IT and Electronics Engineering Design Office;
- incorporation on 19 July 2011 of Anotech Do Brasil Consultoria EM Gestao Empresarial Ltda, whose capital is wholly owned by ALTEN Europe SARL;
- incorporation on 21 December 2011 of Anotech Energy Nigeria Ltd., owned 49% by ALTEN Europe SARL.

In France, the Group increased its interest in the capital of a technology consulting company from 15% to 30.1%.

5.1.6.6 Other key events

The companies ALTEN SIR and ALTEN Sud Ouest have been subject to an URSSAF audit (Social Security assessment) which, at this stage, indicates an adjustment of €7 million. These companies have appealed against the totality of these demands.

5.2 INVESTMENTS

5.2.1 MAIN INVESTMENTS DURING 2011

During 2011, ALTEN made the following main investments:

- acquisition of fixtures and facilities, furniture, IT equipment and infrastructures for a total of € 7,522 K and software licenses for a total of €1,884 K;
- net financial assets, equity investments and earn-outs worth €25,175 K.

These investments were self-financed.

5.2.2 MAJOR INVESTMENTS MADE OR COMMITTED SINCE THE YEAR END

Acquisition of the Telecom sector of Enea, a leading company in Sweden covering the telecom sector (250 strong workforce, revenue SEK 260 million) for an amount of approximately €15 million, without earn-outs.

5.2.3 MAJOR FUTURE INVESTMENTS

No investment planned in the future has given rise to a firm commitment by the company's management bodies, with the exception of earn-out clauses relating to acquired subsidiaries, whose amounts were duly posted in the Group's consolidated financial statements. The corresponding debt estimated at €1,325 K is posted in other current liabilities.

OVERVIEW OF THE BUSINESS AND STRATEGY

6

6.1 MAIN ACTIVITIES

ALTEN, the European leader in Engineering and Technology Consultancy (ETC), implements design and research projects for the technical and information systems divisions of major industrial, telecoms and service sector customers.

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

- Scientific and Technical Studies;
- Network and Systems Architectures.

The Group operates in only one area: Engineering and Technology Consultancy (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 ETC, ALTEN Régions and ALTEN Telecom

The ALTEN ETC (Paris – Île-de-France), ALTEN Régions and ALTEN Telecom have approximately 4,200 engineers, specifically 1,970 engineers in Paris-Île de France, 1,660 engineers in the other regions of France and 570 engineers in Telecom.

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	Consultancy services in Information Systems and Network Architecture.
ALTEN Sud Ouest	General project management assistance.
XDIN	Technology Consulting and Engineering – Mechanics – Mechatronics – Telecoms – real-time onboard systems.
ALTEN Spain	Consulting, Research and Development in the Banking, Telecoms, Administration and Industry sectors.

ALTEN SA, the operational holding company, generates 36% 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 (6% of consolidated sales), XDIN (6% of consolidated sales) and ALTEN Spain (6% 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 (ETC). Especially notable fields include on-board and real-time software, control systems and supervision, mechanics 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, banks etc.

6.2.1 THE TECHNOLOGY CONSULTING MARKET ACCESSIBLE TO ALTEN

The Engineering and Technology Consulting market covers mainly the following areas:

- scientific applications (calculations, simulation etc.);
- system and real-time software, embedded software;
- command, control and supervision;
- PMO;
- testing and safety.

This market, generally known as "Outsourced research and development" comprises subcontracting in consulting (or technical assistance) mode, Workpackage (outsourced platforms) and commitments related to results (fixed-price projects).

Outsourced research and development's principal customers are for the most part private sector companies in the fields of industry, telecommunications and services.

In France, outsourced research and development represents around 27% of private research and development. The market is estimated at €4.5 billion in 2011.

In Europe, excluding France, the rate of outsourcing of research and development varies from 11% (Germany) to 20% (the Netherlands).

(Source Pierre Audoin Consultants 2012)

6.2.2 COMPETITION

ALTEN is commonly included in the information technology engineering services competitive environment.

However, it is more appropriate to position ALTEN among companies that offer the same type of core services. Pierre Audoin Consultants has drawn up rankings of Technology Consulting service providers.

ALTEN has been the number one provider in the Engineering and Technology Consulting market for several years, and is reinforcing its leadership position.

The Engineering and Technology Consulting market is fragmented.

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

The market, excluding France, remains highly fragmented.

Only four market players in the Engineering and Technology Consulting field have a European presence; they are all French.

(Source Pierre Audoin Consultants 2012)

6.2.3 MAIN CUSTOMERS

ALTEN works mainly with major accounts (nearly 90% of sales). Its credit risk is therefore limited. Customer account collection periods were 106 days (110 days in 2010).

MAJOR ACCOUNTS SHARE *(as % of sales)*

	2009	2010	2011
Largest	9.7	9.7	9.5
Top 5	25.3	25.5	26.6
Top 10	40.2	40.2	39.3

6.3 PROGRESS ACHIEVED AND DIFFICULTIES ENCOUNTERED

In 2011, the ALTEN Group continued its structuring of the Structured Projects Division (dedicated to workpackage and fixed-price projects), which acts across all departments in support of the different operational divisions, from bidding activity to project implementation in "workpackage" mode:

- the ALTEN Delivery Center (ADC) is organized around five engineering departments (Propulsion System Engineering, Mechatronics, On-board Systems, Telecoms & Networks, Information Systems) and handles the implementation of complex projects;
- CMMi (1) certification has continued: ALTEN should be level 3 CMMi certified in 2012;
- experienced managers and consultants are always trained in managing Structured Projects and have to pass an internal certification process;
- ALTEN's expertise in transnational workpackage management is recognized by its clients.

Referencing procedures, in 2011 as in 2012, have confirmed ALTEN as one of the leaders in the Structured Projects business.

Furthermore, in 2011 ALTEN SA finalized the rollout of the ERP system, which addresses all middle and back office business functionalities. The system implementation has allowed the company to have relevant control and management instruments which are essential for managing a company with more than 4,500 employees. In this way, it has been possible to greatly reduce outstanding invoices, as well as customer payment delays. Based on feedback, the ERP rollout will be continued in 2012 with the integration on 1 January 2012 of ALTEN Sud Ouest (1,100 employees).

ALTEN also started the rollout of a new CRM over part of its core business at the end of 2011. This rollout will continue throughout FY 2012. It will allow operational managers to control their sales better and to have reliable indicators in real time relating to the performance of their organisation.

The main difficulty encountered for FY 2011 was related to external growth: few targets in ALTEN's business lines in Northern Europe and Germany, where ALTEN wants to speed up its growth. In particular, the financial crisis which has affected the entire banking sector led the main players at the end of 2011 to reduce their investment budgets for 2012 and to demand productivity gains as part of a rationalization of supplier panels.

Finally, the financial crisis at the end of 2011 will have led to a slowdown of business and increased pricing pressure in certain business sectors in France and in Spain for the 2012 referencing procedures.

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

See Chapter 4 "Risk factors".

6.5 COMPETITIVE POSITION

See Chapter "A Global Presence" of the Business Report.

(1) The ALTEN Delivery Center uses the CMMi baseline and varies the most relevant method for each type of service (Agile methodologies for development, ITIL for services management, etc.) to achieve the objectives set by clients.
ALTEN was the first French company certified in CMMi-SVC and the fifth to be certified CMMi DEV and SVC internationally;

ORGANISATION CHART 7

7.1 BRIEF DESCRIPTION OF THE GROUP

See Chapter 20.4 II Notes to the financial statements, section 5 (consolidation scope in the accounting principles for the consolidated financial statements).

7.2 LIST OF MAJOR SUBSIDIARIES

DESCRIPTION OF THE CORE BUSINESSES OF THE GROUP'S MAIN SUBSIDIARIES

7.2.1 THE GROUP'S MAIN FRENCH SUBSIDIARIES

		Sales *(in thousands of euros)*		Result *(in thousands of euros)*		Staff	
Companies	**Activity**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
ALTEN SIR	Information Systems and Networks Architecture Consultancy	134,643	126,645	(91)	3,647	1,303	1,321
ALTEN Sud-Ouest	Engineering, R&D, consulting, project management packages (PMP) in the aeronautics, space, energy and telecoms sectors	94,500	77,307	4,903	5,055	1,077	941

ALTEN SIR enables the ALTEN Group to be positioned as one of the major players in France in the field of Information Systems and Networks Architecture Consultancy, and functional project management assistance in the banking and insurance sectors.

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

7.2.2 THE GROUP'S MAIN INTERNATIONAL SUBSIDIARIES

		Sales *(in thousands of euros)*		Result *(in thousands of euros)*		Staff	
Companies	**Activity**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
XDIN	Technology Consulting and Engineering – Mechanics – Mechatronics – Telecoms – real-time onboard systems	72,047	48,767	7,686	3,989	814	657
ALTEN Spain	Consulting, Research and Development in the Banking, Telecoms, Administration and Industry sectors	70,278	67,452	2,336	-1,668	1,406	1,427

7 ORGANISATION CHART

8 REAL ESTATE, FACTORIES AND EQUIPMENT

8.1 SIGNIFICANT TANGIBLE ASSETS

None.

8.2 ENVIRONMENTAL ISSUES THAT MAY AFFECT THE USE OF TANGIBLE ASSETS

None.

8 REAL ESTATE, FACTORIES AND EQUIPMENT

REVIEW OF THE FINANCIAL SITUATION AND RESULT

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

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

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

In 2011, the business remained dynamic, even if growth in the second half slowed.

ALTEN grew twice as fast as the ETC market (14.5% compared with 6%) and continued to develop its positions.

Organic growth accordingly remained satisfactory throughout 2011, despite a slight slowdown in the last quarter, mainly in France, and despite 1.5 days fewer worked than in 2010. It therefore increased by 14.5% compared with 2010 (+16.4% in the first half and +12.7% in the second half).

Automotive, Aeronautics, Electronics and Power were the most dynamic business sectors.

Despite a turn-over which remained high (> 20%), ALTEN succeeded in capturing the resources needed to implement projects and maintained a sustained recruitment rate during 2011. At the end of 2011, ALTEN’s headcount was 14,800 employees.

The breakdown by location and by activity is presented in “ALTEN worldwide” and “Business sectors” respectively of the Business report.

9.1.1.2 External growth

The ALTEN Group made two acquisitions during the past year:

- acquisition on 14 April 2011 of Calsoft Labs (on-board electronics, telecom networks and mobile platforms), located in India and the United States (650 strong workforce, revenue 22 million USD);
- acquisition on 15 July 2011, by ALTEN GmbH, subsidiary of ALTEN SA, of Bardenheuer GmbH, based in Munich, a company in the niche telecom security market, in Germany (30 strong workforce; €2.3 million revenue).

9.1.2 REVENUE TRENDS

The ALTEN Group’s consolidated accounts show a turnover of €1,065.7 million, up 16.3% (14.5% at constant exchange rates) compared with 2010 (€916.6 million). The share of sales made internationally grew steadily and now accounts for one third of the ALTEN Group’s business.

In France, in 2011, growth was 13.1% (15.3% in the first half; 10.9% in the second half). Internationally, business remained dynamic and stabilised at 17.7% (excluding the effect of exchange rates and at constant scope), up by 23.4% compared with 2010.

Three countries experienced very strong growth: Sweden, where turnover grew by 47.7% (40% excluding exchange rate effects), the Netherlands (+27.8%) and Germany (+23%).

9.1.3 EARNINGS TRENDS

The activity rate [(1)] remained satisfactory in 2011: it was 92.5% (compared with 92.7% in 2010). A rigorous project management, cost control structure and a significant improvement in margins in northern Europe have enabled the Group to generate a satisfactory operating margin.

(1) The activity rate is defined as the ratio of the number of days billed on the potential of chargeable days (excluding holiday pay, working time reduction days (RTT), local economic contribution days (CET), training and sickness).

As a result, operating income on activity was €108.3 million as at 31 December 2011, i.e. 10.2% of sales, up 16% compared with 2010.

The ALTEN Group posted a high operational margin despite:

- major structuring efforts made within the Technical Department, needed to support the evolution of the offer into globalized project management;
- the constant search for productivity gains by customers;
- 1.5 fewer working days compared with 2010.

Operating profit before exceptionals was €108 million after taking into account the cost of stock options amounting to €0.3 million.

Non-recurring income stood at -€9.4 million mainly due to the acquisition costs for Calsoft Labs India and Calsoft Labs Inc and a social security tax adjustment, the total amount of which the Group has contested.

After taking these elements plus goodwill impairment of €3.1 million into account, operating profit was at €95.3 million (8.9% of revenue). The operating profit was €88.3 million in 2010 and accounted for 9.6% of revenue.

The financial losses were €1.5 million, including mainly bank interest charges of €1.2 million.

Income tax paid was €35 million, which corresponds to an effective tax rate of 36.02% compared to 37.82% in 2010.

Net income amounted to €59.5 million as the Group share, or 5.6% of sales, up 11% compared with 2010.

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

	2011		2010		Change
	In millions of euros	%	*In millions of euros*	%	%
Revenue	1,065.7		916.6		+16.3
Operating profit on activity	108.3	10.2	93.4	10.2	+16.0
Cost of stock options	(0.3)		(0.5)		
Operating profit before exceptional	108	8.9	92.9	10.1	+16.3
Non-recurring profit	(9.4)		(3.9)		
Impairment of goodwill	(3.1)		0		
Profit/loss from divestment	(0.2)		(0.6)		
Operating profit	95.3	8.9	88.3	9.6	+7.9
Financial profit/loss	(1.5)		(1.7)		
Taxes	(35)		(32.9)		
Affiliates and minority interests	0.8		(0.1)		
Net income, group share	59.5	5.6	53.6	5.8	+11

9.2 FINANCIAL POSITION

The ALTEN Group generated cash flows of €110.3 million, a rise of 14.6% compared with 2010 (€96.2 million), in line with the increase in activity. Free cash flows (cash flows generated by operating activities) amounted to €67.8 million, down 17.6% compared to 2010 (€81.1 million).

In fact, income tax paid in 2010 was very low (€1.4 million) due to the high payment made in 2009, a year in which earnings were down sharply. For this reason, free cash flows in 2010 were unusually high.

The significant reduction in customer collection time (106 days in 2011 compared with 110 days in 2010), allowed the change in WCR to remain under control (+€10.5 million) despite strong organic growth.

ALTEN was thereby able to finance the whole of its investments and acquisitions (€34 million), dividends paid to shareholders (€3 million) and improve its net cash position.

As a consequence, the ALTEN Group had a net cash surplus at end-2011 of €44.1 million.

9.3 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The General Meeting of the Shareholders will be asked to approve the consolidated financial statements for the financial year ended on 31 December 2011, showing a profit of €59,551,667, in accordance with Article L. 225-100 of the French Commercial Code.

9.4 ALTEN SA MANAGEMENT REPORT

9.4.1 THE ACTIVITY OF ALTEN SA

9.4.1.1 Comments on the activity of ALTEN SA over the last year

9.4.1.1.1 Key events

- **Creation of companies**

Setting up/constitution on 15 June 2011 of the company Aptech SAS, whose share capital is wholly-owned by ALTEN SA and whose main activities are engineering and technical research, consulting services in systems and network architecture, computer consultancy and electronics.

- **Reorganisations**

Transfer by ALTEN SA of the entire share capital of Winwise SAS to ALTEN Systèmes d'Information et Réseaux SAS. This transfer was followed by a merger of assets (in accordance with the provisions of Article 1844-5, paragraph 3 of the Civil Code) between ALTEN Systèmes d'Information et Réseaux SAS and Winwise SAS, which led to the winding up of Winwise SAS on 31 December 2011, with retroactive tax effects as at 1 January 2011.

9.4.1.1.2 Results

ALTEN SA posted sales of €433.3 million, up 15.35% on the previous year.

This revenue includes direct invoicing to the customer for €52.4 million for services rendered by some Group subsidiaries to customers, for whom ALTEN SA is the only ALTEN company referenced on the shortlist.

Other income, for the most part made up of fees re-billed to subsidiaries, amounts to €9,955,000, compared to €8,634,000 at 31 December 2010, being an increase of €1,321,000.

Other external purchases and costs amount to €143,526,000 compared to €127,525,000 at 31 December 2010. This represents 33.1% of turnover, compared to 33.9% in 2010.

Employee expenses were €259,309,000, compared to €220,687,000 in 2010. The change in this item (+17.5%) is primarily related to the rise in average headcount, which moved from 4,152 employees in 2010 to 4,673 in 2011.

Operating income was €25,173,000, equivalent to 5.8% of turnover (on total sales, including those made on behalf of subsidiaries).

Net financial income (expenses) amounted to €25,737,000 in 2011 (compared to €5,223,000 in 2010). This is primarily made up of dividends paid by ALTEN subsidiaries (€22 million).

Exceptional earnings are negative: (€6,045,000). This mainly comprises provisions for impairment of securities as part of the disposal of Winwise securities to ALTEN SIR.

After accounting for employee profit sharing (€1,889,000) and corporate tax (€7,465,000), net earnings came to €35,511,000, or 8.2% of turnover.

Non-current financial assets (€154,496,000) mainly comprise investment securities whose principle movements are set out in paragraph 9.4.1.1 of the management report.

Despite turnover growth of 15.35%, customer receivables totalled €138,381,000, a fall of €14,748,000 compared to 2010, as a result of a sustained effort to reduce customer collection delays.

At 31 December 2011, ALTEN SA's net cash position (including financial current accounts) was +€14,447,000.

9.4.1.1.3 Post-closing events

ALTEN SA is currently subject to a tax investigation for financial years 2008 and 2009.

9.4.1.2 Approval of the separate financial statements

The General Meeting of the Shareholders will be asked to approve the separate financial statements for the financial year ended 31 December 2011, showing a profit of €35,510,804.31, in accordance with Article L. 225-100 of the French Commercial Code.

9.4.2 FINANCIAL RESULTS

9.4.2.1 Allocation of earnings

We propose to allocate the profit for the year ended 31 December 2011, which was €35,510,804.31 as follows:

Source:

- earnings for the financial year: €35,510,804.31;
- carry forward: €97,022,334.25.

Allocation:

- legal reserve: €30,987.54;
- dividend: (32,286,527 shares at €1): €32,286,527;
- carry forward: €100,215,624.02.

Therefore, there will be a €1 dividend 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 with the 32,286,527 shares that conferred a right to a dividend on 1 March 2012, 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 actually paid.

It should be noted that the entire 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 25 June 2012.

The dividend coupon cut-off date is 20 June 2012.

9.4.2.2 Dividends distributed in prior years

	Revenues eligible for tax deduction		
For financial year	Dividends	Other paid out revenues	Revenues not eligible for tax deduction
2008	–	–	–
2009	€28,677,599.10* i.e. €0.90 per share	–	–
2010	€35,407,996.80* i.e. €1.10 per share	–	–

* *Including the dividend corresponding to treasury shares not paid and posted to the carry forward account.*

9.4.2.3 Non-deductible charges

No non-tax deductible charges or expenses, as set out in Article 39-4 of the General Tax Code, have been recorded during the 2011 financial year.

9.4.2.4 Due dates for payment

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, as of 31 December 2011, the company's accounts payable totalled €36,664,000 and comprised:

	Total payables suppliers		Due payables on closure		Total debt not yet due *(in €k)*		Payables including due on unmatured - 30 days		Including due dates between 30 and 60 days due		Including + 60 days	
Payables suppliers	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Operating suppliers	6,976	8,021	163	1,441	6,812	6,580	5,780	5,860	1,026	518	5	202
Group suppliers	17,484	17,109	28	7,725	17,456	9,384	8,634	1,116	8,822	8,254	-	14
Total Workforce suppliers	24,459	25,130	191	9,166	24,268	15,964	14,415	6,975	9,848	8,772	5	217
Accounts payable not received *(in k€)*	12,204	10,579										
Total payables *(in k€)*	36,664	35,709										

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

Financial table *(In thousands of euros)*	31/12/2011	31/12/2010	31/12/2009	31/12/2008	31/12/2007
Share capital	32,801	32,491	32,293	32,246	31,976
Number of ordinary shares	32,271,677	31,966,790	31,771,921	31,725,735	31,460,390
Number of preference shares	-	-	-	-	-
Maximum number of future shares to be created	-	-	-	-	-
• by convertible bonds	-	-	-	-	-
• by exercising subscription rights	1,154,700	1,681,053	2,062,307	1,842,773	2,137,433
Revenue (net of tax)	433,257	375,601	338,958	373,490	291,946
EBITDA	46,340	32,287	52,429	29,903	43,261
Income tax	7,465	8,785	(2,917)	7,120	9,490
Employee profit-sharing	1,889	2,614	0	2,587	2,695
Net earnings	35,511	20,483	46,579	2,546	30,254
Distributed earnings	34,996	28,284	0	0	0
Earnings per share after tax and before depreciation and provisions	1.15	0.65	1.56	0.64	0.99
Earnings per share after tax, depreciation and provisions	1.10	0.64	1.47	0.08	0.97
Dividend per share	1.10	0.90	0	0	0
Average workforce during the financial year	4,673	4,152	3,854	3,726	3,084
Total payroll	172,672	148,882	134,312	130,532	106,430
Total payroll and employee benefits	86,638	67,287	68,564	64,767	51,765

CASH AND CAPITAL 10

10.1 INFORMATION ON CAPITAL

Information regarding capital is presented in Note 8 of Chapter 20.5.

10.2 CASH FLOW

The cash flow tables are to be found in Chapter 20.3.4 and Note II.4 to the consolidated financial statements.

10.3 LENDING LOAN CONDITIONS AND FINANCING STRUCTURE

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

10.3.1 FINANCING OF RECEIVABLES

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

10.3.2 FINANCING OF INVESTMENTS

See 5.2.

10.4 RESTRICTIONS ON USE OF CAPITAL

None.

10.5 SOURCES OF FINANCING

See 5.2.

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

11

ALTEN participates in research and development projects for its clients and carries out a small amount of research and development on its own behalf.

ALTEN has nevertheless taken a 14.29% stake in the capital of Phinergy, a company which develops innovative technologies for electric batteries. ALTEN, via its B2I Automotive Engineering subsidiary, and with the help of internal teams, has allocated resources to the conception and development of technological solutions for the integration of electric batteries in industrial environments.

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

ALTEN and its subsidiaries do not hold any patents.

11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

12 INFORMATION ON TRENDS

12.1 SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR

In February 2012, the acquisition transaction initiated in 2011 of three of Enea's Telecom subsidiaries was finalized. Enea has a workforce of 250 for SEK 260 million in sales and is a leader in Sweden.

ALTEN Europe has also taken an additional stake in the capital of Phinergy Ltd, bringing its interest to 19.49%.

ALTEN SA is currently subject to a tax investigation for financial years 2008 and 2009.

12.2 FORESEEABLE DEVELOPMENTS AND PROSPECTS

Despite a depressed economic climate in late 2011, the beginning of 2012 is comforting, even encouraging:

- the activity rate for the first quarter should be satisfactory, comparable to that for last year;
- there is no let up in the turnover;
- the conversion from consulting to workpackage type work offers an alternative to pricing pressure.

ALTEN expects organic growth of at least 5% in 2012, corresponding to the embedded growth of 2011 and hopes to maintain a two-digit operating margin in spite of the pricing pressure, thanks to productivity gains and more rapid growth internationally where the margins are higher.

At the analysts' meeting of 29 February 2012, ALTEN stated that an operating margin of between 9.5% and 10.3% appeared to be a reasonable assumption, based on the preliminary forecasts in this early part of the year and on current information on the activity.

As a reference technology partner, ALTEN has confirmed all of its referrals from major OEMs in the Aerospace, Automotive, Energy and Telecom sectors.

ALTEN should continue to take advantage of its size, its international presence, its diversified package and its recognized expertise in managing technology projects for further expansion. Its intact financial resources will allow it to continue its strategy of targeted acquisitions, mainly abroad, to achieve critical mass in key countries.

ALTEN confirms its role of European leader in ETC.

13 EARNINGS FORECASTS AND ESTIMATES

None.

13 EARNINGS FORECASTS AND ESTIMATES

ADMINISTRATIVE AND MANAGEMENT BODIES

14

14.1 INFORMATION ABOUT MEMBERS

14.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors is presented in the chapter entitled “ALTEN Group governance” of the 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 SUPÉLEC. After having managed the R&D laboratory at Thalès, he founded ALTEN in 1988 with two associates who are also engineers.

He is currently Chairman and Chief Executive Officer.

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

Mr Bruno Benoliel, who joined the ALTEN Group in 1997, has been Deputy Chief Executive Officer since September 2011.

14.1.3 OFFICES AND POSITIONS HELD BY EXECUTIVE CORPORATE OFFICERS

SIMON AZOULAY

Date of first appointment: 22 September 1998 (Chairman and Chief Executive Officer), 19 February 1997 (Board member)

Date appointment last renewed: 23 June 2009 (Chairman, Chief Executive Officer and Board member)

Mandate expires: at the General Meeting called to approve the 2012 financial statements (Chairman, Chief Executive Officer and Board member)

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

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

Positions held within the Group (excluding ALTEN SA) during the past five financial years	Other duties and positions held in any other company (excluding the ALTEN Group) during the past five financial 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@ll SAS (2006-2008) - ALTEN Sud-Ouest SAS (2005-2007) - Gist SAS (2008-2009) - Anotech Energy SAS (2006-2008) - HPTI (2007-2007) • Permanent representative of ALTEN Europe, legal entity, Director of (Spain): - ALTEN Ingenieria Slu (2009) • **Permanent representative of ALTEN Europe, legal entity, Secretary of (Great Britain):** **- Anotech Energy Ltd*** (2008, open-ended) • Director of: - Avenir Conseil Formation SA (2010-2011) - Quaternove SA (2006-2009) • Managing Director of: - **ALTEN Training Center SARL (ex-Abilog)*** (1996, open-ended) - **ALTEN Europe SARL*** (2004, open-ended) - ALTEN Cash Management SARL (2004-2011) - ALTEN Services SARL (2004-2008) - SGTI SCI (1998-2007) - HRLT (2007-2007) • Consejero (Spain): - **ALTEN Spain Soluciones, Productos, Auditoria e Ingeneria*** (2009-2014) - Burke Newco Slu (2009) - Grupo ALTEN Soporte Global Slu (2006-2009) - ALTEN T.I.C. Slu (2005-2009) - ALTEN Ingenieria (2006-2009) • Managing Director of (Belgium): - ALTEN Benelux Sprl (1999-2010) - Axen Sprl (2005-2010) - ALTEN Belgium (2005-2010) • Director of (Great Britain): - **ALTEN Ltd*** (1989-2011) - SD Partners Ltd. (1999-2006)	• Director of: - **Des Systèmes et des Hommes SA*** • Managing Director of: - **Avenir Montmorency SCI*** - **Simalep Société civile*** - **Cakciv Société civile*** • Chairman of: - **SGTI SAS*** (open-ended)

* *Current mandates.*

GÉRALD ATTIA

Date of first appointment: 21 December 1998 (Deputy Chief Executive Officer), 23 January 1998 (Board member)

Date appointment last renewed: 23 June 2009 (Deputy Chief Executive Officer) – 21 June 2010 (Board member)

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

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

Main position held within the Group: Deputy Chief Executive Officer

Positions held within the Group (excluding ALTEN SA) during the past five financial years	Other duties and positions held in any other company (excluding the ALTEN Group) during the past five financial years
• Chairman of the company: - **Avenir Conseil Formation SAS** (2010-2011*) - Etic Software - **ID APPS** (2011-2012)* - **APTECH SAS** (2011-2012)* • Director of (Great Britain): - **SD Partners Ltd*** (2001- unspecified) • Director of: - **ALTEN SIR GTS SAS** (2010-2015)* • Consejero (Spain): - ALTEN T.I.C. Slu (nc – 2009) - **ALTEN Soluciones, Productos, Auditoria e Ingeneria SAU*** (2009-2014) • Apoderado (Spain): - ALTEN Ingeneria Slu (nc-2009) • Director of (Sweden): - **XDin Aktiebolag (Publ)*** (2011-2012)* - **HRH Consultancy Aktiebolag*** (2011-2012)* - **Recoverrest Aktiebolag*** (2011-2012)* - **X Din Francisco Aktiebolag*** (2011-2012)* - **X Din Systems Aktiebolag*** (2011-2012)* - **Enea Services Stockholm*** (2012-2013) - **Enea Services Oresund*** (2012-2013) - **Enea Services Linkoping*** (2012-2013) • Director of (India): - **ALTEN India Privale ltd** (2010, open-ended)* - **Calsoft Labs (India) ltd** (2011-2012)*	• 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*** • Manager of: - **Proxym SARL***

* *Current mandates.*

BRUNO BENOLIEL

Date of first appointment: 27 September 2011 (Deputy Chief Executive Officer), 22 June 2011 (Board member)

Date appointment last renewed: N/A

Mandate expires: at the General Meeting called to approve the 2012 financial statements (Deputy Chief Executive Officer) and at the General Meeting called to approve the 2014 financial statements (Board member)

Born on 13 May 1964 in Paris (17th arrondissement) (France), French national

Main position held within the Group: Deputy Chief Executive Officer

Positions held within the Group (excluding ALTEN SA) during the past five financial years	Other duties and positions held in any other company (excluding the ALTEN Group) during the past five financial years
• Chairman of: - Cisia Investissements SA (2007-2009) - Quaternove SA (2006-2009) • Permanent representative of CISIA Investments, legal entity, Chairman of: - Cisia Cetop SAS (2007-2009) - Cisia Ingénierie SAS (2007-2009) - Cisia Exaterm SAS (2007-2010) - Groupe Cisia Ingénierie SAS (2007-2009) • Permanent representative of Groupe Idestyle, legal entity, Chairman of: - Idestyle Technologies SAS (since 2009)* • Director of: - Avenir Conseil Formation (2006-2011) - Cisia Ingénierie SA (2006-2010) • Managing Director of: - **ALTEN Cash Management SARL** (2011-2012)* - Sageis CSO SARL (2007-2008) • Member of the Supervisory Board of: - Winwise SAS (2008-2008) • Managing Director of (Poland): - IMP Poland sp zoo (2004-2011) • Director (Spain) of: - **ALTEN Soluciones, Productos, Auditoria e Ingeneria SAU** (2009-2014)* - Grupo Apex SA (2006-2009) - Algor SL (2006-2009) - ALTEN T.I.C. SL (2005-2009) - Burke Newco SL (2008-2009) - Grupo ALTEN Soporte Global SL (2006-2009) - Grupo Apex SA (2006-2009) • Consigliere (Italy): - Onion SPA (2009-2011) - **ALTEN Italia SPA** (2008-2012)* • Managing Director of (Netherlands): - **Galaxy Holding BV** (2005, open-ended)* - ALTEN Nederland BV (29/08/2005, open-ended) - **ALTEN DDA BV** (2006, open-ended)* - **ALTEN PTS BV** (2005, open-ended)* • Managing Director of (Belgium): - Axen Sprl (2008-2010) • Director of (Sweden): - **XDIN Aktiebolag (publ)*** (2011 -2012)* - **HRH Consulting Aktiebolag*** (2011-2012)* - **Recoverrest Aktiebolag*** (2011-2012)* - **X Din Francisco Aktiebolag*** (2011-2012)* - **X Din Systems Aktiebolag*** (2011 -2012)* - **Enea Services Stockholm*** (2012-2013) - **Enea Services Oresund*** (2012-2013) - **Enea Services Linkoping*** (2012-2013) • Sole Director (Romania): - **ALTEN SI Techno Romania S**RL (2009, open-ended)* • Director of (Great Britain): - **SD Partners Ltd*** (2001, open-ended)*	• Manager of: - **Balantine SC*** - **Balantino SC*** - **Balantina SC***

* *Current mandates.*

CATHERINE BEHAR

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 (14^{th} arrondissement) (France), a French national

Main position held within the Group: N/A

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
• None	• Manager of: - **Cakciv SC***

* *Current mandates.*

EMILY LUNA

Date of first appointment: 22 June 2011 (Board member)

Date appointment last renewed: N/A

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

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

Main position held within the Group: N/A

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
• None	• Manager of: - **Sicogex SC***

* *Current mandates.*

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

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

To the knowledge of the Company, on the date of preparation of this document and during the last five (5) years: (i) no conviction for fraud has been pronounced against a member of the Board, or senior management, (ii) no member of the Board was prevented by a court from acting as a member of an administrative, managerial or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer, (iii) no conviction and/or official public sanction has been imposed on a member of the Board or the General Management by statutory or regulatory authorities, and (iv) no member of the Board of Directors has been involved in a bankruptcy, receivership or liquidation except Mr Bruno Benoliel under his tenure as Permanent Representative of the Idestyle Group, Chairman of the company Idestyle Technologies SAS acquired by ALTEN in 2006. This automotive engineering firm was put into court-ordered liquidation in 2009.

14.1.5 SPECIFIC INFORMATION REGARDING CORPORATE OFFICERS

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

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

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 REMUNERATION PAID FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

Simon Azoulay *Chairman and Chief Executive Officer*	2011	2010
Remuneration due for the financial year	€359,080	€259,080
Value of options awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
TOTAL	**€359,080**	**€259,080**

Gérald Attia *Deputy Chief Executive Officer*	2011	2010
Compensation due for the financial year	€262,224	€262,224
Value of options awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
TOTAL	**€262,224**	**€262,224**

Bruno Benoliel *Deputy Chief Executive Officer*	2011	2010
Compensation due for the financial year	€109,065*	N/A
Value of options awarded during the financial year	None	N/A
Value of performance-based shares awarded during the financial year	None	N/A
TOTAL	**€109,065***	**N/A**

* *This amount represents the remuneration received by Mr Bruno Benoliel, under his employment contract (see table 15.1.2 below) dated 29 September 1997, since his appointment as Board member (22 June 2011) and up to 31 December 2011 as well as directors' fees paid since 1 July 2011 for the 2011 financial year by ALTEN SPAIN, a company formed under Spanish law and a wholly-owned subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of ALTEN SA, for his role as Consejero.*

15.1.2 SUMMARY OF REMUNERATION PAID TO EACH CORPORATE OFFICER

TABLE 2: REMUNERATION PAID TO EACH CORPORATE OFFICER

	2011		2010	
Simon Azoulay	Amount paid	Amount owed	Amount paid	Amount owed
• Fixed remuneration	€109,080	€109,080	€109,080	€109,080
• Variable remuneration	None	None	None	None
• Exceptional remuneration	None	None	None	None
• Directors' fees	€250,000*	€250,000*	€150,000*	€150,000*
• Benefits in kind	None	None	None	None
TOTAL	**€359,080**	**€359,080**	**€259,080**	**€259,080**

* *€150,000 corresponds to the fees paid to Mr Simon Azoulay in December 2010 and October 2011 for the years 2010 and 2011 respectively by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero. €100,000 was also paid by the UK company ALTEN Ltd, wholly-owned subsidiary of ALTEN Europe, to Mr Simon Azoulay in respect of attendance fees for his position as Director for financial year 2011.*
Mr Simon Azoulay is also chairman and sole partner of SGTI, bound by service level agreements to certain ALTEN subsidiaries in which Mr Simon Azoulay has no corporate office. SGTI collected fees of €212,000 under this heading in 2011. Missions performed by SGTI under these agreements are invoiced on time spent, on the basis of four thousand euros (€4,000) per day.

	2011		2010	
Gérald Attia	Amount paid	Amount owed	Amount paid	Amount owed
• Fixed remuneration	€178,224	€178,224	€178,224	€178,224
• Variable remuneration	None	None	None	€50,000*
• Exceptional remuneration	None	None	None	None
• Directors' fees	€84,000**	€84,000**	€84,000**	€84,000**
• Benefits in kind	None	None	None	None
TOTAL	**€262,224**	**€262,224**	**€262,224**	**€312,224**

* *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 the financial 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 €100,000 for the financial year 2010 and in addition to his gross fixed salary of €178,224.*
** *These amounts correspond to the monies paid to Mr Gérald Attia in December 2010 and December 2011, for financial years 2010 and 2011 respectively, 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.*

	2011 (from 22 June 2011 to 31 December 2011)		2010	
Bruno Benoliel	Amount paid	Amount owed	Amount paid	Amount owed
• Fixed remuneration	€67,065*	€67,065*	N/A	N/A
• Variable remuneration	None	None	N/A	N/A
• Exceptional remuneration	None	None	N/A	N/A
• Directors' fees	€42,000**	€42,000**	N/A	N/A
• Benefits in kind	None	None	N/A	N/A
TOTAL	**€109,065**	**€109,065**	**N/A**	**N/A**

* *This amount corresponds to the monies received by Mr Bruno Benoliel from 22 June 2011, date on which he was appointed board member of ALTEN SA, under his employment contract (dated from 29 September 1997) which corresponds to exercise by the latter of his tasks as Director in charge of the Finance, Legal and Information Systems divisions.*
** *This amount corresponds to the monies paid as of 1 July 2011 to Mr Bruno Benoliel in December 2011 for financial year 2011 by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as directors' fees for his role as Consejero.*

15.1.3 DIRECTORS' FEES

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

Non-executive corporate officers		Amounts paid in 2011 *(in euros)*	Amounts paid in 2010 *(in euros)*
Catherine Behar	Directors' fees	None	None
	Other remuneration	None	None
Emily Luna	Directors' fees	None	N/A
	Other remuneration	None	N/A

15.1.4 SHARE SUBSCRIPTION OR PURCHASE OPTIONS

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

Name of executive corporate officer	Options awarded to each executive corporate officer by the issuer 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 allocated during the financial year	Exercise price	Redemption period
Simon Azoulay	None	N/A	N/A	N/A	N/A	N/A	N/A
Gérald Attia	None	N/A	N/A	N/A	N/A	N/A	N/A
Bruno Benoliel	None	N/A	N/A	N/A	N/A	N/A	N/A

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

Name of executive corporate officer	Options exercised by the executive corporate officers	Plan number and date	Number of options exercised during the financial year	Exercise price	Year awarded
Simon Azoulay	None	None	N/A	N/A	N/A
Gérald Attia	None	None	N/A	N/A	N/A
Bruno Benoliel	None	None	N/A	N/A	N/A

15.1.5 PERFORMANCE-BASED SHARES

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

	Performance-based shares awarded by the general meeting of shareholders in each financial year to each executive corporate officer by the issuer or by any Group company	Plan number and date	Number of shares awarded during the financial year	Value of shares according to the method used for the consolidated financial statements	Acquisition date	Date available	Performance terms
Simon Azoulay	None	N/A	N/A	N/A	N/A	N/A	N/A
Gérald Attia	None	N/A	N/A	N/A	N/A	N/A	N/A
Bruno Benoliel	52,800	11/04/2008	N/A	€1,060,224	11/04/2010	11/04/2012	Present

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

	Performance-based shares that became available for the executive corporate officers	Plan number and date	Number of shares that became available during the financial year	Acquisition terms	Year awarded
Simon Azoulay	None	N/A	N/A	N/A	N/A
Gérald Attia	None	N/A	N/A	N/A	N/A
Bruno Benoliel	None	N/A	N/A	N/A	N/A

15.1.6 SUMMARY OF CONTRACTS AND BENEFITS

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

Executive corporate officers	Employment contract	Supplementary pension plan	Compensation or benefits owed or likely to be owed due to termination or change in duties	Compensation related to a non-competition provision
Simon Azoulay	None	None	None	None
Gérald Attia	None	None	None	None
Bruno Benoliel	Yes*	None	None	None

* *The employment contract of Mr Bruno Benoliel, prior to the latter's appointment as Deputy Chief Executive Officer on 27 September 2011, is for performing the duties of Head of Finance, Legal and IT Systems, a position he has occupied within the ALTEN Group since 29 July 1997.*

15.1.7 REMUNERATION AND BENEFITS PAID DURING THE FINANCIAL 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 Share options

No share options plan was issued during the past financial year.

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 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	Total number of options awarded/ shares subscribed to or purchased	Weighted average price *(in €)*	Plan date
Options granted during the financial year by ALTEN and any company within its Group granting options, to the ten employees of the issuer and all companies included in the group which grant options, with the highest number of options granted. (Comprehensive Information)	N/A	N/A	N/A
Options for ALTEN and other aforementioned companies previously exercised during the financial year by the ten employees of the issuer and such other companies, with the highest number of options thus purchased or subscribed. (Comprehensive Information)	152,858	25,769 26,250 26,831	06/01/2004 24/03/2005 23/10/2006

TABLE 8: RECORD OF PAST STOCK OPTION ALLOTMENTS, AS AT 31 DECEMBER 2011

Date awarded by the Board	Date of Meeting	Number of beneficiaries	First possible exercise date	Plan maturity date	Number of options awarded	Exercise price *(in €)*	Number of options waived	Number of options exercised	Number of options voided	Number of options which may be exercised
27/01/1999	07/01/1999	34	27/01/2003	28/01/2007	27,950	6,860	0	18,880	9,070	0
16/12/1999	07/01/1999	190	16/12/2003	17/12/2005	292,900	27,400	0	17,150	275,750	0
27/09/2000	07/01/1999	50	27/09/2004	28/09/2008	174,250	27,200	85,000	1,750	87,500	0
09/01/2001	07/01/1999	180	09/01/2005	10/01/2009	283,000	28,000	64,500	14,670	203,830	0
28/03/2001	07/01/1999	3	28/03/2005	28/03/2009	30,000	26,000	0	0	30,000	0
21/08/2001	07/01/1999	2	21/08/2005	21/08/2009	28,500	16,850	0	28,500	0	0
25/01/2002	07/01/1999	214	25/01/2006	25/01/2010	438,400	15,720	60,000	302,205	76,195	0
05/09/2002	07/01/1999	1	05/09/2006	05/09/2010	10,000	6,000	0	10,000	0	0
13/03/2003	07/01/1999	237	13/03/2007	13/03/2011	359,150	5,900	0	318,750	40,400	0
25/07/2003	07/01/1999	6	25/07/2007	25/07/2011	450,000	7,300	0	449,500	500	0
06/01/2004	07/01/1999	259	06/01/2008	06/01/2012	318,970	10,730	0	220,570	90,900	7,500
24/03/2005	23/06/2003	356	24/03/2009	24/03/2013	496,500	17,980	0	188,690	225,185	82,625
23/10/2006	27/06/2006	598	23/10/2010	23/10/2014	1,189,780	24,100	30,000	130,980	793,600	235,200
18/02/2008	27/06/2006	794	18/02/2012	18/02/2016	622,790	19,130	30,000	0	273,010	319,780
07/09/2009	23/06/2009	689	07/09/2013	07/09/2017	574,330	15,210	0	0	184,735	389,595
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**	**1,701,645**	**2,290,675**	**1,154,700**

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

15.1.7.2 Share warrants

Pursuant to the delegation of authority granted at the Combined General Meeting on 23 June 2009, the Board of Directors, in its meeting on 7 September 2009, decided to award 487,000 share warrants (representing 0.33% of the capital as of the issue date) to seven beneficiaries, i.e. seven managers, whether executive corporate officers or not, 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, Chairman and Chief Executive Officer (150,000 share warrants) and Mr Gérald Attia, Deputy Chief Executive Officer (75,000 share warrants) and Mr Bruno Benoliel, Deputy Chief Executive Officer (60,000 share warrants).

These share warrants, which are not listed on a regulated market, give their holders the right to subscribe to new ordinary shares at the rate of one (1) new ALTEN share for one (1) share warrant (maximum number of shares to be issued: 487,000 shares).

These new shares shall be comparable to existing shares upon their admission to listing on the Euronext Paris market – Compartment B.

The subscription price was set at €1.19 based on a report issued by an independent expert. The exercise price was set at €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 share 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 20 stock market sessions immediately preceding the decision to issue the share warrants."

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

HISTORY OF PAST AWARDS OF SHARE WARRANTS:

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

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

15.2 PROVISIONS FOR PENSIONS AND RETIREMENT

None.

15.3 OPERATIONS BY MANAGERS ON THE COMPANY'S SECURITIES

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

Name of manager and/or the person cited in Article L. 621-18-2 of MFC	Duties performed at ALTEN	AMF Reference	Transaction dates	Description of the financial instrument	Type of transaction	Total number of financial instruments sold/subscribed	Unit price *(in €)* ex-tax
Oliver Granger	Chief Operating Officer	211D1595	31/03/2011	Equities	Exercise of share subscription options	25,000	€10.7500
Pierre Marcel	Chief Operating Officer	211D0220	05/01/2011	Equities	Exercise of share subscription options	8,000	€10.7300
		211D0221	05/01/2011	Equities	disposal	8,000	€25.0000
		211D3037	21/06/2011	Equities	Exercise of share subscription options	5,000	€17.9800
		211D3038	21/06/2011	Equities	disposal	5,000	€27.5000
Catherine Behar	Board member	211D3674	04/07/2011	Equities	disposal	1,500	€23.0000
Individuals connected to Simon Azoulay	N/A	211D3609	19/07/2011	Equities	disposal	2,000	€26.9018
		211D3608	12/07/2011	Equities	disposal	2,000	€27.2071
		211D3607	15/07/2011	Equities	disposal	2,000	€26.7526
		211D3606	18/07/2011	Equities	disposal	2,000	€27.7021
		211D3605	11/07/2011	Equities	disposal	2,000	€27.6542
		211D3604	13/07/2011	Equities	disposal	2,000	€27.1640
		211D3603	15/07/2011	Equities	disposal	2,000	€26.5540
		211D3602	19/07/2011	Equities	disposal	2,000	€26.9201
		211D3601	12/07/2011	Equities	disposal	2,000	€27.2071
		211D3600	13/07/2011	Equities	disposal	4,000	€26.9038
		211D3599	18/07/2011	Equities	disposal	2,000	€26.8218
		211D3598	11/07/2011	Equities	disposal	2,000	€27.6815
		211D4283	04/08/2011	Equities	disposal	12	€23.6700
		211D4289	03/08/2011	Equities	disposal	1,382	€24.5700
		211D4286	03/08/2011	Equities	acquisition	760	€24.8000
		211D4287	02/08/2011	Equities	disposal	2,000	€25.3100
		211D4284	02/08/2011	Equities	disposal	2,000	€25.6000
		211D4288	01/08/2011	Equities	disposal	2,000	€25.9600
		211D4285	01/08/2011	Equities	disposal	2,000	€26.0986
Simon Azoulay	Chairman and Chief Executive Officer	211D3676	04/07/2011	Equities	acquisition	1,500	€23.0000
		211D3675	05/07/2011	Equities	acquisition	3,723	€28.2400
		211D3677	06/07/2011	Equities	acquisition	7,597	€28.5142
		211D3678	08/07/2011	Equities	acquisition	4,806	€28.0700
		211D3679	07/07/2011	Equities	acquisition	2,934	€28.7663
		211D3680	04/07/2011	Equities	acquisition	3,132	€28.2730
		211D3681	08/07/2011	Equities	acquisition	8,949	€29.0716
		211D4282	09/08/2011	Equities	acquisition	4,386	€23.4041
		211D6156	13/12/2011	Equities	acquisition	3,798	€19.1600
		212D0036	30/12/2011	Equities	Another type of operation (provision of usufruct)	601,500	€0.7897

OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

16

16.1 OPERATION

16.1.1 HOW GENERAL MANAGEMENT WORKS

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.

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

The Board of Directors' meeting held at the end of the Combined General Meeting of 23 June 2009 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.

Mr Gérald Attia serves as Deputy Chief Executive Officer. He was appointed by the Board of Directors on 28 June 2002 at the suggestion of the Chairman.

Mr Gérald Attia's term as Deputy Chief Executive Officer was renewed by the Board of Directors meeting which followed the Combined General Meeting of 23 June 2009 for the duration of the term of Chief Executive Officer, i.e. for a term expiring at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2012.

Mr Bruno Benoliel serves as Deputy Chief Executive Officer. He was appointed by the Board of Directors, having been proposed by its Chairman, on 27 September 2011, for the Chairman and Chief Executive Officer's term of office, i.e. for a term ending with the conclusion of the General Meeting called in 2013 to approve the financial statements for the year ended 31 December 2012.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officers are vested with the broadest possible powers to act on behalf of the Company in all circumstances. They exercise their powers within the limit of the company object and subject to those which the law expressly allocates to meetings of shareholders and of the Board of Directors. They represent the Company in its relations with third parties and before the courts.

The Board of Directors has not imposed any particular restrictions on the powers of the Chairman and Chief Executive Officer and Deputy Chief Executive Officers, other than those stated in the Internal Rules of the Board of Directors.

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.

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

No director's term of office ended with the conclusion of the General Meeting called to approve the financial statements for the year ended 31 December 2011.

16.2 EXPIRY DATE OF TERMS OF OFFICE

See 14.1.

16.3 SERVICE LEVEL AGREEMENTS BINDING MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES

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

It should however be noted that the company SGTI, of which the sole shareholder and Chairman is Mr Simon Azoulay, is linked to certain ALTEN Group subsidiaries by service provision agreements.

16.4 INFORMATION ON COMMITTEES

See also 16.6 the "Report by the Chairman of the Board related to corporate governance, as well as internal audit and risk management procedures implemented by ALTEN".

16.4.1 EXECUTIVE COMMITTEE

The composition and role of the Executive Committee are presented in the business report in the chapter entitled "ALTEN Group governance".

16.4.2 MANAGEMENT COMMITTEE

The composition and role of the Management Committee are presented in the business report in the chapter entitled "ALTEN Group governance".

16.4.3 GROUP ADMINISTRATIVE COMMITTEE

The composition and role of the Group Administrative Committee are presented in the business report in the chapter entitled "ALTEN Group governance".

16.4.4 DIVISIONAL ADMINISTRATIVE COMMITTEES

The composition and role of the Divisional Administrative Committees are presented in the business report in the chapter entitled "ALTEN Group governance".

16.5 COMPLIANCE WITH RULES OF GOVERNANCE IN FORCE

See 16.6 the "Report by the Chairman of the Board related to corporate governance, as well as internal audit and risk management procedures implemented by ALTEN", section I "Corporate governance".

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

To our Shareholders,

This report by the Chairman of the Board, approved by the Board of Directors at its meeting on 3 April 2012, 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, any restrictions on the powers of the CEO, a code of corporate governance, specific procedures relating to shareholder participation at Shareholders' Meetings, and internal control and risk management procedures implemented by the Company.

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

While writing this report, the Chairman held several meetings with the heads of the financial and legal departments, as well as the information systems manager and the heads of other departments that are involved with internal audit.

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

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

I CORPORATE GOVERNANCE

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

The 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 meeting on 10 May 2010.

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

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

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

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

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

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

1 Preparing and organising the work of the Board of Directors

On 20 January 2004, in addition to the Company's legal, regulatory and statutory provisions, the Board of Directors adopted a set of Internal Rules whose purpose is to specify the manner in which the Board is organised and operates, along with rules applicable to securities transactions involving company representatives and their families.

These Internal Rules were amended by the meeting of the Board of Directors on 6 March 2007 in order to comply with the new provisions set forth in the AMF general regulations related to securities transactions by company management.

In addition, the Internal Rules were enhanced in March 2008 by information specifically referring to corporate governance.

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

The Board of Directors' Internal Rules comply with the sixth Recommendation of the Reference Code concerning content and publication of the Internal Rules. The Internal Rules are available on the Company's website (http://www.alten.fr/finance/informations-reglementees-alten.htm).

1.1 Rules of operation and organisation

1.1.1 Composition of the Board of Directors

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

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

The Board of Directors is composed of:

- Mr Simon Azoulay, who also serves as Chairman and Chief Executive Officer;
- Ms Catherine Behar;

- Mr Gérald Attia, who also serves as Deputy Chief Executive Officer;
- Mr Bruno Benoliel, who also serves as Deputy Chief Executive Officer;
- Ms Emily Luna.

Mr Simon Azoulay, a French national, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. At 31 December 2011, he held 9,884,195 shares in his own name and via SGTI, which he controls 100%, i.e. 30.62% of the Company's capital.

Mr Gérald Attia, a French national, was born on 6 April 1962 in Livry-Gargan (93) and holds an MBA from Hartford. At 31 December 2011, he held in his own name, 296,874 ALTEN shares or 0.92% of the Company's capital.

Ms Catherine Behar, a French national, born 18 November 1958 in Paris (14th *arrondissement*) does not hold any shares in the Company as at 31 December 2011.

Mr Bruno Benoliel, a French national, born 13 May 1964 in Paris (17th *arrondissement*) holds as at 31 December 2011 52,800 ALTEN shares, i.e. 0.16% of the Company's capital.

Ms Emily Luna, a French national, born 20 July 1948 in Rabat (Morocco), holds as at 31 December 2011, 4,330 ALTEN shares, i.e. 0.01% of the Company's capital.

To the Company's knowledge there is currently no conflict of interest between the duties of any member of the Board of Directors with regard to the Company and their private interests.

As regards prevention of conflicts of interest, the Internal Rules of the Board of Director state that, in a situation generating or which might generate a conflict between the Company interest and the direct or indirect personal interest of a Director or the interest of the shareholder or group of shareholders represented by the Director, said Director will abstain from voting on the corresponding matter.

According to the seventh Recommendation of the Reference Code, the executive directors may not hold more than three directorships in other listed companies.

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. Since the appointment of Ms Luna as a director by the Combined General Meeting of 22 June 2011, the Board of Directors of the Company has two women out of five members in total.

In accordance with the provisions of the law of 27 January 2011, the Board of Directors of the Company has already met, on 8 November 2011, to ascertain the achievements made under the policy of equal work and pay, particularly in terms of wage differentials for male and female engineers.

The Board will meet again in 2012 to consider new advances regarding professional and pay equality.

1.1.3 Duration and number of terms

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

Note that the directors' terms of office are staggered.

The list of offices held by members of the Board of Directors during the 2011 financial year can be found in Chapter 14.1.3 of this Registration Document (it being specified that members of the ALTEN SA Board of Directors do not hold any mandate in a listed company other than ALTEN SA).

1.1.4 Convening meetings of the Board of Directors

In accordance with the law and the Internal Rules, Directors are convened by ordinary letter, fax, e-mail or orally. On average, 2011 Board meetings were convened six (6) days in advance.

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

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

In an effort to improve transparency and ensure that the Statutory Auditors are in a position where they are best able to fulfil their duties, the auditors were invited to attend all the meetings of the Board of Directors in 2011.

1.1.5 Director information

To enable members of the Board of Directors to effectively prepare for meetings, the Chairman gives the Directors all information within a reasonable and adequate period of time as required to make decisions and, more generally to carry out their duties in an independent manner. Each Director is able to obtain additional information necessary to perform his or her duties.

The Directors deemed that the information provided was clear and precise and gave them an opportunity to constructively discuss issues and help articulate the Company's acquisition and growth strategy.

Directors are regularly informed between meetings of the Board, whenever Company news so warrants, in accordance with the eleventh Recommendation of the Reference Code.

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

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

1.1.6 Representation of Directors

Directors may be represented at meetings of the Board of Directors by another Director. The proxy must be given in writing. Only one Director used this right during financial year 2011.

1.1.7 Use of videoconferences and telecommunications

The Company's Articles of Association and the Internal Rules of the Board of Directors allow the Directors to take part in the Board's deliberations via videoconference or telecommunication. Directors who take part in Board deliberations using this method are deemed to be present when calculating the quorum and the majority, except when taking decisions where such methods are forbidden by law or regulation (currently financial statements and the management report).

These methods were not used in the course of financial year 2011.

1.1.8 Chairmanship of meetings

Mr Simon Azoulay, the Chairman, presided over eleven (11) meetings of the Board of Directors in 2011.

1.1.9 Guests invited to Board meetings

During 2011 and until his appointment as Director by the Combined Ordinary and Extraordinary General Meeting of 22 June 2011, the Deputy Chief Executive Officer responsible for Finance, Legal and IT regularly attended Board meetings. He also carried out the role of Board Secretary.

1.1.10 Board meetings taking the form of committees

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

The Company has adopted some of the recommendations contained in the AMF working group (chaired by Mr Poupart-Lafarge) report of July 2010 relating to Board meetings in Audit Committee form and applies the recommendations regarding duties and the establishment of specific minutes relating to Board meetings in Committee form.

Thus, 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, Deputy Chief Executive Officer responsible for Finance, convened the Board of Directors as an Audit committee on 6 April 2011 and 27 September 2011, in order to monitor:

- the process by which financial information is compiled;
- the efficiency of internal audit and risk management procedures;
- the audit required by law of the separate financial statements and the consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

1.1.11 Evaluation of the Board

In accordance with the provisions of the fifteenth Recommendation of the Reference Code, the Board of Directors regularly discusses subjects such as the composition of the Board of Directors, its work, its delegations of powers and its decisions. These deliberations are transcribed in minutes.

In these deliberations, members of the Board review the organisation of the Board and its mode of operation. They examine in particular documents provided to the directors, to the representatives of the Works Council and the Statutory Auditors. Board members also verify that the most important issues have been sufficiently prepared, in particular using the expertise of the Deputy Chief Executive Officer in charge of Finance, Legal and IT Systems when the agenda contains a question relating to the activity of the Group, the separate or consolidated financial statements or the Company's financial communications.

A procedure aimed at allowing a 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 eleven (11) times during financial year 2011, at the registered office, with an average attendance rate of 63%, thus complying with the thirteenth Recommendation of the Reference Code.

1.3 Main missions

The Board of Directors' primary duty is to determine the direction of the Company's business, define its strategy and monitor its implementation.

It operates in areas which relate to its own areas of competence such as approval of financial statements (annual and interim financial statements), convocation of General Meetings of shareholders, regulated agreements (within the meaning of Article L. 225-38 of the French Commercial Code) and determining remuneration for corporate officers.

In addition, the following transactions are subject to prior approval by the Board of Directors: (i) acquisitions (ii) cessation of business, (iii) creation of jointly-held companies with third parties, (iv) issue of bonds, guarantees and securities.

In the course of financial year 2011, the Board of Directors approved one (1) project to create a 100% owned company, one (1) internal restructuring operation, approved the 2010 annual financial statements, interim financial statement at 30 June 2011 and the provisional management documents, examined and approved the financial press release, decided on compensation for corporate officers and delegated authority to the Chairman and Chief Executive Officer 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.

In its fifth resolution, the Combined General Meeting of 23 June 2009 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 past financial year.

The Board of Directors meeting held at the end of the Combined General Meeting of 23 June 2009 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.

Mr Gérald Attia serves as Deputy Chief Executive Officer. He was appointed by the Board of Directors, at the suggestion of the Chairman, on 28 June 2002.

Mr Attia's mandate as Deputy Chief Executive Officer 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, i.e. for a term ending with conclusion of the General Meeting to be held in 2013 to approve the financial statements for the past financial year.

Mr Bruno Benoliel serves as Deputy Chief Executive Officer. He was appointed by the Board, at the suggestion of the Chairman on 27 September 2011, for the same term, i.e. for a term ending with conclusion of the General Meeting to be held in 2013 to approve the financial statements for the past financial year.

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 limit of the company object and subject to those which the law expressly allocates to meetings of shareholders and of the Board of Directors. They represent the Company in its relations with third parties and before the courts.

Nevertheless, the Internal Rules of the Board of Directors state that the following transactions are subject to the prior approval of the Board of Directors:

(i) acquisitions (of companies or goodwill), (ii) cessation of business (company shares or goodwill), (iii) formation of jointly-held companies with third parties, (iv) issuance of bonds, guarantees and sureties.

1.5 Delegations of authority relating to guarantees, bonds and sureties – Art. L. 225-35 of the French Commercial Code

At its meeting on 27 January 2012, the Board of Directors renewed its authorisation granted to the Chairman at the meeting of 31 January 2011, to issue, with the right to further delegate its authority, guarantees, bonds and sureties in the Company's name up to a maximum of twenty (20) million euros. This delegation of authority, issued for a period of twelve (12) months, will expire on 26 January 2013.

This authorisation was used twice in the course of the past financial year.

1.6 Remuneration policy for corporate officers

1.6.1 Remuneration paid by ALTEN SA

Fixed remuneration

The Board decides at the beginning of the year on the amount to be allocated to the Chairman and Chief Executive and Deputy Chief Executive Officers for the current financial year for the performance of their corporate offices.

The Chairman and Chief Executive Officer and Deputy Chief Executive Officers receive remuneration consisting generally of a fixed remuneration and, where appropriate, variable remuneration paid by ALTEN SA.

It is recalled that the Board has maintained the employment contract of Mr Bruno Benoliel on his appointment as Deputy Chief Executive Officer, having considered that the employment contract was well before his appointment as a corporate officer and it corresponded to his actual functions of Chief Operating Officer, Head of Finance, Legal and IT Systems which he has held since 1997, observing in this the first recommendation in the Code of Reference.

As such, the total gross fixed remunerations that they have received under their mandates as Chairman and Chief Executive Officer and Deputy Chief Executive Officers of ALTEN SA are:

- €109,080 received by Mr Simon Azoulay for his tenure as Chairman and Chief Executive Officer during 2011;
- €178,224 received by Mr Gérald Attia for his tenure as Deputy Chief Executive Officer during 2011;
- €67,065 received by Bruno Benoliel from 22 June 2011 (date of his appointment as Director) to 31 December 2011, in respect of his employment contract for roles held since 29 September 1997 relating to his position as Chief Operating Officer, Head of Finance, Legal and IT Systems.

Variable remuneration

Variable remuneration may also be paid to certain corporate officers, whose payment depends on the achievement of performance criteria linked to the results of ALTEN SA and set previously by the Board.

Extraordinary remuneration

No extraordinary remuneration or benefits in kind were paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers during the 2011 financial year.

Directors' fees

Company directors have not received directors' fees from ALTEN SA for the 2011 financial year.

Deferred remuneration, severance pay or pension obligations

To date, the corporate officers of ALTEN SA have not received any deferred remuneration, benefits to departing employees or pension obligations, under the third and fourth Recommendations of the Reference Code.

To the remuneration as defined above may be added the allocation of share options or stock, performance shares or share warrants

Share subscription or purchase options

No share options were allocated during 2011. However, it is noted that Mr Gérald Attia received 16,000 share options allocated by the Board on 23 October 2006.

Performance-based shares

No performance shares were allocated during 2011. However, it is noted that Mr Bruno Benoliel received 52,800 share options allocated by the Board on 11 April 2008.

Share warrants

No share warrants were awarded during the 2011 financial year. It is noted that the Board meeting on 7 September 2009 decided to award:

- 150,000 share warrants to Mr Simon Azoulay, Chairman and CEO;
- 75,000 share warrants to Mr Gérald Attia, Deputy Chief Executive Officer;
- 60,000 share warrants to Mr Bruno Benoliel, Deputy Chief Executive Officer.

1.6.2 Remuneration paid by companies controlled by ALTEN SA (under the terms of Article L. 233-16 of the Commercial Code)

Directors' fees may be collected by the officers and/or directors of ALTEN SA as remuneration for the positions they hold in companies controlled by ALTEN SA.

The Chairman and Chief Executive Officer and Deputy Chief Executive Officers thus received during 2011 the following amounts paid by ALTEN Spain, a subsidiary of ALTEN SA:

Simon Azoulay:

- €150,000 paid by ALTEN Spain, subsidiary of ALTEN SA;
- €100,000 paid by ALTEN Ltd, subsidiary of ALTEN SA.

Gérald Attia:

- €84,000 paid by ALTEN Spain, subsidiary of ALTEN SA.

Bruno Benoliel:

- €42,000 by ALTEN Spain, subsidiary of ALTEN SA (from 1 July 2011).

The principles adopted by the Board of Directors to determine the remuneration and benefits of any kind granted to directors and the remuneration paid during the year are detailed in a comprehensive, reasoned, coherent, readable and transparent manner, in line with the second and third recommendations of the Reference Code, in Chapter 15 of the Registration Document in tabular form prepared in accordance with the recommendations of the Autorité des Marchés Financiers.

1.7 Shares owned and securities transactions

The Board of Directors' Internal Rules include certain provisions governing Company securities transactions that are carried out by members of the Board of Directors, including:

- members of the Board of Directors will declare to the Autorité des Marchés Financiers (AMF) and the Company (according to procedures set forth by law, the market authority's general regulations and those currently set forth in the AMF instruction dated 3 February 2006) all transactions (transfer, purchase, sale, pledge, etc.) concerning Company shares within the statutory period (currently a maximum of five (5) stock market trading days from the transaction date).

  Note that it is recommended that securities held by the members of the Board of Directors must be registered (directly or administered). The Economic Modernisation Act (known as the LME Act) of 4 August 2008 eliminated the requirement that directors hold a Company share. The Articles of Association may elect to set forth a number of shares that each director must hold.

  A resolution proposing to amend Article 15 of the Company's Articles of Association was submitted to a shareholders' vote during the Combined General Meeting on 23 June 2009;
- like any shareholder, members of the Board of Directors shall inform the AMF when they cross any legal or regulatory threshold related to capital and/or voting rights, whether upwards or downwards. These declarations must be submitted to the AMF within a maximum period of four (4) stock market trading days. Board members shall also provide the Company's Legal 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 Chief Operating Officers 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;
- monitor ongoing projects.

1.8.2 The Management Committee

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

1.8.3 The Group Administrative Committee

The Administrative Committee, which meets at least once (1) a quarter, is composed of the Chief Executive Officer, the Deputy Chief Executive Officer in charge of Finance, Legal and IT Systems, and heads of the Legal and Human Resources Departments. It is chaired by the Chief Executive Officer. Depending on the agenda, the Director of Information Systems and Chief Operating Officers may be invited to meetings of the Group Administrative Committee.

The Committee relies on the work of the Divisional Administration Committees.

Its primary missions are:

- harmonize the Group communication policy within the various divisions;
- define social and pay policies;
- propose to the Board of Directors the implementation of internal administrative procedures for management and control, management guidelines and delegations;
- 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.

1.8.4 The Divisional Administrative Committee

These Committees exist for each Division and meet once a week. They are composed of the CFO, the COO and the heads of the administrative departments. Members of the Group Administrative Committee may attend. They are chaired by the Division's Chief Administrative and Financial Officer.

Divisional Committees can both provide more precise operational information to senior management and relay more effectively decisions and actions taken at Group Administrative Committee meetings.

1.9 The Statutory Auditors

The separate and consolidated financial statements are jointly certified by Grant Thornton, represented by Mr Laurent Bouby, and by Dauge & Associés, represented by Mr Christian Laplane.

In its sixth, seventh, eighth and ninth resolutions, the Combined General Meeting of shareholders on 23 June 2009 renewed all of the mandates of the regular and substitute Statutory Auditors for a term of six (6) financial years, expiring at the end of the General Meeting called in 2015 to approve the financial statements for the financial year ended 31 December 2014.

2 Terms of participation of shareholders at the General Meeting

The right to take part in General Meetings is subject to the registration of shares in the books under the shareholder's or the agent's name by no later than midnight, Paris time, on the third banking day preceding the General Meeting, either (i) in individual accounts managed by the company or (ii) in bearer accounts managed by an authorised agent.

Registration or entry of bearer shares is recorded through a shareholding certificate issued by the authorised agent.

If unable to personally attend the meeting, the shareholder may select one of the following three options: (i) give a proxy to a natural person or legal entity of his choosing in accordance with the conditions of Article L. 225-106 of the French Commercial Code; (ii) send a proxy to the Company without identifying an agent or (iii) vote by mail.

Requests by shareholders to submit draft resolutions or points for the agenda must be sent to the head office by registered letter with 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 (20) days after the publication of the convening notice in the BALO.

3 Elements liable to influence a public offer

All information on the elements likely to have an influence in the event of a public offer is described in paragraph B.5. of the management report (see Chapter 18.2 of the Registration Document).

II INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES

The reference framework used to prepare the internal audit and risk management section of this report is the subject of an AMF recommendation dated 22 July 2010.

1 Definition and objectives of internal audit and risk management – scope

Internal audit is defined by the ALTEN Group as a process implemented by management and staff to give reasonable assurance on the accomplishment of the following objectives:

- compliance with laws and regulations;
- implementation of instructions and strategies established by General Management;
- optimisation of operational activities;
- proper application of the Company's internal procedures, especially those related to protection of its assets and internal audit;
- the reliability and the quality of information used within the Company and distributed outside the Company; and
- generally, the control of its activities, efficiency of its operations and effective use of its resources.

Internal audit procedures are applied throughout the ALTEN Group, which is defined as ALTEN SA as well as all companies fully consolidated according to the global integration method.

The Group relies on its past experience and well-established documentary and information systems. Some of these resources are available to all employees, while others are only intended for certain divisions (Finance, Human Resources, Legal) and Operational Managers.

However, this audit system cannot provide an absolute guarantee that objectives will be achieved or that the risks, whose likelihood of occurrence and potential impact it seeks to reduce, will be eliminated.

2 References and components of alten's internal audit system

Internal audit within the Group is officially set forth in a series of procedures that ensure both the financial and legal security of the various aspects of the Company's business.

The Financial Division is responsible for internal audit procedures related to the preparation and presentation of financial information. The production and analysis of financial information relies on the Accounting, Consolidation and Management Control Departments as well as on the Financial Divisions of the various Group subsidiaries.

All Group companies issue monthly reports on their operations and finances, which are approved by the Management Control Department. 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, standard employment contracts). Once hired, information on new employees is promptly recorded in the Group's IT Systems. The payroll functions for 90% of all employees in France are handled centrally.

Sales

Any new customer account in France is subject to scoring to ensure that the customer is solvent. All customer accounts are scored and are subject to collection proceedings differentiated according to scoring levels.

For this purpose, ALTEN uses a software application in France and Spain to manage customer accounts and collections. This application operates at various levels beginning with invoicing: identification of late payments, reminders, dispute identification and centralisation, collections, etc.

Strict internal guidelines specify how sales are recognised, depending on the nature of the projects (mainly time/materials, workpackages and fixed price).

These guidelines are disseminated and uniformly applied by all Group subsidiaries, in France and abroad.

Invoices are issued by the administrative departments of the relevant entities.

The Group benefits from strengthened General Conditions of Sale, which are always incorporated in responses to invitations to tender.

ALTEN has established a specific process to manage integrated projects. Upon receipt of an invitation to tender, the Business Manager and the Technical Manager examine the commercial risks and the technical risks before deciding how to follow up the ITT, with the Director of Operations acting as an arbitrator.

The process continues, if applicable, with the design, the development of the financial and technical proposals, then a review of the tender with the participation of the Technical Director, the Department Director, Management Audit and the Director of Operations.

The Legal Department is always included in this process.

Because of the nature of its customers, the Group has little exposure to foreign exchange risks and credit risks.

Purchases

All purchases are subject to independent verifications:

- the internal originator must issue a statement of requirement;
- purchase of equipment or services by the relevant Group department (General Services, IT, etc.);
- validation of the service and/or delivery by the relevant department;
- validation of the payment slip and invoice by the Accounting Division according to various documents.

Invoice settlement, arranged by the Accounting Department, is validated by an independent third party who ensures that the previous procedures have been followed and who verifies, through sampling, the information which enables validation of the invoices.

The Group has strong General Purchasing Conditions.

Legal

Legal procedures are in place at Group level to involve the Legal 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.

Acquisitions

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 relevant 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, HR, tax and legal audit designed to ascertain that the entities fit the business model, that they are financially sound and that potential risks have been identified.

Once the project is approved, finalisation of the transaction is managed by the Legal 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.

Real estate

The first phase involves a statement of requirements and a search for new premises, which is set out in a form sent by the Operational Manager to the Director of Operations (DOP), who signs for approval and then sends it 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 regularly 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 both to its shareholders and to financial analysts.

Information is provided via press releases distributed to the press as well as through the quarterly publication of the Group's sales figures and the biannual and annual publication of its earnings.

The Group organises semi-annual analysts' meetings at the time it publishes its earnings.

Delegations of authority

The existing system for delegating authority has a threefold purpose:

- raising awareness among Operational Directors about their responsibilities for health and safety;
- establishing the ALTEN Group's power of representation for the benefit of the Operational Directors;
- establishing a precise framework in which the Operational Directors exercise their authority (including the right of further delegation).

Delegations of authority primarily concern matters that are directly related to operations (hiring consultants or sales managers, signing customer contracts, dispute management, etc.).

Bank signing authority is only partially delegated in France and abroad for limited amounts.

Information systems

The Group has implemented its Information Systems with a threefold objective:

- to achieve productivity gains;
- to secure the flow of financial information; and
- to oversee operations carried out by the various Group companies and have pertinent operational information enabling responsive management of the business.

The main application software currently in use is:

- Customer Relationship Management (CRM);
- Human Resources, employee management;
- payroll;
- sales management and invoicing;
- employee management and time management (in conjunction with employee and project management);
- cost management and oversight (in conjunction with time and project management);
- general and analytic accounting, management control and financial management;
- consolidation;
- cash management.

Interfaces have been established between various software applications in order to provide access to dependable and consistent information at all stages of data processing.

Work completed in 2011 – projects for 2012

The ERP project, “Vision”, was rolled out on schedule in 2011.

Thus, following the successful launch of ALTEN SIR in 2009, ALTEN SA in early 2010 and two small subsidiaries later in 2010, three other subsidiaries entered the scope of the Vision information system in 2011.

The Vision project currently covers seven companies including ALTEN SA (with more than 4,500 employees) and ALTEN SIR (with more than 1,100 employees).

The roll-out of new entities will continue in 2012 with ALTEN Sud Ouest (with more than 1,077 employees).

The project to replace the CRM tool by an Oracle SaaS CRM solution is underway; roll-out began at ALTEN SA’s ETC division (2,000 employees) in early 2011 and continued through January 2012. The complete CRM tool will be rolled out in a significant part of the France scope in late 2012.

Rationalisation of virtual IT infrastructures and voice and data communication networks continued in 2011, ensuring greater efficiency and security. In 2012 the target is to externalise data centres and eventually transform them to Clouds Private for the ALTEN Group.

Cash flow

The Group’s central cash management department manages the cash of all French subsidiaries. Since 2009, all cash flows have been protected by the SWIFT NET network and high-performance ERP software.

Work completed in 2011 – projects for 2012

Cash-pooling covers almost the full scope of France A study is currently underway (legal, tax and technical aspects) with a view to the deployment of the cash-pooling solution outside France to support the Group’s strong international growth.

The Treasury Department would thereby have efficient means of cash management for subsidiaries and to support the Group’s growth financially.

3 Risk management

Identified risks and the resources used to manage them are described in Chapter 4 of this Registration Document.

4 Conclusion – outlook

The continuous improvement of the ALTEN internal audit procedures initiated by the Group several years ago will continue in 2012.

3 April 2012

Chairman of the Board of Directors

Simon Azoulay

16.7 REPORT OF THE STATUTORY AUDITORS ON THE CHAIRMAN OF THE BOARD OF DIRECTORS' REPORT

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

For the year ended 31 December 2011

To the Shareholders,

In our capacity as Statutory Auditors of ALTEN, and in accordance with Article L. 225 235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2011.

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, 26 April 2012

The Statutory Auditors

Grant Thornton French member of Grant Thornton International	Cabinet Dauge et Associés
Laurent Bouby	Christian Laplane
Associate	Associate

EMPLOYEES

17

17.1 KEY FIGURES

17.1.1 ALTEN GROUP WORKFORCE, YEAR END

	31/12/2009	31/12/2010	31/12/2011
Consultants [(1)]	9,900	11,250	13,100
Internal staff [(2)]	1,400	1,450	1,700
TOTAL	**11,300**	**12,700**	**14,800**

(1) Salaried employee performing technical projects on customer premises, services billed to customers.
(2) Internal operating staff; not billed to clients.

2011 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 the ALTEN Group.

17.1.2 EMPLOYMENT WITHIN ALTEN SA

The overall workforce grew by 12%, in part due to the economic rebound following bleak conditions in the second half of 2010.

However, and given the volatile economic environment, ALTEN SA chose to manage its recruitment prudently and focus on a redeployment of skills internally.

Total workforce as of 31 December 2011: 4,826.

Fixed term contracts 1,885.

Open-ended contracts: 113.

Total departures: 1,713.

- Resignations: 63.40% of departures.
- Redundancies: 4.44% of departures.
- End of trial period: 16.99% of departures.
- End of fixed-term employment contract: 4.79% of departures.
- Other (including transfers): 10.16% of departures.

Foreign employees: as at 31 December 2011, there were 397 employees of foreign nationality, including 279 from outside the European Union, in the ALTEN company's workforce.

17.2 HUMAN RESOURCES POLICY

17.2.1 ALTEN SA SOCIAL RESPONSIBILITY REPORT

In accordance with the provisions of Article L. 2323-68 of the Labour Code, ALTEN SA each year produces a social responsibility report which is systematically presented to the Works Council.

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, accident prevention and other areas.

17.2.3 EMPLOYMENT AND INSERTION OF DISABLED 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 12 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 AGEFIPH a tax of €1,457,000 for the year 2011.

17.2.4 MOBILITY

Given the nature of the company's business, all consultants can move within ALTEN. As of 31 December 2011, 900 consultants were working on short-term overseas assignments to carry out more than 2,000 projects in over 80 countries.

17.2.5 WORKING TIME

Hours worked:

- full time: 35 hours a week;
- part time:
  - 20 hours or more: 71 employees,
  - less than 20 hours: 9 employees;
- overtime worked: 13,995 hours

Absenteeism and its reasons: the average number of days absent per employee is 8.41 days, whereas the known national average is estimated at 17.8 days.

- Sabbaticals, paternity leave, family events = 19.77%.
- Maternity leave = 14.04%.
- Sick leave = 40.84%.
- Work accident = 1.33%.
- Other causes = 24.02%.

17.2.6 EMPLOYEE RELATIONS

Companies within the Group actively pursue dialogue with their labour relations partners.

ALTEN SA met with the Works Council 14 times and with employee representatives 12 times during 2011.

17.2.7 HEALTH AND SAFETY

ALTEN SA's Health and Safety Committee met nine times in 2011. 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 2011, the ALTEN Group recorded a very low rate of work-related accidents (1.49%).

17.2.8 TRAINING

ALTEN devotes a significant budget to training activities. In 2011, this budget represented 2.72% 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 at 31 December 2011, social security charges related to total payroll amounted to €86,638,000.

Most of the Group companies (those with more than 50 employees) have implemented mandatory profit sharing plans and company savings plans with the possibility of voluntary payments. Employees may choose to invest in the ALTEN FCPE or in mutual funds with specific profiles (money market – conservative – growth).

Profit-sharing amounted to €1,889,000 for ALTEN SA at 31 December 2011.

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. For 2011, expenses related to subcontracting came to €81,835,000. The ALTEN Group ensures that its subsidiaries comply with the fundamental provisions of national and international labour laws in their relations with subcontractors.

In particular, 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.

Costs related to recourse to temporary work for the year 2011 were €921,000.

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.

17.3 PROFIT SHARING AND STOCKS OPTIONS

See 15.1.7.1.

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	15/12/2001
Anotech Energy	06/12/2007
MI-GSO	15/11/2006
Avenir Conseil Formation	20/01/2009
Atexis France	14/12/2009
B2i	22/05/2004

In addition, all companies benefit from the Multipar 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;
- FCP Epargne Entreprise Prudence;
- FCPE Epargne Entreprise Équilibre;
- FCP Multipar Solidaire Dynamique.

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.

AMOUNTS PAID TO EMPLOYEES UNDER EMPLOYEE PROFIT-SHARING PLANS OVER THE PAST THREE YEARS

ALTEN SA	2009	2010	2011
Employee profit-sharing (in k€)	0	2,614	1,889

17 EMPLOYEES

MAIN SHAREHOLDERS 18

18.1 SHAREHOLDING STRUCTURE

18.1.1 SHAREHOLDING STRUCTURE

18.1.1.1 Position as of 31 December 2011

The identity of individuals holding directly or indirectly more than 3%, 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, or 66.66%, 90% or 95% of the company's share capital and voting rights at General Meetings as of 31 December 2011 is set forth below:

	Number of shares	% of shares	Number of voting rights	% of voting rights
Simon Azoulay*	9,884,195	30.63%	19,723,706	46.25%
Gérald Attia	296,874	0.92%	308,564	0.71%
Bruno Benoliel	52,800	0.16%	52,800	0.12%
ALTEN FCPE	333,000	1.03%	333,000	0.78%
Fidelity International Ltd	1,574,009	4.88%	1,574,009	3.69%
Harris Associates	1,655,813	5.13%	1,655,813	3.88%
Treasury shares	476,252	1.48%	-	-
Public	17,998,734	55.78%	19,003,091	44.57%
TOTAL	**32,271,677**	**100%**	**42,650,983**	**100%**

* *Simon Azoulay and those in the same category (o/w SGTI).*

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 financial year 2011, employee share ownership as defined under Article L. 225-102 of the French Commercial Code represented 1.03% 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 2011, 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 29 February 2012

	Number of shares	% of capital	Number of voting rights	% of voting rights
Simon Azoulay*	9,884,195	30.61%	19,723,706	45.85%
Gérald Attia	296,874	0.92%	308,564	0.72%
Bruno Benoliel	52,800	0.16%	52,800	0.12%
FCPE ALTEN	333,000	1.03%	333,000	0.77%
Fidelity International Ltd	1,574,009	4.88%	1,574,009	3.66%
Harris Associates Ltd	1,522,716	4.72%	1,522,716	3.54%
FMR Corp	1,622,918	5.03%	3.78%	3.78%
Treasury shares	464,642	1.44%	-	-
Public	16,535,373	51.21%	17,878,685	41.56%
TOTAL	**32,286,527**	**100%**	**43,016,398**	**100%**

* *Simon Azoulay and those in the same category (o/w SGTI).*

There have been no significant changes since 29 February 2012.

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 of 31 December 2011			Position as of 31 December 2010			Position as of 31 December 2009		
	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*	9,884,195	30.63%	46.25%	10,697,511	33.46%	50.36%	11,830,899	37.24%	54.39%
Gérald Attia*	296,874	0.92%	0.71%	296,874	0.93%	0.72%	296,874	0.94%	0.69%
Bruno Benoliel	52,800	0.16%	0.12%						
FCPE ALTEN	333,000	1.03%	0.78%	360,000	1.13%	0.85%	384,500	1.21%	0.89%
Fidelity International Ltd	1,574,009	4.88%	3.69%	1,574,009	4.92%	3.71%	1,595,506	5.02%	3.68%
Harris Associates Ltd	1,655,813	5.13%	3.88%						
Treasury shares	476,252	1.48%	-	401,927	1.26%	-	450,886	1.42%	-
Free float	17,998,734	55.78%	44.57%	18,636,469	58.30%	44.36%	16,961,846	53.38%	39.18%
TOTAL	**32,271,677**	**100%**	**100%**	**31,966,790**	**100%**	**100%**	**31,771,921**	**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.

On 13 December 2011, SGTI received a waiver from the requirement to file a public offer proposal for ALTEN shares in accordance with Article 234–9-7 of the AMF general regulations with respect to the transaction by Simon Azoulay transferring the usufructuary rights of 601,500 ALTEN shares to SGTI, company controlled by Mr Azoulay (AMF decision no. 211C2232).

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	Due date	Type	Percentage of authorised capital
Simon Azoulay	562,000	25/06/2015	Bank loan collateral	1.74%
	500,000	08/12/2018	Bank loan collateral	1.55%
		08/12/2016	Bank loan collateral	
	600,000	22/06/2013	Bank loan collateral	1.86%
Célia Azoulay	361,623	22/06/2013	Bank loan collateral	1.12%
Annaëlle Azoulay	361,760	22/06/2013	Bank loan collateral	1.12%
SGTI	8,043,000	25/06/2015	Bank loan collateral	24.92%

18.1.3 BREACHING REPORTING THRESHOLDS

To the Company's knowledge, the only reporting thresholds breached financial year 2011 were the following:

Declarant's name	Transaction date	AMF Reference	Type of threshold breach
Harris Associates L.P.	22/12/2011	211C2329	Falling below the 5% capital threshold
SGTI	30/12/2011	212C0013	Exceeding the 30% capital threshold (AMF waiver 211C2232 of 14/12/2011)

18.2 ELEMENTS LIABLE TO INFLUENCE A PUBLIC OFFER

ALTEN's capital structure and the Company's known direct and indirect equity interests and all other information on this matter, set forth in section 18.1, show that the key shareholders (Mr Simon Azoulay and others in the same category, including SGTI) together, at 29 February 2012, hold 45.85% of actual voting rights at General Meetings.

There are no statutory restrictions on transferring the shares.

There are no statutory restrictions on the exercising of voting rights, except for the removal of voting rights from shares which were not the subject of a statutory threshold breach declaration which can be requested by one or more shareholders holding at least 3% of the share capital (Article 9 of the Articles of Association).

Moreover, Article 14 of ALTEN's Articles of Association stipulates that "all fully paid-up shares which have been registered in the same name for a continuous period of at least four years are assigned double voting rights. In the event of an increase in capital by the incorporation of reserves, profits or issue premiums, this double voting right is also conferred from the time of issue to new shares awarded free of charge to a shareholder by virtue of former shares for which the shareholder had already been granted this right".

The rules governing the appointment and dismissal of members of the Board of Directors and rules governing amendment of the Articles of Association are governed by common law.

There are no specific agreements stipulating the payment of compensation should a Board Member cease to be in office or should an employee cease to be in office due to resignation or redundancy without real or serious grounds or due to loss of employment due to a public offering.

Delegations and authorisations granted by the Board of Directors which are currently in effect are described in 21.1.8.10 of this Document.

ALTEN is also duly informed of any significant investments (direct or indirect) in its share capital:

- pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code;
- pursuant to Article 9 of the company's Articles of Association, which provides that "any natural person or legal entity acting individually or in concert that crosses the threshold (upwards or downwards) of 3% of the share capital or voting rights must inform the company of the total number of shares and voting rights owned by registered letter with acknowledgement of receipt within fifteen days from the date on which such 3% threshold was crossed."

To the company's knowledge, there are no shareholders' agreements.

No agreement has been concluded by the Company which would be modified or ended in the event of a change in control of the Company.

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.

18.4 AGREEMENTS WHICH WHEN IMPLEMENTED COULD CAUSE A CHANGE IN CONTROL

See 18.1.2.5. regarding pledges, guarantees or sureties involving the company's shares.

TRANSACTIONS WITH RELATED PARTIES

19

19.1 AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

19.1.1 NEW AGREEMENTS ENTERED INTO DURING THE PAST FINANCIAL YEAR

The General Meeting of shareholders will be asked to approve the following agreements, which are mentioned in the special report of the Statutory Auditors:

19.1.1.1 Cash advance

- Amendment no. 3 to the cash advance agreement signed on 1 July 2009 between ALTEN and its majority shareholder, the Société Générale pour les Technologies et l'Ingénierie ("SGTI") was signed on 22 June 2011. The conclusion of this amendment no. 3 was authorised in advance by the Board of Directors at its meeting on 22 June 2011 and was intended to postpone the due date for this cash advance agreement from 30 June 2011 to 31 December 2011;
- Amendment no. 4 to the cash advance agreement signed on 1 July 2009 between ALTEN and its majority shareholder, Société Générale pour les Technologies et l'Ingénierie ("SGTI"), was signed on 16 December 2011. The signing of this amendment no. 4 was authorised by ALTEN's Board of Directors at its meeting on 16 December 2011 and was intended to postpone the due date for this cash advance agreement from 31 December 2011 to 30 June 2012.

19.1.1.2 Signature of a commercial lease by ALTEN and SIMALEP

Signature by ALTEN of a commercial lease with SIMALEP, a company under civil law, with share capital of €1,524.49, whose registered office is at 221 Boulevard Jean Jaurès, 92100 Boulogne-Billancourt, registered with the Trade and Companies' Register of Nanterre under the number 329 341,101, for premises located on the first floor of a building at 119-121 Grande Rue, at Sèvres (92), totalling 444 m^2. and nine parking spaces in the basement, at an annual total rent of €96,000 euros net of taxes, adjustable every three years depending on the rental value of the leased premises, but without exceeding the quarterly change in the index of construction costs published by INSEE.

SIMALEP is 55% owned by Mr Azoulay, also Manager of SIMALEP. Ms Emily Luna, a director of ALTEN, also holds a 25% stake in SIMALEP.

The conclusion of this commercial lease was authorized by ALTEN's Board of Directors at its meeting of 28 July 2011.

19.1.2 AGREEMENTS ENTERED INTO DURING AN EARLIER FINANCIAL YEAR WHOSE EFFECTS CONTINUED DURING THE PAST FINANCIAL YEAR

19.1.2.1 Cash advance agreement

A cash advance agreement was granted by ALTEN to its leading shareholder, "SGTI", on 1 July 2009 for a maximum amount of €8,000,000. This agreement was authorised in advance by ALTEN's Board of Directors at its meeting on 30 June 2009. At its meetings on 14 December 2009, 29 July 2010, 17 December 2010, 22 June 2011 and 16 December 2011, the Board amended the expiry date of this cash advance agreement, initially set at 31 December 2009, to 30 June 2012.

This agreement gives rise to the payment of interest to ALTEN calculated as follows: Euribor three months +2%. The outstanding sum to be repaid as at 31 December 2011 by SGTI under this agreement was €1,114,100. The cumulative interest was €182,369.59 as at 31 December 2011, including the rate catch up from 1 July 2009 to 30 June 2011 for a total of €140,595.

19.1.2.2 Service agreements

SGTI and ALTEN entered into a service provision agreement on 3 July 2009. Under this agreement, ALTEN performs administrative services for SGTI. This agreement, which was not authorised in advance by ALTEN's Board of Directors, was tabled for approval of the Combined General Meeting of shareholders as provided for by Article L. 225-42 of the French Commercial Code. ALTEN has invoiced a sum of €15,000 in respect of the 2011 financial year.

19.1.2.3 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 to its subsidiary, ALTEN GmbH, a company formed under German law. This loan was reduced to €3,716,963 during 2003 following a recapitalisation of ALTEN GmbH in the amount of €2,875,000, and then further reduced to €1,466,963 in June 2004 following a further recapitalisation of €2,250,000. In 2005, this loan was reduced by ALTEN GmbH to €1,100,222 following two successive payments in November and December 2005, each in the amount of €183,370.

Following repayment of the outstanding principal (i.e. €600,000) and interest for 2011 (i.e. €29,543.30), this loan was finally cleared on 22 December 2011.

Interest for 2011 paid to ALTEN: €29,543.30.

19.1.2.4 Tax consolidation

Companies	Date the Board of Directors authorised the agreement	Signature date of the agreement	Effective date	Common executive corporate officers	Holds more than 10% of voting rights
ALTEN Training Center	26/09/2008	29/09/2008	01/01/2008	None	Yes
ALTEN Aerospace	30/12/2005	02/01/2006	01/01/2006	None	Yes
ALTEN Cash Management	03/01/2005	03/01/2005	01/01/2005	Simon Azoulay	Yes
ALTEN Europe	03/01/2005	03/01/2005	01/01/2005	Simon Azoulay	Yes
ALTEN SIR	03/01/2000	05/01/2000	01/01/2000	Simon Azoulay	Yes
ALTEN Sud Ouest	06/01/2004	05/01/2004	01/01/2004	Simon Azoulay	Yes
Anotech Energy	26/09/2008	29/09/2008	01/01/2008	None	Yes
Avenir Conseil Formation	6/05/2008	7/05/2008	01/01/2008	None	Yes
Atexis France	6/05/2008	7/05/2008	01/01/2008	None	Yes
B2I Automotive Engineering	29/11/2010	29/11/2010	01/01/2010	None	Yes
HPTI	26/09/2008	29/09/2008	01/01/2008	None	Yes
MI-GSO	06/01/2004	05/01/2004	01/01/2004	None	Yes
Winwise*	12/05/2009	13/10/2009	01/01/2009	None	Yes

** Company wound up during the financial year.*

The tax saving realised by ALTEN during the 2011 financial year which resulted from tax consolidation was €634,949.

19.1.3 AGREEMENTS ENTERED INTO DURING THE FINANCIAL YEAR:

Tax consolidation agreement entered into between ALTEN and Winwise (following the winding up of the company through a complete transfer of assets and liabilities to ALTEN Systèmes d'Information et Réseaux SAS).

19.2 SPECIAL REPORT OF THE AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS (GENERAL MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011)

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 implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source document.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments 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 which have obtained prior authorization from the Board of Directors.

Signature of a commercial lease with SIMALEP

Directors concerned: Simon Azoulay, Chairman and Emily Luna, Director.

A commercial lease was signed on 28 July 2011 with SIMALEP, a civil society (Société Civile) registered with the Nanterre Trade and Companies register under no. 329 341 101, for premises at 119-121 Grande Rue, Sèvres, France. The premises cover a total of approximately 444 m² and nine parking spaces, for an annual rent totalling €96,000 excluding tax, to be revised every three years in line with the rental value of the premises leased but without exceeding the change in the quarterly construction costs index published by INSEE.

This lease was approved by the ALTEN Board of Directors at its meeting on 28 July 2011.

The expense incurred during 2011 amounted to €71,377, including fees and taxes, and the Company paid a guarantee deposit of €17,780.

Cash advance agreement

Director and shareholder involved: Mr. Simon AZOULAY and SGTI.

Nature and purpose: pursuant to the agreement signed on 1 July 2009 and authorized by the Board of Directors on 30 June 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 authorizations of the Board of Directors dated 22 June 2011 and 16 December 2011, the financial obligation of reimbursement was postponed from 24 December 2009 to 30 June 2011.

As of 31 December 2011, the outstanding balance amounted to €1,448,770 and the interest income is recorded for an amount of €182,370.

Agreements and commitments authorized during previous years and continuing to be in place during the year

We advise you that the following convention authorized in 2009, which was included in our statutory auditors' special report on regulated agreements and commitments with related parties for the year ended 31 December 2009, and which has not been approved by the Shareholders Meeting, continued to be in place during the year.

Services agreement

Director and shareholder involved: Mr. Simon AZOULAY and SGTI.

Nature and purpose: following the agreement signed on 3 July 2009, ALTEN provides SGTI with general and administrative services.

For the year ended 31 December 2011, ALTEN recorded 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 to 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 continuing to be in place during the year

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the following agreements and commitments previously authorized by the Shareholders' Meeting were still in effect during the period.

Loan agreement with ALTEN GmbH

Indirect shareholder: ALTEN SA.

Nature and purpose: the loan granted by ALTEN to its German subsidiary ALTEN GmbH, amounting to €600,000 on 1 January 2011, was repaid in full on 22 December 2011.

This loan was repaid at 12-month Euribor + 3%. The financial income relating to this loan amounts to €29,543 for 2011.

Tax consolidation agreement

Director and shareholder involved: Mr. Simon AZOULAY and ALTEN SA.

The tax integration agreement signed between your Company and ALTEN SIR, MI-GSO, ALTEN Sud Ouest, ALTEN Cash Management, ALTEN Europe, ALTEN Aerospace, ALTEN Training Centre (formerly ABILOG), ATEXIS France (formerly CISIA Ingeniere), Avenir Conseil Formation, ANOTECH Energy France, B2I and HPTI continued to be in place during 2011.

In consideration of this tax consolidation agreement, ALTEN SA recorded an income of €634,949.

Paris, 26 April 2011

The Statutory Auditors

Grant Thornton	Cabinet Dauge et Associés
French member of Grant Thornton International	
Laurent Bouby	Christian Laplane
Associate	Associate

20 FINANCIAL INFORMATION

20.1 HISTORICAL FINANCIAL INFORMATION

Pursuant to Article 28 of European Regulation 809/2004, the following information is incorporated by reference in this Registration Document:

- the separate and consolidated financial statements at 31 December 2010, along with the related reports prepared by the Statutory Auditors and presented on pages 167 to 238 of Registration Document no. D.11-0420 filed with the *Autorité des Marchés Financiers* on 29 April 2011;
- the separate and consolidated financial statements at 31 December 2009, along with the related reports prepared by the Statutory Auditors and presented on pages 144 to 222 of Registration Document no. D.10-0478 filed with the *Autorité des Marchés Financiers* on 27 May 2010.

20.2 PRO FORMA FINANCIAL INFORMATION

None.

20.3 2011 CONSOLIDATED FINANCIAL STATEMENTS

PART I

Consolidated financial statements

ASSETS

(in thousands of euros)	Notes	31/12/2011	31/12/2010	31/12/2009
Goodwill	1	184,400	179,477	177,932
Intangible assets	2	9,857	11,456	11,987
Tangible assets	2	12,609	9,350	10,224
Equity-accounted stakes	3	3,027		
Non-current financial assets	4	24,976	15,035	11,300
Tax credits	5	8,818	7,424	6,711
NON-CURRENT FINANCIAL ASSETS		**243,686**	**222,741**	**218,154**
Trade receivables	6	385,972	365,018	333,227
Other current assets	6	34,940	26,651	40,064
Cash and cash equivalents	7	59,614	57,992	52,395
CURRENT ASSETS		**480,526**	**449,661**	**425,687**
TOTAL ASSETS		**724,212**	**672,402**	**643,841**

LIABILITIES

(in thousands of euros)	Notes	31/12/2011	31/12/2010	31/12/2009
Share capital		32,801	32,491	32,293
Additional paid-in capital		22,708	17,219	15,017
Consolidated reserves		283,778	264,426	270,819
Consolidated earnings		59,552	53,607	17,334
EQUITY (GROUP SHARE)		**398,838**	**367,743**	**335,463**
MINORITY INTERESTS		**466**	**326**	**274**
TOTAL SHAREHOLDERS' EQUITY		**399,304**	**368,070**	**335,737**
Provisions	12	13,023	11,597	10,803
Non-current financial liabilities	8	1,798	2,616	3,456
Other non-current liabilities	9	4,000	3,691	4,986
NON-CURRENT FINANCIAL LIABILITIES		**18,821**	**17,904**	**19,244**
Provisions	12	4,548	2,051	1,335
Current financial liabilities	10	15,036	14,994	52,966
Trade payables		34,111	31,858	29,925
Other current liabilities	11	252,392	237,526	204,634
CURRENT LIABILITIES		**306,087**	**286,429**	**288,859**
TOTAL LIABILITIES		**724,212**	**672,402**	**643,841**

Consolidated income statements

(in thousands of euros)	Notes	31/12/2011	31/12/2010	31/12/2009
Revenue	22	**1,065,659**	**916,566**	**857,077**
Purchases consumed	13	(80,948)	(76,354)	(63,730)
Payroll expenses	14	(752,179)	(635,290)	(611,916)
External charges	15	(108,871)	(98,399)	(94,544)
Taxes other than on income	16	(6,814)	(5,615)	(12,475)
Depreciation and amortization		(7,947)	(6,075)	(6,621)
Other operating expenses	17	(5,811)	(5,378)	(5,492)
Other operating income	17	5,246	3,916	3,220
OPERATING PROFIT ON ACTIVITY		**108,335**	**93,371**	**65,518**
Share-based payments	18	(309)	(468)	646
OPERATING PROFIT BEFORE EXCEPTIONALS		**108,026**	**92,904**	**66,165**
Non-current expenses	19	(12,274)	(3,946)	(24,367)
Non-current income	19	2,853	0	1,265
Income from asset disposals	19	(142)	(641)	
Impairment of goodwill	1-19	(3,131)		(10,746)
OPERATING PROFIT		**95,332**	**88,316**	**32,316**
Cost of net financial indebtedness	20	(688)	(1,125)	(1,642)
Other financial expenses	20	(3,255)	(2,211)	(1,671)
Other financial income	20	2,427	1,634	1,829
Income tax	21	(35,030)	(32,935)	(13,309)
CONSOLIDATED NET EARNINGS		**58,786**	**53,679**	**17,524**
Earnings of equity-accounted companies	3	804		
Earnings from disposals				
CONSOLIDATED EARNINGS		**59,590**	**53,679**	**17,524**
Of which:				
• Minority interests		**38**	**72**	**190**
• Group share		**59,552**	**53,607**	**17,334**
Earnings per share in euros (Group share)	23	1,87	1,70	0,55
Diluted earnings per share in euros (Group share)	23	1,85	1,68	0,54

Statement of comprehensive income

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Net earnings, Group share	59,552	53,607	17,334
Earnings attributable to minority interests	38	72	190
CONSOLIDATED NET EARNINGS	**59,590**	**53,679**	**17,524**
Change in fair value of sellable financial assets	1,001	2,715	
Neutralization of share-based payments booked in the income statement			177
Translation adjustments	139	1,628	353
INCOME AND EXPENSES BOOKED DIRECTLY UNDER EQUITY	**1,140**	**4,342**	**530**
TOTAL INCOME FOR THE PERIOD	**60,730**	**58,021**	**18,054**
Of which:			
• Group share	60,692	57,949	17,864
• Minority interests	38	72	190

Consolidated cash flow statement

(in thousands of euros)	Notes	31/12/2011	31/12/2010	31/12/2009
Consolidated net earnings		**59,590**	**53,679**	**17,524**
Effect of equity-accounted companies		(804)	0	0
Depreciation, amortization and operating provisions	24	14,443	6,941	19,363
Share-based payments	18	309	468	(646)
Income tax	21	35,030	32,935	13,309
Capital gains or losses from disposals		333	844	597
Cost of net financial indebtedness	20	688	1,125	1,642
Financial cost on update and provisions	20	676	223	(430)
Gross cash flow before borrowing costs and tax		**110,265**	**96,215**	**51,358**
Taxes paid	24	(32,016)	(1,375)	(27,254)
Change in working capital requirements	24	(10,467)	(13,753)	22,041
NET CASH GENERATED FROM OPERATING ACTIVITIES		**67,782**	**81,087**	**46,145**
Acquisition of tangible and intangible assets		(8,895)	(4,731)	(6,938)
Acquisition of financial assets	24	(11,092)	(1,719)	(698)
Impact of changes in scope and earn-outs	24	(15,533)	(5,820)	(27,435)
Disposals of tangible and intangible assets		69	85	257
Reductions in financial assets		1,450	646	813
NET CASH USED FOR INVESTMENTS ACTIVITIES		**(34,001)**	**(11,539)**	**(34,002)**
Net financial interest paid		(691)	(1,124)	(1,639)
Dividends paid to shareholders		(34,996)	(28,284)	
Capital increase	24	5,900	2,499	1,098
Acquisitions and disposals of treasury shares		(1,541)	212	(225)
Repayment of long-term financial debt		(28)	167	(783)
Change in current financial liabilities	10	(906)	(38,264)	(2,182)
NET CASH FROM (FOR) FINANCING ACTIVITIES		**(32,262)**	**(64,795)**	**(3,731)**
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH		**104**	**844**	**265**
CHANGE IN CASH POSITION		**1,622**	**5,597**	**8,677**
Opening cash	7	57,992	52,395	43,719
Cash at end of period	7	59,614	57,992	52,395
Change		1,622	5,597	8,677

Investments through lease-financing operations in 2011 totalled €511,000.

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 7).

The Group's net cash position breaks down as follows:

(in thousands of euros)	Notes	31/12/2011	31/12/2010	31/12/2009
Cash at end of period	7	59,614	57,992	52,395
Bank overdrafts	10	(14,064)	(13,453)	(51,716)
Bank loans	8.10	(1,472)	(2,839)	(3,370)
Net cash position		44,079	41,699	(2,690)

Change in consolidated shareholders' equity

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, GROUP SHARE

(in thousands of euros)	Number of shares in circulation	Number of shares issued	Capital	Additional paid-in capital	Reserves	Treasury shares	Translation reserves	Earnings (Gp share)	Shareholders' equity
AT 31 DECEMBER 2009	31,373,835	31,771,921	32,293	15,017	279,025	(7,690)	(516)	17,334	335,463
2009 allocation of earnings					17,334			(17,334)	0
Capital increase (1)	194,869	194,869	198	2,203					2,401
Dividends paid to shareholders					(28,284)				(28,284)
Other variations (2)				0	(465)				(465)
Treasury shares	(3,841)					212			212
Share-based payments					468				468
Transactions with shareholders			**198**	**2,203**	**(10,947)**	**212**	**0**	**(17,334)**	**(25,669)**
Total income 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 DECEMBER 2010	31,564,863	31,966,790	32,491	17,219	270,792	(7,479)	1,112	53,607	367,743
2010 allocation of earnings					53,607			(53,607)	0
Capital increase (1)	304,983	304,983	310	5,491					5,801
Dividends paid to shareholders					(34,996)				(34,996)
Other variations (3)					1,119		(289)		830
Treasury shares	(74,325)	(96)	(0)	(2)	2	(1,541)			(1,541)
Share-based payments					309				309
Transactions with shareholders			**310**	**5,489**	**20,042**	**(1,541)**	**(289)**	**(53,607)**	**(29,596)**
Total income for the period					1,001		139	59,552	60,692
Earnings attributable to minority interests								*804*	
Profit and income and expenses in shareholders' equity					**1,001**		**139**	**59,552**	**60,692**
AT 31 DECEMBER 2011	**31,795,521**	**32,271,677**	**32,801**	**22,708**	**291,835**	**(9,019)**	**962**	**59,552**	**398,838**

(1) Capital increases linked to the exercising of stock-options.
(2) Share warrants and reclassifications of minority interests.
(3) Capital increases linked to the exercising of stock-options.
(4) Effect of scope changes (€830,000) and reclassifications.

CHANGE IN SHAREHOLDERS' EQUITY, MINORITY INTEREST SHARE

(in thousands of euros)	Reserves	Earnings	Shareholders' equity
AT 31 DECEMBER 2009	**84**	**190**	**274**
2009 allocation of earnings	190	(190)	0
Change in scope (1)	(19)		(19)
2010 earnings		72	72
AT 31 DECEMBER 2010	**254**	**72**	**326**
2010 allocation of earnings	72	(72)	0
Change in scope (2)	101		101
2011 earnings		38	38
AT 31 DECEMBER 2011	**427**	**38**	**466**

(1) *In 2010 the change in scope includes the purchase of shares from minority shareholders in Anotech Energy France and Anotech Energy UK (€117,000) and the purchase of minority interests in the capital of ALTEN SIR GTS (€98,000).*

(2) *In 2011, the change in scope related to the subscription of minority interests in the capital of Intesima GmbH and Atexis Spain.*

20.4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ON 31 DECEMBER 2011

Detailed summary of the notes to the consolidated financial statements

PART II – NOTES TO THE FINANCIAL STATEMENTS

1) GENERAL INFORMATION ON THE GROUP

The ALTEN Group is the European leader in the Engineering and Technology Consulting (ETC) market. ALTEN is a French public limited company (*Société Anonyme*) with a Board of Directors subject to French law. It is the parent company, and group head. Its registered offices are at 40 avenue André-Morizet in Boulogne Billancourt (92513). The Company was formed on 28 October 1988 for a duration of 99 years.

ALTEN carries out design and research projects for the Technical and Information Systems divisions of major customers in the industrial, telecommunications and service sectors.

The activity is divided into two business lines: Engineering and Technology Consulting (76% of turnover) and Networks Telecom and Information Systems (24% of turnover).

ALTEN works with its customers through various types of packages: consulting, and workpackage or “global platforms” (these services are generally provided by committing resources and billed on a time-spent basis; fixed-price projects under which ALTEN is bound by an obligation to achieve results at a fixed price represent less than 10% of activity).

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 meeting of 3 April 2012. They are presented in thousands of euros, unless otherwise indicated.

2) HIGHLIGHTS

A Business

Activity in 2011 was marked by strong organic growth (14.5%). The market remained dynamic due to “technological breakthrough” projects, the continuing rollout of workpackage projects and the increasing use of outsourcing.

Customers continued to rationalise their listings, based on (i) multiple skills and offerings in engineering, (ii) the ability to manage global projects and realise productivity gains, and (iii) operating internationally and access to offshore/nearshore.

Growth was mainly driven by (i) automotive (18% of turnover), (ii) aerospace and defence (20% of turnover), (iii) energy and life sciences (20.5%).

Recruitment remains a major challenge, but ALTEN has succeeded in recruiting over 3,500 people during the year to secure its development, thanks to its know-how and the technological content of its projects.

B Legal reorganisations

The Group carried out the following legal reorganisations during 2011:

- in Spain, ALTEN Spain merged with BBR Ingenieria De Servicios by pooling assets on 1 January 2011;
- in France, ALTEN SIR merged with Winwise by pooling assets on 31 December 2011.

C External growth

In France

The Group increased its equity stake in a technology consulting company from 15% à 30.1%; this company is now consolidated by the equity method.

Internationally

Calsoft Labs (650 employees; turnover of USD 22 million)

ALTEN Europe acquired 100% of the capital of Calsoft Labs on 14 April 2011. This company is present in the USA and India; it is specialised in electronics, embedded software, telecoms networks and mobile platforms.

Bardenheuer (30 employees; turnover of €2.3 million)

ALTEN GmbH acquired the company Bardenheuer GmbH, which specialises in a niche market in telecommunications security in Germany.

Phinergy Ltd

ALTEN Europe took a minority equity stake of 14.29% in the capital of Phinergy Ltd, a company specialising in the design and development of batteries for electric vehicles. The Group does not exercise a significant influence in this company.

D Creations

In France

Incorporation on 15 June 2011 of Aptech SAS, whose capital is wholly owned by ALTEN SA and which is primarily engaged in engineering and technical studies, system architecture and network consultancy, with an IT and Electronics Engineering Design Office.

Internationally

Incorporation on 8 February 2011 of Atexis Spain SLU, whose capital is wholly owned by ALTEN Spain SLU, whose principal activity is engineering and technical consultancy.

Anotech Do Brasil Consultoria EM Gestao Empresarial Ltda was set up on 19 July 2011. Its share capital is wholly owned by ALTEN Europe and ALTEN SA.

Incorporation on 21 December 2011 of Anotech Energy Nigeria Ltd., owned 49% by ALTEN Europe.

Intesima was also created (n Germany), and is 75% owned by ALTEN GmbH. In addition, ALTEN took a 15.1% interest in the capital of a Belgian start-up.

E Other significant events

ALTEN SIR and ALTEN Sud-Ouest have been subject to an URSSAF audit (Social Security assessment) which, at this stage, indicates a demand for repayment of €7 million. Both companies are challenging the demands.

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/internalmarket/accounting/ias.fr.htm.

The accounting principles used to prepare the consolidated financial statements for the year ended 31 December 2011 are identical to those used for the year ended 31 December 2010, it being understood that the new norms and interpretations obligatory as of 1 January 2011 have been applied by the Group:

Standards, amendments or interpretation	Date of adoption by the European Union	Applicable dates: financial years starting
Amendments to IAS 32 "Classification of subscription rights issued"	23 December 2009	1 February 2010
IAS 24 revised Related-party disclosures	19 July 2010	1 January 2011
Amendments to AFFRIC 14 "Prepayments of minimum funding requirements"	19 July 2010	1 January 2011
IFRIC 19 "Extinguishing financial liabilities with equity instruments"	23 July 2010	1 January 2010
Annual improvements to IFRS – May 2010	18 February 2011	1 January 2011 (except amendments to IFRS 3 and IAS 27: 1 July 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 31 December 2010. The standards are as follows:

Standards, amendments or interpretation	Applicable dates: financial years starting
Amendments to IFRS 7 "Transfers of financial assets"	1 July 2011
Amendments to IAS 12 "Deferred taxes related to revalued assets"	1 January 2012
Amendments to IAS 1 "Presentation of other comprehensive income (OCI)"	1 July 2012
IFRS 10 "Consolidated financial statements"	1 January 2013
IFRS 11 "Joint arrangements"	1 January 2013
IFRS 12 "Disclosure of interests in other entities"	1 January 2013
IFRS 13 "Fair value measurement"	1 January 2013
Revised IAS 19 "Employee benefits"	1 January 2013
Revised IFRS 27 "Separate financial statements"	1 January 2013
IAS 28 amended "Investments in associates and joint ventures"	1 January 2013
Amendments to IFRS 7 "Disclosures – Offsetting financial assets and financial liabilities"	1 January 2013
IFRIC 20 "Stripping costs in the production phase of a surface mine"	1 January 2013
IFRS 9 "Financial instruments (phase 1: Classification and measurement")	1 January 2015
Amendments to IFRS 9 and IFRS 7 – Date of compulsory application and information to be provided on the transition	1 January 2015

The only standard whose application will have an impact on the ALTEN Group's consolidated financial statements is Revised IAS 19 "Employee benefits". The immediate and full accounting for actuarial gains and losses will be mandatory from 1 January 2013. At 31 December 2011, after application of the corridor method in each subsidiary, there is an actuarial difference of €485,000.

The consolidated financial statements of the issuer are published on its website dedicated to said purpose: www.ALTEN.fr/finance/informations-financieres-ALTEN.htm.

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 31 December 2010, the CVAE amounted to €7.5 million and represented a positive impact on the operating income of 0.8%. As of 31 December 2011, the CVAE amounted to €9.2 million and represented a positive impact on the operating income of 0.9%.

A Management's estimates

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

The main estimates made by management when preparing the consolidated financial position concerned measurement of impairment of goodwill (Note III-1), earn-outs (Notes III-9 and III-11), retirement obligations and provisions (Note III-12) and research tax credits (Note II-5).

In the current fast-changing economic environment, it is harder to define the Group's business outlook and the random nature of some estimates can be accentuated, especially where profits and cash flow are concerned.

B Financial indicators

The Group mainly relies on the following financial indicators:

- turnover;
- "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).

C Operating segments

Application of IFRS 8 "Operating Segments", which came into force on 1 January 2009, means that operating segment information reflects the internal information system used by Group management to assist the decision-making process. Group activity is presented by geographic region, distinguishing between France and overseas (see Note III-22).

D Translation of foreign currency accounts

The items included in the financial statements of each of the Group's entities are valued according to the currency of the main economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euros, the parent company's functional currency.

The financial statements of foreign entities located outside the euro zone are prepared using the entity's functional currency and translated according to the following principles:

- balance sheet items (with the exception of equity) are translated at closing rates;
- equity is translated at the historical rate;
- the income statement is translated using the average rate for the period;
- translation variances are directly recognised under equity in the "translation reserve".

These payments are based on the various plans described below:

		2011 financial year		2010 financial year	
Country	Currency	Average price	Price at year-end	Average price	Price at year-end
Switzerland	CHF 1 = EUR	0.810373	0.822639	0.723432	0.799744
Great Britain	GBP 1 = EUR	1.152339	1.197175	1.165230	1.161710
Romania	RON 1 = EUR	0.235927	0.231305	0.237496	0.234632
United States	USD 1 = EUR	0.718546	0.772857	0.753693	0.748391
Poland	PLN 1 = EUR	0.242795	0.224316	0.250313	0.251572
Czech Republic	CZK 1 = EUR	0.040669	0.038779	0.039535	0.039903
Sweden	SEK 1 = EUR	0.110771	0.112208	0.104746	0.111539
India	INR 1 = EUR	0.015416	0.014553	0.016493	0.016734
Brazil	BRL 1 = EUR	0.429941	0.413924	0.428368	0.450918

E 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 H).

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

F 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 2011, 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 10 years. The Vision project, which covers the implementation of an ERP within the ALTEN Group has been amortised over 10 years since 1 January 2009.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

G Tangible assets

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: 3 to 10 years;
- buildings: 25 years.

H 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 1):

- 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.

I Leases

Any agreements for the lease of property, plant and equipment and intangible assets under which the ALTEN Group incurs almost all risks and advantages related to the ownership of the property in question are considered lease-financing agreements and are subject to restatement. A lease agreement is appraised on the basis of criteria stipulated under IAS 17.

Assets that are the object of lease-financing agreements are recorded in the statement of financial position under property, plant and equipment and intangible assets. 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 IV -5).

J Equity-accounted stakes

Application of IAS 28, "Investments in Associates", requires that investments in associates are recognised using the equity method and are presented separately under non-current assets. Profit from these investments attributable to owners of the Company is recognised separately in the income statement.

Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to account for the share attributable to owners of the Company in the results of the company held after the acquisition date.

K Financial assets

Financial assets include loans and receivables, sometimes not related to investments, financial assets available for sale and financial assets held to maturity (deposits and guarantees, etc.).

ALTEN owns minority interests in certain entities 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. They are included in non-current assets unless the Group has to sell within twelve months following the closing date. The fair value is determined by reference to the last quoted share price for listed securities. In the absence of an active market, they are kept in the balance sheet at the amount which the Group believes represents their fair value. The value is determined based on financial criteria such as equity share, the net revalued asset and profitability outlook. If there is a sustained decline in their value in use, an impairment loss is recognized. Fair value variations are recorded under equity or profit/loss when impairment is deemed to be irreversible.

L 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. Recoverability of these taxes is calculated according to the entity's budgets and the applicable tax regulations in the country. The outlook is established over a 3-year period and assumptions are reviewed at least annually.

Deferred taxes are valued at the known tax rate applicable at the date of issue of the financial statements.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

M 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.

N Other current assets

They are valued at nominal value less any impairment arising from recovery difficulties.

O 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.

P 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.

Q 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 financial year.

The Group has not established employee benefits as part of defined benefit plans. Its commitment is limited to retirement obligations which, pursuant to IAS 19, 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 IV-6):

Financial assumptions

- A financial discount rate.
- An inflation rate.
- A revaluation rate for employees.
- An employer contribution rate.

Demographic assumptions

- The assumption of a retirement age of sixty-five years, the age at which a French employee will have reached the number of years of contributions entitling the employee to the full pension amount granted under the national pension plan.
- INSEE mortality tables.
- Average staff turnover rates, by age and employment category.
- Age of first employment.
- Number of retiring employees.

These estimates take place every year. Actuarial gains and losses resulting from a change of assumption or actual variances (variance between the estimate and the actual situation) in relation to the commitments or financial assets of the pension plan are recognised under earnings by spreading them over the expected remaining life of employees (corridor method).

R 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.

S 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.

T Minority interest obligations

In accordance with IAS 27 "Consolidated financial statements and accounting for investments in subsidiaries" and IAS 32 "Financial Instruments", commitments related to the purchase of firm non-controlling interests 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.

U 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;
- workpackage method: recognition of revenue varies according to the nature of the resource commitment. When the workpackage is part of a global cost-based scheme, income is equal to time spent multiplied by an hourly, daily or monthly sales rate; when it is part of an outsourced platform for which billing is on a monthly or quarterly fixed-price basis, income is recognised on a monthly basis according to the amount of the agreement, independent of the real time spent by consultants; lastly, when it is part of a service commitment package, turnover is recognised as and when deliverables and/or performance indicators (work units) are received/validated by the customer and for which the price has been fixed in the workpackage contract.

V Subsidies and tax credits

Operating subsidies and tax credits are recorded as deductions under the expenses they are intended to offset (mainly employee costs for research tax credits).

W 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.

X Other non-current operating income and expenses

Significant non-recurring transactions that may distort comparisons of recurring operating performance are classified as “non-recurring operating income and expense” in accordance with the CNC recommendation of 2 July 2009. They include:

- capital gains or losses on sales or significant and unusual impairment of property, plant and equipment or intangible assets;
- restructuring costs resulting from plans of an unusual nature and size that might distort comparisons of recurring operating profit from year to year;
- very large provisions and other costs, notably expenses related to security acquisitions;
- non-recurring transactions.

Y Investment income

Net financial income comprises net borrowing costs and other financial income and expenses.

Cost of net financial indebtedness

This includes:

- income from cash and cash equivalents (interest income, income from the disposal of cash equivalents);
- the gross cost of financial debt (interest charges on financing transactions).

Other financial income and expenses

Other financial income and expenses includes financial income and expenses not included in net borrowing costs:

- financial income (dividends, profit on the disposal of unconsolidated shares, income from interest and income from the disposal of other financial assets (excluding cash and cash equivalents), exchange rate gains, discounted financial income, increase in the fair value of financial assets and liabilities processed at fair value by income, other financial income);

- financial expenses (impairment of unconsolidated securities, losses on disposals of unconsolidated securities, impairment and losses on the disposal of other financial assets (not including cash and cash equivalents), translation losses, discounted financial expenses, decrease in the fair value of financial assets and liabilities processed at fair value by income, other financial expenses).

Z Information on net earnings per share and diluted earnings per share

Earnings per share are the ratio of net earnings as compared to the weighted average number of ordinary shares in circulation during the financial year, excluding treasury shares.

Diluted earnings per share are the ratio of net earnings as compared to the potential weighted average number of shares adjusted to take into account the effects of any potentially diluting events (share warrants, options, free shares). The dilution effect is obtained by the number of potential shares which would result from the diluted instruments, less the number of shares which could be bought back at market rates using the funds gained from exercising the instruments concerned. The market price retained is that of the average share price during the financial year. The dilutive effect of the equity instrument is taken into account when the exercise price is less than the average price of the ordinary share market.

4) FINANCIAL RISK FACTORS

Liquidity risk

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

The Group maintains financial flexibility through available but unused credit facilities (at financial year end) in the amount of €110 million, confirmed in April 2010 as part of a "club deal" for a maximum period of three years, and short-term unconfirmed lines of credit that are renewable annually.

This "club deal" requires that the following ratios are met 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.

At 31 December 2011, these banking ratios were adhered to.

Credit risk

Credit risk represents the risk of financial loss in the event that a client does not fulfil its contractual obligations.

The Group does not have a significant concentration of credit risk.

See Note III-6 Current assets – breakdown of the portfolio of trade receivables by age of the account.

Interest rate and foreign exchange risks

The Group's interest rate risk relates to the club deal 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. At 31 December 2011 this line was unused and therefore the Group was not exposed to interest rate risk.

With the exception of subsidiaries in the United Kingdom, Switzerland, Romania, Sweden, India and the United States, the Group bills for its services in euros (€). As most of its services are provided within each country, the foreign exchange risk stemming from the flow between currency zones is very limited. ALTEN carries out 93% of its activity within the euro zone.

5) 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)	34860741700055	FC	100.00	100,00
ALTEN SIR (4)	40035788500021	FC	100.00	100,00
ALTEN TRAINING CENTER (2)	35390354500062	FC	99.70	99,70
ALTEN SUD-OUEST	40419144700048	FC	100.00	100,00
MI-GSO	38054561600050	FC	100.00	100,00
ALTEN CASH MANAGEMENT	48011617700019	FC	100.00	100,00
ALTEN EUROPE	48016830100012	FC	100.00	100,00
ELITYS CONSULTING	48420799800010	FC	100.00	100,00
PEGASE SI	48484024400012	FC	100.00	100,00
ATEXIS FRANCE (3)	43904555000019	FC	100.00	100,00
ALTEN AEROSPACE	48761023100019	FC	100.00	100,00
AVENIR CONSEIL FORMATION	40246017400038	FC	100.00	100,00
ANOTECH ENERGY France	49304667600018	FC	98.00	100,00
HPTI	49967035400012	FC	100.00	100,00
B2I AUTOMOTIVE	45341899800028	FC	100.00	100,00
ALTEN SIR GTS	52190314600012	FC	51.00	51,00
ID.APPS	52910153700015	FC	100.00	100,00
APTECH SAS	53296422800011	FC	100.00	100,00

(1) Consolidating entity.
(2) New name for ABILOG
(3) New name for CISIA INGENIERIE.
(4) ALTEN SIR merged with WINWISE on 31 December 2011.

ABROAD

Company name	Basis of consolidation	% 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
MI-GSO LTD (1)	FC	100.00	100.00	Great Britain
ALTEN Belgium	FC	100.00	100.00	Belgium
ALTEN SPAIN (2)	FC	100.00	100.00	Spain
ATEXIS SPAIN	FC	90.00	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 SWITZERLAND SA	FC	100.00	100.00	Switzerland
ALTEN SWITZERLAND SARL	FC	100.00	100.00	Switzerland
ALTEN CONSULTING SARL	FC	100.00	100.00	Switzerland
AEROTEC ENGINEERING AG	FC	100.00	100.00	Switzerland
ALTEN ITALIA	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
INTESIMA	FC	75.00	75.00	Germany
BARDENHEUER	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
ATEXIS SRL (3)	FC	100.00	100.00	Romania
X-DIN AB	FC	100.00	100.00	Sweden
X-DIN INC	FC	100.00	100.00	United States
ALTEN INDIA	FC	100.00	100.00	India
CALSOFT LABS INDIA	FC	100.00	100.00	India
CALSOFT LABS INC. (USA)	FC	100.00	100.00	United States
ANOTECH DO BRASIL	FC	100.00	100.00	Brazil

(1) New name for EMS LTD.
(2) ALTEN SPAIN merged with BBR INGENIERA DE SERVICIOS on 1 January 2011.
(3) New name for AEROTEC SRL.

PART III – DETAIL OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GOODWILL

Goodwill, allocated by country, breaks down as follows:

GROSS VALUE

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	United States	Total
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												
Reclassifications												
Exits from scope [(1)]								(598)				(598)
31/12/2010	**104,111**	**5,087**	**3,104**	**12,824**	**27,514**	**17,218**	**7,783**	**1,100**	**1,389**	**15,983**		**196,112**
Earn-out adjustments	199									599		798
Acquisitions [(2)]						910					6,347	7,256
Reclassifications	1,100							(1,100)				
Exits from scope												
31/12/2011	**105,410**	**5,087**	**3,104**	**12,824**	**27,514**	**18,127**	**7,783**		**1,389**	**16,582**	**6,347**	**204,166**

IMPAIRMENTS

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	United States	Total
31/12/2009	**7,337**	**3,852**			**2,573**	**1,929**	**600**		**344**			**16,635**
Provisions												
Exits from scope												
31/12/2010	**7,337**	**3,852**			**2,573**	**1,929**	**600**		**344**			**16,635**
Provisions [(3)]	3,131											3,131
Exits from scope												
31/12/2011	**10,468**	**3,852**			**2,573**	**1,929**	**600**		**344**			**19,766**

NET VALUES

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Italy	Switzerland	Romania	Sweden	United States	Total
31/12/2009	96,121	1,236	3,104	12,823	24,941	15,289	7,183	1,668	1,031	14,537		**177,932**
31/12/2010	96,774	1,235	3,104	12,824	24,941	15,289	7,183	1,100	1,044	15,983		**179,477**
31/12/2011	94,942	1,235	3,104	12,824	24,941	16,198	7,183		1,044	16,582	6,347	**184,400**

(1) During 2010: Aston Life Sciences Sàrl in Switzerland was removed from the scope of consolidation.
(2) During 2011: the €7,256,000 goodwill increase is due to the acquisition of Calsoft Labs in the United States and India, as well as Bardenheuer in Germany.
(3) During 2011: the exceptional impairment of €3,131,000 applied to Winwise in France.

The table below details the main modelling factors in the assumptions used to calculate annual impairment tests for each group of CGUs:

	2011				2010			
Country	Goodwill value	Average turnover growth rate 2012-2014	Perpetual growth rate	Weighted average cost of capital (WACC)	Goodwill value	Average turnover growth rate 2011-2013	Perpetual growth rate	Weighted average cost of capital (WACC)
France	94,942	5%	2%	10.23%	96,774	5%	2%	10%
Germany	16,198	11%	2%	10.23%	15,289	6%	2%	10%
Spain	24,941	-1%	2%	10.88%	24,941	3%	2%	10%
The Netherlands	12,824	6%	2%	10.23%	12,824	13%	2%	10%
Belgium	3,104	6%	2%	10.23%	3,104	- 2%	2%	10%
Italy	7,183	1%	2%	10.88%	7,183	4%	2%	10%
Sweden	16,582	8%	2%	10.23%	15,983	8%	2%	10%
United States	6,347	4%	2%	10.23%	-	-	-	-
Great Britain	1,235	10%	2%	10.23%	1,235	5%	2%	10%
Romania	1,044	17%	2%	10.23%	1,044	10%	2%	10%

En 2011, a "country" risk was established for Spain and Italy.

The Group presents sensitivity analyses to the key assumptions used in the WACC, the perpetual growth rate, normative turnover and normative operating profit on activity. The results of these analyses as regards impairment of goodwill are summarised in the table below. For the purposes of the test, only companies in which goodwill is allocated are shown below. Note that a country may group together several entities without this representing the totality of the values of utilities in that country.

	2011					
Country	Goodwill value	Test margin****	WACC + 1 point*	Zero growth rate**	Normative turnover – 2 points***	Normative operating profit on activity – 1 point***
France	94,942	382,776	-	-	-	-
Germany	16,198	57,375	-	-	-	-
Spain	24,941	16,323	-	-	-	-
The Netherlands	12,824	49,156	-	-	-	-
Belgium	3,104	44,666	-	-	-	-
Italy	7,183	2,871	-	-	-	-
Sweden	16,582	68,500	-	-	-	-
United States	6,347	6,871	-	-	-	-
Great Britain	1,235	34,585	-	-	-	-
Romania	1,044	1,818	-	-	-	-
TOTAL	**184,400**	**664,941**	**-**	**-**	**-**	**-**

* *At constant growth rate.*
** *At constant discount rate.*
*** *At constant growth rate and discount rate.*
**** *Test margin = Value in use – goodwill value.*

NOTE 2 NON-CURRENT ASSETS AND DEPRECIATION

GROSS VALUE

	Intangible Assets	Property, Plant and Equipment	Total
31/12/2009	**24,187**	**31,015**	**55,202**
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**
Change in scope	219	1,022	1,242
Exchange rate variations	(26)	(53)	(79)
Acquisitions and transfers	1,884	7,522	9,405
Divestments and disposals (1)	(141)	(3,591)	(3,732)
31/12/2011	**27,632**	**37,845**	**65,477**

AMORTISATION

	Intangible Assets	Property, Plant and Equipment	Total
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**
Change in scope	107	322	429
Exchange rate variations	(16)	5	(11)
Provisions and transfers (2)	3,580	4,367	7,947
Decreases	(137)	(3,052)	(3,189)
31/12/2011	**17,774**	**25,236**	**43,011**

NET VALUES (3)

	Intangible Assets	Property, Plant and Equipment	Total
31/12/2009	**11,987**	**10,224**	**22,211**
31/12/2010	**11,456**	**9,350**	**20,806**
31/12/2011	**9,857**	**12,609**	**22,466**

(1) Concerns mainly the scrapping of fittings as a result of a business transfer.
(2) The duration of use for some software was reduced over the financial year. Therefore, an exceptional amortisation of €1 million was made.

(3) Including financial leases:	*Intangible Assets*	*Property, Plant and Equipment*	*Total*
At 31/12/2009	*1,874*	*649*	*2,523*
At 31/12/2010	*1,641*	*445*	*2,086*
At 31/12/2011	*1,426*	*606*	*2,032*

NOTE 3 EQUITY-ACCOUNTED STAKES

	Amount
At 31 December 2010	
Change in scope [1]	1,681
Goodwill	543
Results for the financial year	804
At 31 December 2011	**3,027**

(1) Share of capital acquired including €830,000 relating to the transfer to equity of the change in revaluation of securities previously held, using the cost method (in accordance with IAS 28.11).

NOTE 4 FINANCIAL ASSETS

	Note	Assets available for sale	Loans and receivables	Financial assets at fair value via income statement	Total
Financial assets available for sale		7,721			7,721
Deposits and guarantees			3,127		3,127
Other long-term assets			452		452
TOTAL NON-CURRENT FINANCIAL ASSETS		**7,721**	**3,579**		**11,300**
Trade receivables	6		333,227		333,227
Other current assets*	6		11,352		11,352
Cash and cash equivalents	7			52,395	52,395
TOTAL CURRENT FINANCIAL ASSETS			**344,579**	**52,395**	**396,974**
TOTAL FINANCIAL ASSETS AT 31/12/2009		**15,442**	**348,158**	**52,395**	**415,995**
Financial assets available for sale		11,303			11,303
Deposits and guarantees			3,413		3,413
Other long-term assets			319		319
TOTAL NON-CURRENT FINANCIAL ASSETS		**11,303**	**3,732**		**15,035**
Trade receivables	6		365,018		365,018
Other current assets*	6		5,746		5,746
Cash and cash equivalents	7			57,992	57,992
TOTAL CURRENT FINANCIAL ASSETS			**370,764**	**57,992**	**428,756**
TOTAL FINANCIAL ASSETS AT 31/12/2010		**11,303**	**374,496**	**57,992**	**443,791**
Financial assets available for sale		18,681			18,681
Deposits and guarantees			3,966		3,966
Other long-term assets			2,329		2,329
TOTAL NON-CURRENT FINANCIAL ASSETS		**18,681**	**6,295**		**24,976**
Trade receivables	6		385,972		385,972
Other current assets*	6		5,984		5,984
Cash and cash equivalents	7			59,614	59,614
TOTAL CURRENT FINANCIAL ASSETS			**391,956**	**59,614**	**451,570**
TOTAL FINANCIAL ASSETS AT 31/12/2011		**18,681**	**398,251**	**59,614**	**476,545**

* Excluding tax and social security receivables and prepaid expenses

Securities held for sale include the following:

Company	%	Fair value at opening	Acquisition (disposal)	Impairment	Change in fair value	Fair value at closing	Turnover	Shareholders' equity	Net Earnings	Comments
AUSY	9.42%	6,310	1,427		929	8,667	197,660	37,648	8,456	31/12/2010
X-ANGE	5.96%	3,751	(329)			3,422	N/A	48,899	(1,025)	31/12/2010
SMART TRADE	4.19%	327			71	398	6,842	9,507	1,551	31/03/2011
PHOEBE INGENICA	19.00%	774		(774)		0				In the process of liquidation
GROUPE IDESTYLE	100.00%	0				0				In the process of liquidation
PHINERGY LTD	14.29%	0	6,000			6,000				
MISCELLANEOUS		142	52			194				
TOTAL		**11,303**	**7,151**	**(774)**	**1,001**	**18,681**				

The Group recognises irreversible depreciation when it observes a very significant and long-lasting deterioration in the entity's results. Shares of Phoebe Ingenica, which was placed under court-ordered reorganisation proceedings, were fully depreciated in 2011.

Shares under the "Miscellaneous" item at 31 December 2010 are now consolidated under the equity method.

Valuation levels at 31 December 2011

Level 1 – Fair value determined using the share price on an active market

This level only concerns Ausy shares, whose value, based on the Paris stock market share price at 31 December 2011, amounted to €8,667,000.

Level 2 – Fair value determined using observable market data

None.

Level 3 – Fair value determined in the absence of market data

The other available-for-sale assets valued using this method represent a total of €10,014,000 at 31 December 2011. The criteria retained are presented in Note II-K.

Other items (loans, deposits and guarantees, other non-current assets), totalling €6,295,000 at 31 December 2011, were kept at their historic cost adjusted by depreciation to their recoverable value, where this was estimated to be lower.

NOTE 5 TAX CREDITS

Deferred tax is broken down as follows:

	31/12/2011	31/12/2010	31/12/2009
Employee profit-sharing	2,229	1,949	813
Retirement benefits	2,466	1,959	1,610
Other timing differences	1,500	795	1,766
Tax-loss carry-forwards	2,292	2,397	2,498
TOTAL DEFERRED TAXES	**8,487**	**7,100**	**6,687**
Including:			
DEFERRED TAX ASSETS:	**8,818**	**7,424**	**6,711**
DEFERRED TAX LIABILITIES:	**(331)**	**(324)**	**(23)**

The variation in deferred taxes is broken down as follows:

	31/12/2011	31/12/2010	31/12/2009
Deferred taxes at opening	**7,100**	**6,687**	**6,110**
Change in scope	422	(36)	3,579
Exchange rate variations	(3)	4	(2)
Expenses (or income) for the period (Note 21)	969	445	(3,000)
DEFERRED TAXES AT FINANCIAL YEAR END	**8,487**	**7,100**	**6,687**

Unrecognised deferred taxes for tax-loss carry-forwards amounted to €1,679,000 (€5,678,000 basis) at 31 December 2011.

NOTE 6 CURRENT ASSETS

	31/12/2011	31/12/2010	31/12/2009
TRADE RECEIVABLES			
Gross value	394,246	374,690	342,465
Impairments	(8,274)	(9,672)	(9,238)
TOTAL	**385,972**	**365,018**	**333,227**
OTHER CURRENT ASSETS			
Inventory	57	61	97
Social security receivables	943	1,302	801
Tax receivables (1)	23,357	15,115	25,334
Other receivables (2)	12,156	8,895	14,579
Impairment of other receivables	(6,229)	(3,210)	(3,325)
Prepaid expenses	4,656	4,488	2,577
TOTAL	**34,940**	**26,651**	**40,064**

(1) *The reduction in this item for €10 million between 2009 and 2010 is mainly due to the 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.*
In 2011 the increase is mainly related to research tax credits.

(2) *The reduction in this item for €5.6 million between 2009 and 2010 is mainly due to the repayment of the SGTI current account in the amount of €5.2 million.*

The following table presents the breakdown of the portfolio of trade receivables by age of the account:

	31/12/2011					31/12/2010					31/12/2009				
	Unmatured	Less than six months	Six months to one year	More than one year	Balance	Unmatured	Less than six months	Six months to one year	More than one year	Balance	Unmatured	Less than six months	Six months to one year	More than one year	Balance
TRADE RECEIVABLES															
Gross value	312,698	68,169	4,450	8,929	394,246	304,880	49,550	7,270	12,990	374,690	231,084	83,728	14,255	13,398	342,465
Provisions		(601)	(191)	(7,482)	(8,274)		(97)	(165)	(9,410)	(9,672)		(198)	(343)	(8,697)	(9,238)
NET VALUES	**312,698**	**67,568**	**4,259**	**1,447**	**385,972**	**304,880**	**49,453**	**7,105**	**3,580**	**365,018**	**231,084**	**83,530**	**13,912**	**4,701**	**333,227**

Based on its experience and given its trade debt collection policies, the Group estimates that the level of impairment for the financial year is in accordance with the risks incurred.

NOTE 7 CASH AND CASH EQUIVALENTS

	31/12/2011	31/12/2010	31/12/2009
Marketable securities	2,139	19,025	4,531
Cash and equivalents	57,475	38,967	47,864
TOTAL	**59,614**	**57,992**	**52,395**

Marketable securities are valued at fair value. They are made up of money market funds and term deposits with a maturity of less than three months. Income from money market funds is not significant.

NOTE 8 NON-CURRENT FINANCIAL LIABILITIES

	31/12/2011	31/12/2010	31/12/2009
Bank loans	150	250	980
Other loans and related debt	555	1,235	1,341
Employee profit-sharing		38	34
Deposits and guarantees received	1,093	1,093	1,102
TOTAL	**1,798**	**2,616**	**3,456**

Schedule of non-current financial liabilities at 31 December 2011:

	2013	2014	2015	2016	Total
Bank loans	100	50			150
Other loans and related debt	555				555
Deposits and guarantees received	1,093				1,093
TOTAL	**1,748**	**50**			**1,798**

NOTE 9 OTHER NON-CURRENT LIABILITIES

	31/12/2011	31/12/2010	31/12/2009
Earn-outs (1)			2,906
Social security debt (2)	3,635	3,367	2,056
Deferred tax liabilities	331	324	23
Other debt	34		
TOTAL	**4,000**	**3,691**	**4,986**

(1) Discounted value of earn-outs related to newly-acquired subsidiaries with maturity greater than one year. The countervalue of earn-outs is in goodwill.
(2) Debt relating to time savings accounts.

NOTE 10 CURRENT FINANCIAL LIABILITIES

	31/12/2011	31/12/2010	31/12/2009
Bank loans	103	1,050	113
Other loans and related debt	633	272	906
Overdrafts (1)	14,064	13,453	51,716
Employee profit-sharing	237	219	231
TOTAL	**15,036**	**14,994**	**52,966**

(1) In 2010, cash flows generated by activity enabled the repayment of €38.2 million of bank overdrafts.

Schedule of current financial liabilities at 31 December 2011:

	Less than 3 months	Between 3 and 6 months	Between 6 and 12 months	Total
Bank loans	28	25	50	103
Other loans and related debt	413	73	147	633
Bank overdrafts	14,064			14,064
Employee profit-sharing	2	13	222	237
TOTAL	**14,506**	**112**	**418**	**15,036**

NOTE 11 OTHER CURRENT LIABILITIES

	31/12/2011	31/12/2010	31/12/2009
Social security debt (1)	124,159	104,035	95,992
Taxes payable (2)	83,110	87,512	70,440
Earn-outs	1,325	6,159	5,867
Other liabilities (1)	26,456	20,072	16,225
Deferred income	17,342	19,749	16,109
TOTAL	**252,392**	**237,526**	**204,634**

(1) Change is mainly related to organic growth.
(2) Change in the item is mainly due to advance payment of corporate tax due calculated according to the previous year-end results, generating a time lag.

NOTE 12 PROVISIONS

	Corporate disputes	Commercial disputes	Miscellaneous risks	Retirement benefits	Total
At 31/12/2009	**3,585**	**1,547**	**2,175**	**4,830**	**12,136**
Change in scope					0
Exchange rate variations					0
Reclassifications	195	(271)	76		0
Provisions for the financial year (1)	2,007	443	1,007	1,046	4,502
Reversals (provisions used)	(593)	(20)	(122)		(735)
Reversals (surplus provisions)	(911)	(1,111)	(233)		(2,256)
At 31/12/2010	**4,282**	**587**	**2,903**	**5,876**	**13,648**
Change in scope		36			36
Exchange rate variations					0
Reclassifications	108		(108)		0
Provisions for the financial year (2)	2,061	1,291	3,239	1,524	8,114
Reversals (provisions used)	(1,980)	(373)	(235)		(2,588)
Reversals (surplus provisions)	(826)	(96)	(716)	(1)	(1,639)
AT 31/12/2011	**3,644**	**1,444**	**5,083**	**7,399**	**17,571**

(1) In 2010, the provision for miscellaneous risks (€1,007,000) corresponds to re-structuring plans in Belgium (€548,000) and Spain (€229,000) and social risk.
(2) In 2011, a provision was made for the risk of legal disputes in the amount of €1,965,000, under "Miscellaneous risks". Other provisions relate to amounts which are individually less significant.

NON-CURRENT PROVISIONS

	31/12/2011	31/12/2010	31/12/2009
Corporate disputes	1,211	3,128	2,694
Commercial disputes	10	73	1,286
Miscellaneous risks	4,403	2,520	1,992
Retirement benefits	7,399	5,876	4,830
TOTAL	**13,023**	**11,597**	**10,802**

CURRENT PROVISIONS

	31/12/2011	31/12/2010	31/12/2009
Corporate disputes	2,433	1,155	891
Commercial disputes	1,434	512	261
Miscellaneous risks	681	383	183
TOTAL	**4,548**	**2,050**	**1,335**

	31/12/2011	31/12/2010	31/12/2009
Total non-current provisions	13,023	11,597	10,802
Total current provisions	4,548	2,050	1,335
TOTAL PROVISIONS FOR RISKS AND EXPENSES	**17,571**	**13,646**	**12,136**

Non-current provisions were not discounted.

NOTE 13 PURCHASES CONSUMED

	31/12/2011	31/12/2010	31/12/2009
Purchasing and subcontracting business	(74,931)	(71,832)	(58,113)
Non-stock purchases	(6,016)	(4,522)	(5,616)
TOTAL	**(80,948)**	**(76,354)**	**(63,730)**

NOTE 14 PAYROLL EXPENSES

	31/12/2011	31/12/2010	31/12/2009
Salaries and benefits	(734,871)	(620,539)	(599,902)
Corporate disputes (Note 12)	745	(501)	(648)
Retirement benefits (Notes 12 and IV-6)	(1,524)	(1,046)	(1,076)
Taxes levied on wages	(11,110)	(7,681)	(7,909)
Employee profit sharing	(5,419)	(5,523)	(2,382)
TOTAL	**(752,179)**	**(635,290)**	**(611,916)**

At 31 December 2011, social security charges paid under defined contribution pension plans equalled €184,680,000 compared with €161,452,000 at 31 December 2010 and €158,992,000 at 31 December 2009 (company contribution).

NOTE 15 EXTERNAL CHARGES

	31/12/2011	31/12/2010	31/12/2009
Rentals, maintenance	(23,821)	(23,178)	(23,904)
External personnel, fees	(15,248)	(12,545)	(12,180)
Transportation and travel	(52,218)	(46,417)	(45,856)
Other external charges	(17,584)	(16,259)	(12,603)
TOTAL	**(108,871)**	**(98,399)**	**(94,544)**

NOTE 16 TAXES AND LEVIES

	31/12/2011	31/12/2010	31/12/2009
Business tax (1)	(569)	(453)	(7,669)
Property tax	(971)	(760)	(792)
Other taxes and levies	(5,273)	(4,402)	(4,015)
TOTAL	**(6,814)**	**(5,615)**	**(12,475)**

(1) In 2010, the French business tax (taxe professionnelle) was divided into two taxes (CFE and CVAE), of which the main tax (CVAE) was reclassified as corporate income tax. Restated for this reclassification, business tax would amount to €9,864,000 in 2011 and €7,973,000 in 2010.

NOTE 17 OTHER BUSINESS INCOME AND EXPENSES

	31/12/2011	31/12/2010	31/12/2009
Expenses			
Provisions for impairment	(2,109)	(2,628)	(2,548)
Losses on unrecoverable receivables	(894)	(992)	(859)
Provisions for long-term contingencies	(2,564)	(1,449)	(1,114)
Book value of fixed assets sold	(302)	(310)	(895)
Other expenses	57	1	(77)
TOTAL EXPENSES	**(5,811)**	**(5,378)**	**(5,492)**
Income			
Reversal of provisions for receivables	3,458	2,322	707
Reversals of provisions for long-term contingencies	1,419	1,487	1,427
Proceeds from sale of fixed assets	88	107	257
Other income	280		828
TOTAL INCOME	**5,246**	**3,916**	**3,220**

NOTE 18 SHARE-BASED PAYMENTS

These payments are based on the various plans described below:

	31/12/2011	31/12/2010	31/12/2009
Cost of stock options	(309)	(468)	1,221
Cost of free shares			(574)
TOTAL	**(309)**	**(468)**	**646**

Share warrants

The Board meeting of 7 September 2009 allocated 487,000 stock warrants in accordance with the authorisation granted by the Combined Ordinary and Extraordinary General Meeting of 23 June 2009.

These stock warrants, which are not admitted to a regulated market, give their holders the right to subscribe for 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 and nineteen euro cents (€1.19) based on a report issued by an independent expert. The exercise price is fixed at fifteen euros and eighty-five euro cents (€15.85).

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

History of past awards of share warrants:

2009 Plan	
Date of the General Meeting	23/06/2009
Date of grant by the Board	07/09/2009
Number of beneficiaries	7
Number allocated	**487,000**
including number of shares granted to corporate officers	285,000
Exercise price for the warrants (in euros)	15.85
First possible exercise date	07/09/2013
Last possible exercise date	07/09/2017

Stock option plans

The stock option plans are valued according to the Black & Scholes model. The following plans are in effect:

Plan	1	2	3	4
Date of grant by the board	25/01/2002	13/03/2003	25/07/2003	06/01/2004
Number of beneficiaries	214	237	6	259
Number of options awarded	**438,400**	**359,150**	**450,000**	**318,970**
including number of options granted to employees	438,400	359,150	450,000	318,970
including the number of options awarded to corporate officers				
Exercise price	15.7	5.9	7.3	10.7
Average weighted exercise price in 2011		5.9		10.7
Fair value of the option in euros		3.59	4.32	7.13
First possible exercise date	25/01/2006	13/03/2007	25/07/2007	06/01/2008
Last possible exercise date	25/01/2010	13/03/2011	25/07/2011	06/01/2012
Date of first possible disposal	25/01/2006	13/03/2007	25/07/2007	06/01/2008
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY 2009	**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		1,400		33,156
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2009	**12,720**	**17,335**	**70,000**	**99,563**
2009 annual charge				
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010	**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)
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2010		**7,135**		**70,310**
2010 annual charge				
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011		**7,135**		**70,310**
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2011		6,635		54,110
Number of options expired as at 31 December 2011		500		8,700
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011				**7,500**
2011 annual charge				

Stock option plans (cont.)

Plan (cont.)	5	6	7	8	9	Total
Date of grant by the board	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	356	598	794	689	6	
Number of options awarded	**496,500**	**1,189,780**	**622,790**	**574,330**	**120,000**	**4,569,920**
including number of options granted to employees	496,500	1,173,780	622,790	574,330	120,000	4,553,920
including number of options awarded to corporate officers		16,000				16,000
Exercise price	17.9	24.1	19.1	15.2	22.4	
Average weighted exercise price in 2011	17.9	24.1				
Fair value of the option in euros	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY 2009	**354,950**	**1,154,040**	**611,240**			**2,398,274**
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		46,186
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2009	**296,309**	**547,040**	**457,715**	**561,625**		**2,062,307**
2009 annual charge	281	1,120	(610)	(146)		646
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010	**296,309**	**547,040**	**457,715**	**561,625**		**1,765,998**
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 31 DECEMBER 2010	**204,203**	**408,180**	**391,105**	**480,120**	**120,000**	**1,681,053**
2010 annual charge		*243*	*(387)*	*(303)*	*(21)*	*(468)*
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011	**204,203**	**408,180**	**391,105**	**480,120**	**120,000**	**1,681,053**
Number of options awarded						
Number of options waived						
Number of options exercised as at 31 December 2011	115,178	129,060				304,983
Number of options expired as at 31 December 2011	6,400	43,920	71,325	90,525		221,370
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011	**82,625**	**235,200**	**319,780**	**389,595**	**120,000**	**1,154,700**
2011 annual charge			*(176)*	*(64)*	*(69)*	*(309)*

Free share allocation plan

Plan	Total
Date of grant by the Board	11/04/2008
Number of beneficiaries	2
Number of options awarded	**105,600**
including number of shares granted to employees	52,800
including number of shares granted to corporate officers	52,800
Fair value of the option in euros	20.08
Date of final award	11/04/2010
First possible exercise date	11/04/2012
Last possible exercise date	11/04/2017
Date of first possible disposal	11/04/2012
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*
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*
NUMBER OF SHARES ALLOCATED AS AT 1 JANUARY 2011	52,800
Number of shares acquired as at 1 January 2011	
Number of shares abandoned as at 31 December 2011	
Number of shares acquired as at 31 December 2011	
NUMBER OF SHARES AWARDED AS OF 31 DECEMBER 2011	**52,800**
2011 annual charge	*0*

Charges for vested free shares are recorded under employee benefits expenses.

NOTE 19 OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

	31/12/2011	31/12/2010	31/12/2009
Expenses			
Restructuring costs [1]	(337)	(1,854)	(14,900)
Costs linked to the acquisition of Calsoft Labs [3]	(4,101)		
Costs of closing Idestyle Technologies [2]		(81)	(9,467)
Tax (URSSAF) adjustment	(7,034)	(2,011)	
Other	(803)		
TOTAL EXPENSES	**(12,274)**	**(3,946)**	**(24,367)**
Income			
Net research tax credits over previous financial years [4]	893		1,265
Closure of Idestyle Technologies [2]	575		
Reversal of tax risk provision which has ceased to be relevant	998		
Other	388		
TOTAL INCOME	**2,853**		**1,265**

(1) Related to specific measures taken to offset the deterioration of the economic environment (partial unemployment, reduction in headcount, site mergers, etc.), notably in 2009.
(2) Severance payments and redundancy plan. The balance relating to Idestyle was included in 2011.
(3) Acquisition costs relating to Calsoft not falling within the definition of the cost of business combinations as defined by IFRS 3 revised, are recognised in non-recurring expenses.
(4) Net research tax credits for previous years which distort comparisons of current operating performance are reclassified as "Other non-current income".

GAINS (LOSSES) ON ASSET DISPOSALS

	31/12/2011	31/12/2010	31/12/2009
Selling price	102	900	
Book value of disposals	(244)	(1,541)	
GAINS (LOSSES) ON DISPOSAL	**(142)**	**(641)**	

At 31 December 2010, gains (losses) on disposal mainly related to the disposal of Aston securities. In 2011, this result includes the disposal of non-consolidated securities (+€100,000) and the scrapping of assets following the closure of a branch in Germany (-€241,000).

IMPAIRMENT OF GOODWILL

	31/12/2011	31/12/2010	31/12/2009
France	(3,131)		(8,832)
Abroad			(1,914)
TOTAL	**(3,131)**		**(10,746)**

In 2009, the impairment charges relate to CISIA Ingénierie (now Atexis France), Idestyle Group, Idestyle Technologies, Avenir Conseil Formation and Ecam in France, ALTEN Si Techno Romania in Romania and Burke (now ALTEN Spain) in Spain.

In 2011, goodwill from Winwise was irreversibly impaired in the interim financial statements for €3,131,000.

NOTE 20 FINANCIAL PROFIT/LOSS

	31/12/2011	31/12/2010	31/12/2009
Bank interest charges	(1,142)	(1,185)	(1,579)
interest on lease-financing agreements	(25)	(40)	(123)
Cost of gross financial indebtedness	**(1,167)**	**(1,225)**	**(1,703)**
Income from loans and receivables	400	101	45
Proceeds from the disposal of marketable securities	79		16
COST OF NET FINANCIAL INDEBTEDNESS	**(688)**	**(1,125)**	**(1,642)**
Abandonment of financial receivables	(101)	0	(9)
Foreign exchange losses	(1,777)	(1,287)	(1,004)
Other financial expenses	(548)	(607)	(505)
Financial update expenses	(55)	(145)	(134)
Financial provisions	(774)	(172)	(20)
Other financial expenses	**(3,255)**	**(2,211)**	**(1,671)**
Foreign exchange gains	1,833	873	693
Other financial income	340	667	544
Reversal of financial provisions	254	94	592
Other financial income	**2,427**	**1,634**	**1,829**
OTHER NET FINANCIAL EXPENSES AND INCOME	**(828)**	**(577)**	**159**
NET FINANCIAL INCOME (EXPENSES)	**(1,516)**	**(1,702)**	**(1,484)**

In 2011, financial provisions related to Phoebe Ingenica investment securities.

NOTE 21 BREAKDOWN OF INCOME TAX EXPENSE

	31/12/2011	31/12/2010	31/12/2009
Net earnings: Group and minority interests	59,590	53,679	17,524
Earnings of equity-accounted companies	(804)		
Impairment of goodwill	3,131		10,746
Stock options	309	468	(646)
Tax expense	35,030	32,935	13,309
PRE-TAX EARNINGS	**97,256**	**87,082**	**40,933**
Tax rate of the consolidating company	34.43%	34.43%	34.43%
Theoretical tax charge	33,489	29,985	14,095
Additional contribution 5%	571		
Difference in tax rate versus foreign companies	(2,730)	(1,592)	(850)
Tax credits	(5,431)	(1,864)	(1,278)
Unactivated deferred tax assets	711	(261)	868
CVAE (added value tax)	6,095	4,930	
Other permanent differences (1)	2,325	1,736	474
TAX EXPENSE RECOGNIZED	**35,030**	**32,935**	**13,309**
Income tax distribution:			
Deferred taxes	(969)	(445)	3,000
Income tax payable	35,999	33,380	10,309
TOTAL	**35,030**	**32,935**	**13,309**
EFFECTIVE TAX RATE	**36.02%**	**37.82%**	**32.51%**

(1) "Other permanent differences" (1) include mainly:

	31/12/2011	31/12/2010	31/12/2009
Earn-outs	936		
Other differences	1,390	1,736	474
TOTAL	**2,325**	**1,736**	**474**

NOTE 22 OPERATING SEGMENTS

In accordance with IFRS 8 – Operating segments, the financial information published below was used by the main operational decision-maker (the Chairman) to internally assess the performance of the segments.

	31/12/2011			31/12/2010			31/12/2009		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Revenue	796,547	333,443	1,129,990	694,507	272,574	967,081	649,839	255,302	905,141
Inter-segment and intra-group neutralisation	(55,061)	(9,269)	(64,331)	(42,935)	(7,580)	(50,515)	(42,318)	(5,746)	(48,064)
Sector reclassification	(25,783)	25,783		(18,508)	18,508		(13,959)	13,959	
Net Sales	715,703	349,957	1,065,659	633,064	283,502	916,566	593,562	263,515	857,077
Operating profit on activity	64,133	44,203	108,335	62,763	30,608	93,371	42,245	23,273	65,518
Rate of Operating profit on activity/ turnover for the segment*	8.8%	11.7%	10.2%	9.9%	10.8%	10.2%	7.1%	8.8%	7.6%
Operating income before exceptionals	63,824	44,203	108,026	62,296	30,608	92,904	42,891	23,273	66,165
Operating income after exceptionals	53,444	41,888	95,332	59,201	29,116	88,316	16,636	15,680	32,316
Earnings of Consolidated Entities	30,323	28,463	58,786	35,087	18,592	53,679	8,905	8,619	17,524
NET OVERALL EARNINGS	**31,127**	**28,463**	**59,590**	**35,087**	**18,592**	**53,679**	**8,905**	**8,619**	**17,524**

* *Consolidated rate after interzone eliminations.*

	31/12/2011			31/12/2010			31/12/2009		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Goodwill	94,942	89,458	184,400	96,774	82,703	179,477	96,121	81,812	177,932
Impairment over the financial year	*(3,131)*		*(3,131)*				*(8,832)*	*(1,914)*	*(10,746)*
Equity-accounted shareholdings (1)	3,021		3,021						
Workforce at Year End	8,940	5,860	14,800	8,247	4,431	12,678	7,270	4,023	11,293
Cash at end of period	29,986	29,628	59,614	34,608	23,384	57,992	21,630	30,766	52,395
Financial liabilities	15,599	1,235	16,835	10,722	6,888	17,610	51,163	5,259	56,422
NET INVESTMENTS FOR THE PERIOD	**18,968**	**15,033**	**34,001**	**11,257**	**282**	**11,539**	**24,537**	**8,763**	**33,300**

(1) See Note 3.

In 2011, the contribution of newly acquired companies to net consolidated earnings was €903,000 (o/w France: +€804,000 and abroad: €1,706,000).

Given the Group's diverse customer portfolio, no customer represents more than 10% of consolidated revenue as of 31 December 2011.

NOTE 23 EARNINGS PER SHARE

(In euros)	31/12/2011	31/12/2010	31/12/2009
Earnings	**59,551,667**	**53,607,050**	**17,334,033**
Weighted average number of shares	31,794,116	31,465,519	31,739,171
Earnings per share	**1.87**	**1.70**	**0.55**

(In euros)	31/12/2011	31/12/2010	31/12/2009
Earnings	59,551,667	53,607,050	17,334,033
Dilutive effect of stock warrants	(198,732)	(45,038)	(23,518)
Diluted earnings	**59,352,935**	**53,562,013**	**17,310,515**
Weighted average number of shares	31,794,116	31,465,519	31,739,171
Effect of dilutions	367,007	328,300	70,501
Weighted average number of shares after potential dilution	32,161,123	31,793,819	31,809,672
Diluted earnings per share	**1.85**	**1.68**	**0.54**

There are no undiluted instruments.

Dividends per share

	2012*	2011	2010	2009
Date dividends paid on the profit from the previous financial year	25 June 2012	29 June 2011	25 June 2010	
Date of the General Meeting deciding on the dividend distribution proposal	19 June 2012	22 June 2011	21 June 2010	
Total distribution amount *(in thousands of euros)* on the profit from the previous financial year	32,286	35,407	28,677	None
Dividend per share on the profit from the previous financial year *(in euros and per share)*	1.00	1.10	0.90	

** *Subject to approval by the General Meeting.*

NOTE 24 STATEMENT OF CASH FLOWS

CHANGES IN DEPRECIATION, AMORTIZATION & PROVISIONS, NET OF REVERSALS

	31/12/2011	31/12/2010	31/12/2009
Amortization of intangible assets	3,369	1,919	1,689
Depreciation of property, plant and equipment	4,055	3,513	4,016
Impairment of goodwill	3,131		10,746
Provisions for risks and expenses	3,887	1,510	2,910
TOTAL	**14,443**	**6,941**	**19,363**

BREAKDOWN OF TAXES PAID

	31/12/2011	31/12/2010	31/12/2009
Repayments received	1,262	24,823	2,928
Payments made	(33,278)	(26,198)	(30,182)
TOTAL	**(32,016)**	**(1,375)**	**(27,254)**

BREAKDOWN OF CASH FLOWS ON WORKING CAPITAL REQUIREMENT

	31/12/2011	31/12/2010	31/12/2009
Changes in net WCR – customers	(321)	(20,356)	58,363
Changes in net WCR – suppliers	931	(5,520)	(5,494)
Changes in net WCR – other receivables and operating payables	(11,076)	12,124	(30,828)
TOTAL	**(10,467)**	**(13,753)**	**22,041**

IMPACT OF CHANGES IN SCOPE AND EARN-OUTS

	31/12/2011	31/12/2010	31/12/2009
Acquisitions of consolidated subsidiaries	(15,810)	(5,448)	(31,267)
Cash from new consolidated subsidiaries	277		4,830
Cash from deconsolidated subsidiaries		(372)	(998)
TOTAL	**(15,533)**	**(5,820)**	**(27,435)**

CAPITAL INCREASE

	31/12/2011	31/12/2010	31/12/2009
Stock options exercised	5,801	2,401	419
Cancellation of treasury shares	(2)		
Issue of stock warrants			669
Subscription to the capital of new companies	101	98	10
TOTAL	**5,900**	**2,499**	**1,098**

PART IV – OTHER INFORMATION

1) RELATED PARTY TRANSACTIONS

Compensation granted to Corporate Officers

In the Company, in controlled companies and in the controlling company (1)

	2011		2010	
	Amount paid	Amount due	Amount paid	Amount due
Simon AZOULAY				
• fixed remuneration	€109,080	€109,080	€109,080	€109,080
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• attendance fees (3)	€250,000	€250,000	€150,000	€150,000
• benefits in kind	None	None	None	None
TOTAL	**€359,080**	**€359,080**	**€259,080**	**€259,080**
Gérald ATTIA				
• fixed remuneration	€178,224	€178,224	€178,224	€178,224
• variable remuneration (2)	None	None	None	€50,000
• extraordinary remuneration	None	None	None	None
• attendance fees (3)	€84,000	€84,000	€84,000	€84,000
• benefits in kind	None	None	None	None
TOTAL	**€262,224**	**€262,224**	**€262,224**	**€312,224**
Bruno BÉNOLIEL				
• fixed remuneration	€67,064*	€67,064*		
• variable remuneration	None	None		
• extraordinary remuneration	None	None		
• attendance fees (3)	€42,000	€42,000		
• benefits in kind	None	None		
TOTAL	€109,064	€109,064		

* *Bruno Bénoliel received compensation in respect of his employment contract (29 September 1997) prior to his appointment as Director on 22 June 2011, and corresponding to his duties as Director responsible for the Finance, Legal and Information Systems departments. His compensation is given from the date on which Mr Benoliel was appointed Director.*

(1) *Amounts are expressed in gross values.*

(2) *This amount is the variable remuneration that the Board of Directors, at its meeting of 31 January 2011, decided to allot to Gérald Attia for financial 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 financial 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.*

(3) *Attendance fees correspond to the monies paid for the years 2010 and 2011 respectively by ALTEN Spain SAU, a company formed under Spanish law and a wholly-owned subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of ALTEN SA, as attendance fees for their role as Consejero. In 2011, Simon Azoulay also received €100,000 from ALTEN Ltd, a company formed under UK law and a wholly-owned subsidiary of ALTEN Europe, in respect of attendance fees for his role as Director.*

Mr Simon Azoulay is also Chairman and sole partner of SGTI, bound by service level agreements to certain ALTEN subsidiaries in which Mr Simon Azoulay has no corporate office. In 2011, SGTI received fees of €212,000 under this agreement.

Benefits granted to corporate officers

Beneficiaries	SO plan of 23/10/2006	Free share plan of 11/04/2008	Share warrant plan of 07/09/2009	Total
Simon Azoulay			150,000	150,000
Gerald Attia	16,000		75,000	91,000
Bruno Bénoliel		52,800	60,000	112,800
TOTAL	**16,000**	**52,800**	**285,000**	**353,800**

Information concerning defined-contribution schemes for corporate officers

In 2011, social contributions for mangers amounted to €146,000 euros.

Related party transactions

Transactions with unconsolidated entities

Unconsolidated subsidiaries, companies affiliated to the Group or companies controlled directly by directors of the Group.

In the income statement:

	31/12/2011	31/12/2010	31/12/2009
Revenue	1,392	20	204
Other operating income (expenses) (1)	(4,305)	(2,076)	(939)
Financial income (expenses)	182	96	56
TOTAL	**(2,731)**	**(1,960)**	**(679)**

In the balance sheet:

	31/12/2011	31/12/2010	31/12/2009
Long-term financial assets (3)	1,800		
Trade receivables	1,233	461	316
Current account (2)	1,850	2,407	7,470
Other receivables	18	900	0
ASSETS	**4,902**	**3,769**	**7,786**
Trade payables	713	1,235	657
LIABILITIES	**713**	**1,235**	**657**

(1) Including €212,000 in 2011, €480,000 in 2010 and 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 three-month Euribor rate + 2% is repayable no later than 30 June 2012 (€1.4 million outstanding as at 31 December 2011).
(3) To guarantee repayment of loans granted by ALTEN SA to minority shareholders, the latter have provided collateral to ALTEN SA in the form of all the securities they hold.

Agreements avec SGTI

SGTI has service provision agreements with certain Group subsidiaries. At 31 December 2011, SGTI had received fees of €212,000 under these agreements.

Under an advance cash agreement dated 1 July 2009, ALTEN made a cash advance of €7.4 million to Société Générale pour les Technologies et l'Ingénierie (SGTI). This agreement matures on 30 June 2012. Following the repayment of €1 million in July, the balance outstanding at 31 December 2011 amounts to €1.4 million (including interest).

Relations between ALTEN and its subsidiaries

The main relations between ALTEN and its subsidiaries are detailed below:

Service agreements

ALTEN provides its subsidiaries with general services (Group services) as required, as well as more specific services if necessary (subleasing of facilities). These relationships are defined by a framework agreement between ALTEN and its French and foreign subsidiaries.

Use of the ALTEN brand

ALTEN invoices its subsidiaries for use of the ALTEN brand.

Listing agreements

Listing contracts are signed with certain subsidiaries. In this respect, ALTEN invoices a percentage of turnover received by these companies from customers who are listed.

Carrying agreements

Carrying agreements have been signed between ALTEN and certain of its subsidiaries. Within the scope of these agreements, which were implemented in response to certain customers' request to have one contact person within the Group's subsidiaries, ALTEN plays an intermediary role between the customer and the subsidiary. As a result, even if all services are carried out by the subsidiary, ALTEN invoices the customer and is invoiced in turn by the subsidiary, and thus carries invoicing costs and default risks. Each subsidiary remunerates ALTEN for the service provided and its related costs at a percentage of annual turnover generated with the customer for whom the carrying agreement was implemented.

2) CONTINGENT ASSETS AND LIABILITIES

Contingent assets

ALTEN Group companies have ongoing disputes in respect of a demand for enforcement of a liability guarantee (€3 million claim) and an appeal against repayments requested by URSSAF (€7 million). The outcome of these proceedings will be known in several years. No assets have been recognised in the financial statements in respect of these disputes pending court decisions.

Contingent liabilities

The Group is party to two disputes with minority shareholders of various subsidiaries. Total claims by the plaintiffs, disputed by ALTEN, total approximately €2 million. Their maturity date is undefined.

The amounts the Company considers it owes are recognised in the consolidated financial statements as goodwill under assets and as debts under liabilities, in accordance with IFRS.

3) SHARE CAPITAL

Number of shares (nominal value €1.016)	Shares issued	Treasury shares	Shares in circulation
At 31 December 2010	**31,966,790**	**(401,927)**	**31,564,863**
Exercise of options	304,983		304,983
Capital increase			
Treasury shares			
Purchasing		(66,581)	(66,581)
Sales			
Transfers	(96)		(96)
Liquidity contract transactions		(7,744)	(7,744)
AT 31 DECEMBER 2011	**32,271,677**	**(476,252)**	**31,795,425**

4) TREASURY SHARES

Within the scope of a share buyback programme, during the financial year the Company made the following treasury share transactions:

UNALLOCATED SHARES

	31/12/2011	31/12/2010	31/12/2009
Opening shareholdings	397,441	397,441	344,641
Shares purchased	66,677		
Shares sold	(96)		
Reclassifications			52,800
Shares held at closing	464,022	397,441	397,441

FREE SHARE ALLOCATION PLAN

	31/12/2011	31/12/2010	31/12/2009
Repurchased shares not yet allocated on opening		15,400	57,200
Shares purchased			
Free shares allocated		(15,400)	(13,200)
Waivers			24,200
Reclassifications			(52,800)
Repurchased shares not yet allocated on closure			15,400

LIQUIDITY AGREEMENT

	31/12/2011	31/12/2010	31/12/2009
Opening shareholdings	4,486	645	553
Shares purchased	131,016	132,917	171,633
Shares sold	(123,272)	(129,076)	(171,541)
Shares held at closing	12,230	4,486	645

Giving a total of 476,252 treasury shares at a value of €9,019,000, liquidated through shareholders' equity as at 31 December 2011.

5) FINANCIAL COMMITMENTS

COMMITMENTS RELATED TO THE GROUP SCOPE

	31/12/2011	Maturity	31/12/2010	31/12/2009
Guarantees given				
ALTEN SA	107	01/09/2013	107	231
ALTEN Belgium	178		178	178
ALTEN Indus.			229	229
TOTAL	**285**		**514**	**638**
Bank guarantees received				
(collateral guarantees of liabilities)				
ALTEN PTS	90	31/12/2012	200	620
Avenir Conseil			191	573
B2I Automotive	300	31/12/2012	300	300
BBR	100	31/12/2012	160	220
Burke (merged with ALTEN Spain)	150	19/09/2012	200	300
Dixid (merged with ALTEN SA)			35	50
HPTI	400	31/01/2012	400	400
M&P (merged with MI-GSO)			50	75
N2T (merged with ALTEN SA)				125
RSYS (merged with MI-GSO)			450	450
Winwise	100	28/02/2012	200	300
TOTAL	**1,140**		**2,186**	**3,413**

COMMITMENTS RELATED TO THE GROUP'S FINANCING

	31/12/2011	31/12/2010	31/12/2009
Unused credit lines	110,000	110,000	

COMMITMENTS RELATED TO OPERATING ACTIVITIES

	31/12/2011	31/12/2010	31/12/2009
Operating leases (1)	50,825	49,854	49,591
Financial leases (2)	688	463	1,208

(1) Including real estate leases: €44,395,000.
(of which: €13,681,000 in less than one year, €24,812,000 in two to five years and €5,902,000 in more than five years).
(2) Royalties unpaid as at 31 December 2010 are as follows:

	Royalties unpaid			Including payable to	Including payable by
Type of property	**Capital**	**Interest**	**Total**	**less than one year**	**one to five years**
Software	0	0	0	0	0
Hardware and furniture	86	7	93	52	41
Vehicles	542	53	594	270	325
TOTAL	**628**	**60**	**688**	**322**	**366**
Assets pledged	*(in thousands of euros)*		*Type of asset*		
Lease-financing transactions:	606		*Equipment*		

Convertible loan stock options

The Group has agreed to subscribe to a convertible bond issue for a maximum amount of €700,000 over the period 1 March 2012 to 28 February 2015, if the non-consolidated, unlisted company in question so requests.

Minority interests purchase options

- ALTEN SIR GTS: Under the terms of the Joint Venture Protocol signed on 18 February 2010, a unilateral and irrevocable sale promise, which covered 49% of the joint company ALTEN SIR GTS, was granted to ALTEN SA.
- Anotech Energy France: ALTEN SA has a unilateral sale promise from the minority interests. At this time, the shares yet to be exercised by ALTEN SA in this respect represent 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 financial year, except for the commitments set forth above, management does not believe that there are other commitments which will materially impact the Group's financial position.

6) RETIREMENT BENEFITS

Charge recorded on the income statement (Note 14)

	31/12/2011	31/12/2010	31/12/2009
Provisions	(1,536)	(1,046)	(1,076)
Reversal of provisions	12		
Charge posted in the income statement	**(1,524)**	**(1,046)**	**(1,076)**

The change in the provision on the balance sheet is as follows:

	31/12/2011	31/12/2010	31/12/2009
Balance at beginning of period	**5,876**	**4,830**	**4,009**
Change in scope			(254)
Impact on earnings			
Cost of services provided	1,225	815	866
Financial cost over the period	297	256	197
Spreading of actuarial differences	2	(25)	13
Charge posted in the income statement	***1,524***	***1,046***	***1,075***
Balance at end of period	**7,400**	**5,876**	**4,830**

The following actuarial assumptions were used:

	31/12/2011	31/12/2010	31/12/2009
Discount rate	4.25%	4.10%	4.25%
Revaluation rate for employees	3.06%	2.25%	1.50%
Employer contribution rate			
• Managerial staff	46.89%	46.89%	46.89%
• Non-managerial staff	46.49%	46.49%	46.49%
Mortality table			
• Women	TV 2004-2006	TV 2004-2006	TV 2004-2006
• Men	TD 2004-2006	TD 2004-2006	TD 2004-2006
Age 1st job			
• Managerial staff	25 years	24 years	24 years
• Non-managerial staff	21 years	20 years	20 years
Age of retirement	65-67 years	65 years	65 years

At 31 December 2011, actuarial gains and losses on defined-benefit schemes amount to €945,000 (including €485,000 yet to be allocated). Outstanding past service costs amount to €9,000 euros.

The staff turnover rate is recorded from company to company in accordance with observed historical data.

A change of plus or minus one point in the discount rate has no impact on the valuation of the commitment at 31 December 2011.

7) AUDIT FEES

	Dauge et Associés				Grant Thornton			
	Amount excluding tax		%		Amount excluding tax		%	
	2011	2010	2011	2010	2011	2010	2011	2010
Audit								
Statutory audit, certification, review of accounts:								
• Issuer	181	191	64%	63%	201	195	40%	37%
• Consolidated subsidiaries	88	98	31%	32%	304	331	60%	63%
Other duties and services directly related to the Statutory Auditors' assignment:								
• Issuer	3		1%	-	3		1%	-
• Consolidated subsidiaries	9	14	3%	5%			-	-
SUB-TOTAL	**281**	**303**	**100%**	**100%**	**508**	**526**	**100%**	**100%**
Other services								
Legal, tax, corporate								
• Issuer	-	-	-	-	-	-	-	-
• Consolidated subsidiaries	-	-	-	-	-	-	-	-
Other								
• Issuer	-	-	-	-	-	-	-	-
• Consolidated subsidiaries	-	-	-	-	-	-	-	-
SUB-TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**281**	**303**	**100%**	**100%**	**508**	**526**	**100%**	**100%**

8) CONSOLIDATING ENTITY

The ALTEN Group is consolidated into SGTI.

9) SECURITIES PLEDGED AS COLLATERAL

To the best of the Company's knowledge, the ALTEN shares described below have been used as collateral for various bank loans, bank guarantees and cash management agreements:

Name	Number of ALTEN shares pledged	Maturity date	Type	Percentage of authorised capital
Simon Azoulay	562,000	25/06/2015	Bank loan collateral	1.74%
		08/12/2018	Bank loan collateral	
	500,000	08/12/2016	Bank loan collateral	1.55%
	600,000	22/06/2013	Bank loan collateral	1.86%
Célia Azoulay	361,623	22/06/2013	Bank loan collateral	1.12%
Annaëlle Azoulay	361,760	22/06/2013	Bank loan collateral	1.12%
SGTI	8,043,000	25/06/2015	Bank loan collateral	24.92%

10) POST-CLOSING EVENTS

External growth

Enea (250 employees; SEK 260 million turnover)

To increase its presence in Sweden, ALTEN signed a purchase agreement via its subsidiary, X-DIN on 29 December 2011, to acquire 100% of the share capital of three subsidiaries belonging to the ENEA Group. These three technology consulting companies are positioned in the telecommunications sector and supplement X-Din's offering. The acquisition became effective on 16 February 2012 and these companies will be consolidated from 1 January 2012.

ALTEN Europe took an additional stake in Phinergy Ltd, bringing its interest to 19.49% of the capital.

Tax audit

ALTEN SA is currently the subject of a tax audit covering financial years 2008 and 2009.

20.5 2011 COMPANY FINANCIAL STATEMENTS

20.5.1 COMPANY STATEMENT OF FINANCIAL POSITION

ASSETS

(In thousands of euros)	Gross	Depreciation, amortization & provisions	Net as at 31/12/2011	Net as at 31/12/2010
Intangible assets	**43,260**	**9,664**	**33,596**	**35,358**
Property, plant and equipment	**15,939**	**9,082**	**6,857**	**4,059**
Financial assets	**165,514**	**11,018**	**154,496**	**155,272**
FIXED ASSETS	**224,713**	**29,764**	**194,949**	**194,689**
Work in progress				
Work in progress	52	0	52	31
Advance payments on orders	57		57	121
Receivables				
Trade receivables	142,820	4,439	138,381	153,129
Other receivables	97,996	3,162	94,833	74,749
Marketable securities	335	0	335	15,367
Cash and equivalents	4,625	0	4,625	331
Prepaid expenses	3,811	0	3,811	3,531
CURRENT ASSETS	**249,695**	**7,601**	**242,094**	**247,259**
Translation adjustment	2	0	2	8
TOTAL ASSETS	**474,411**	**37,365**	**437,045**	**441,956**

LIABILITIES

(In thousands of euros)	31/12/2011	31/12/2010
Capital	32,801	32,491
Paid-in capital	22,708	17,219
Reserves and Retained Earnings	127,417	141,929
Results for the financial year	35,511	20,483
Shareholders' equity	**218,437**	**212,123**
PROVISIONS FOR RISKS AND EXPENSES	**7,478**	**6,624**
Other loans and related debt	10,681	6,258
Miscellaneous financial borrowings and liabilities	59,661	67,684
Trade payables	36,664	35,709
Taxes and social security charges payable	84,538	94,605
Other debt	17,432	16,904
Deferred income	2,145	2,049
Debt	211,121	223,209
Translation adjustment	10	0
TOTAL LIABILITIES	**437,045**	**441,956**

20.5.2 COMPANY INCOME STATEMENT

(In thousands of euros)	2011	2010
NET SALES	**433,257**	**375,601**
Reversal of depreciation, amortization & provisions, transfer of expenses	8,506	11,137
Other income	9,955	8,634
Operating revenue	**451,718**	**395,371**
Other external purchases and costs	143,526	127,525
Taxes other than on income	15,952	12,634
Payroll expenses	259,309	220,687
Charges to depreciation, amortization and provisions	6,832	4,549
Other operating expenses	926	1,299
Operating expenses	**426,546**	**366,693**
OPERATING PROFIT	**25,173**	**28,679**
NET FINANCIAL INCOME (EXPENSES)	**25,737**	**5,223**
PRE-TAX EARNINGS	**50,909**	**33,902**
NON-RECURRING LOSS	**(6,045)**	**(2,019)**
Employee profit-sharing	1,889	2,614
Income tax	7,465	8,785
RESULTS FOR THE FINANCIAL YEAR	**35,511**	**20,483**

20.6 NOTES TO THE 2011 COMPANY FINANCIAL STATEMENTS

Detailed summary of the notes to the financial statements

BUSINESS SECTOR AND ACTIVITY OF ALTEN SA

Founded in 1988, ALTEN is the European leader in the Engineering and Technology Consulting (ETC) market.

ALTEN carries out design and research projects for the Engineering and Information Systems Divisions of major customers in the industrial, telecommunications and service sectors.

ALTEN SA works with its customers through various types of contracts: consulting and workpackage or “global platforms” (these services are generally provided by committing resources and billed on a time-spent basis; fixed-price projects under which ALTEN is bound by an obligation to achieve results at a fixed price represent less than 10% of activity).

ALTEN SA has been ISO-certified since 1998.

The scope of ALTEN SA’s business covers all outsourced Engineering and Technology Consulting services.

NOTE 1 HIGHLIGHTS

Business

The growth trend seen in the second half of 2010 continued though early 2011. However, by summer 2011 the financial crisis led to a slowdown in activity.

Increased investment in research and innovation is supported by “technological breakthrough” programmes 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 SA has succeeded in recruiting the resources necessary for its development, 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 and systematic training of managers and consultants experienced in “structured project” management.

Creation of new companies

On 6 June 2011, Aptech, a French simplified limited company (*Société par Actions Simplifiée*) with capital of €100,000 was established, with its registered office at 130-136 Rue de Silly, 92100 Boulogne Billancourt, and registered with the Nanterre Trade and Companies Register under number B 348,607,417 in the field of technology. This company is wholly owned by ALTEN SA.

Anotech Do Brasil was made a legal entity in Brazil, on 20 June 2011, in the form of a limited liability company. ALTEN SA directly owns only 1% of this entity while ALTEN Europe, a wholly-owned subsidiary of ALTEN SA, owns the rest.

Legal transactions

On 18 November 2011 ALTEN SA transferred its Winwise shares to ALTEN SIR through a complete transfer of Winwise assets and liabilities to ALTEN SIR.

Other events

During the first half of 2011, and in respect of financial year 2010, €35 million of dividends were paid to shareholders.

A tax audit relating to 2008 and 2009 began during 2011, and is still ongoing at year end.

Post-closing events

No events after year end have been brought to our attention.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

The accounting principles and methods applied by ALTEN SA are consistent with France's generally accepted accounting standards (*Plan Comptable Général*), pursuant to regulation CRC 99-03.

General accounting conventions have been applied, in accordance with the principle of prudence and the fundamental accounting concepts of:

- going concern;
- the same accounting methods used from one year to the next;
- independence between years;

and in accordance with the general rules for preparing and presenting financial statements.

The main accounting methods used are as follows:

2.1 Fixed assets

Intangible assets and property, plant and equipment are valued at acquisition or production cost.

Amortisation is calculated on a straight-line/declining-balance basis over the following estimated useful lives:

- development costs 10 years;
- concessions-patents-software licences 1 year;
- transport equipment: 5 years/L;
- office and computer equipment 1 to 5 years/L – 2 to 3 years/D;
- office furniture and fittings 5 to 10 years/L;
- fixtures and fittings 5 to 10 years/L.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

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.

The main criteria chosen for the application of the valuation method according to the Discounted Cash Flows are described under the heading "Equity interests".

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.

The need to record an exceptional depreciation is determined through the discounted cash flows method. This projection is based on the following assumptions:

- a four-year financial budget prepared by entity and validated by the Group's Finance department, 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 (2%): this growth rate does not exceed the long-term average growth rate for the business sector;
- weighted average cost of capital (10.23%), resulting from risk-free interest rates, risk premiums, beta coefficient and additional premiums if applicable;
- net indebtedness (except for goodwill).

In the current fast-changing economic environment, it is harder to define the business outlook and the random nature of some estimates can be accentuated, especially where profits and cash flow are concerned.

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 operating expenses.

For any trade receivables that are not subject to individual impairment, the depreciation method applied is a statistical one.

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 headcount at reporting date. It is based on the following items:

Presentation of actuarial assumptions

	31/12/2011	31/12/2010
Discount rate	4.22%	4.10%
Revaluation rate for employees	3.26%	2.33%
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	25 years	24 years
Non-managerial staff	21 years	20 years
Age of retirement	65 - 67 years	65 years

2.8 Recognition of revenues

ALTEN SA works with its customers through various types of contracts: consulting, services provided as a workpackage (globalised platforms) and on a fixed-price project 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 less than 10% of revenue. 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 SA follows a tax consolidation regime in which it is the Group's holding company.

Under this agreement, ALTEN SA is solely liable for payment of corporation tax on behalf of subsidiaries, which are responsible for indemnifying ALTEN for this expense. In the event a subsidiary records a loss, this is also transferred to ALTEN SA; however the subsidiary may not claim reimbursement of its tax savings obtained.

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 subjected 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.

2.11 Translation adjustments of assets and liabilities in foreign currency

Costs and income in foreign currency are recorded for their exchange value on the transaction date.

Costs and income in foreign currency are recorded in the balance sheet at their exchange value on the year end date. The difference resulting from the discounting of debts and receivables in foreign currency at year end is recorded under asset or liability translation adjustment.

NOTE 3 NON-CURRENT ASSETS AND DEPRECIATION

3.1 Fixed assets, gross value

(In thousands of euros)	31/12/2010	Acquisitions setups/transfers	Less disposals	31/12/2011
Intangible assets (1)	42,126	1,136	2	43,260
Property, plant and equipment	11,748	5,001	809	15,939
Financial assets	170,149	5,917	10,551	165,514
TOTAL FIXED ASSETS	**224,022**	**12,054**	**11,363**	**224,713**

(1) Intangible assets comprise (i) goodwill mainly from full asset and liability transfers for an amount of €27,374 (compared to €27,376 at 31 December 2010) and (ii) for the most part the development costs relating to integrated management software introduced on 1 January 2009 and amortised over ten years.

3.2 Depreciation, amortisation and impairment

(In thousands of euros)	31/12/2010	Increases Provisions	Decreases Reversals	31/12/2011
Intangible assets (1)	6,776	2,888	0	9,664
Property, plant and equipment	7,681	2,048	647	9,082
Financial assets	14,877	774	4,632	11,018
TOTAL DEPRECIATION, AMORTISATION & IMPAIRMENT	**29,333**	**5,710**	**5,279**	**29,764**

(1) Goodwill did not result in depreciation over the year
The duration of use for some software was reduced over the financial year and an exceptional amortisation €1 million was therefore recorded.

3.3 Breakdown of non-current financial assets

(In thousands of euros)	31/12/2010	Acquisitions setups/transfers	Less disposals	31/12/2011
Equity interests (1)	159,995	1,557	8,997	152,555
Related receivables	38			38
Treasury shares (2)	7,368	1,431	2	8,797
Security deposits	2,037	1,101	827	2,312
Loans	710	1,828	725	1,813
TOTAL NON-CURRENT FINANCIAL ASSETS	**170,149**	**5,917**	**10,551**	**165,514**

(1) Detail Note 14 "Table of subsidiaries and shareholdings" The reduction mainly relates to the disposal of Winwise securities.
(2) Detail Note 13.

3.4 Net fixed assets

(In thousands of euros)	Gross value as at 31/12/2011	Depreciation, Amortisation & Provisions	Net value as at 31/12/2011
Intangible assets	43,260	9,664	33,596
Property, plant and equipment	15,939	9,082	6,857
Financial assets	165,514	11,018	154,496
TOTAL FIXED ASSETS	**224,713**	**29,764**	**194,949**

NOTE 4 PROVISIONS RECOGNIZED IN THE BALANCE SHEET

4.1 Provisions for risks and expenses

(In thousands of euros)	31/12/2010	Increases Provisions	Decreases Reversals (1)	31/12/2011
Provisions for arbitration and corporate risk	1,637	816	786	1,667
Provisions for disputes	73		73	0
Provisions for miscellaneous risks	1,781	211	87	1,905
Provisions for charges	243	0	11	232
Retirement provisions	2,890	783		3,673
PROV. FOR RISKS AND CHARGES	**6,624**	**1,810**	**956**	**7,478**

(1) Including reversed unused provisions: €323,000 in 2011.

(In thousands of euros)	31/12/2010	Increases Provisions (1)	Decreases Reversals (2)	31/12/2011
Provisions for intangible assets	206			206
Provisions for financial assets	14,877	774	4,632	11,018
Provisions for receivables	4,973		534	4,439
Other impairments	3,084	86	8	3,162
PROVISIONS FOR IMPAIRMENT	**23,139**	**860**	**5,174**	**18,825**
TOTAL PROVISIONS	**29,763**	**2,670**	**6,130**	**26,303**

(1) 2011: Including provision for impairment of Phoebe shares for €774,000.
(2) 2011: Including reversals of Atexis securities for €2,925,000 and €1,483,000 for B2I securities.

Including	Provisions	Reversals	Other
Operating	1,896	1,487	0
Financial	774	4,643	0
Extraordinary	0	0	0
TOTAL	**2,670**	**6,130**	**0**

NOTE 5 STATEMENT OF MATURITY DATES OF RECEIVABLES AND PAYABLES

STATEMENT OF RECEIVABLES

	Gross amounts	At 31/12/2011	
(In thousands of euros)	2011	Up to one year	Over one year
Fixed assets			
Receivables from equity interests	0		
Loans	1,813	13	1,800
Other fixed financial assets (1)	11,108	0	11,108
	12,921	**13**	**12,908**
Current assets			
Other trade receivables (2)	142,820	142,820	
Personnel and related accounts	379	379	
Social security and other social agencies	45	45	
Income tax	9,019	9,019	
Value added tax	5,469	5,469	
Other receivables	3	3	
Groups and associates	79,829	79,829	
Miscellaneous receivables	3,251	3,251	
	240,816	**240,816**	**0**
Prepaid expenses (3)	3,811	3,811	
TOTAL RECEIVABLES	**257,547**	**244,639**	**12,908**

(1) 2011, including €8,797,000 corresponding to treasury shares.
(2) 2011, including €3,657,000 for receivables represented by negotiable instruments.
(3) 2011 – including rents and leasing costs €2,192,000.

STATEMENT OF PAYABLES

	Gross amounts	At 31/12/2011		
(In thousands of euros)	2011	Up to one year	Between one and five years	Over five years
Bank borrowings maturing in less than 1 year				
Bank overdrafts	10,681	10,681		
Miscellaneous financial borrowings and debt	120	120		
Trade payables	36,664	36,664		
Personnel and social security debts	49,543	49,543		
Tax liabilities	34,995	34,995		
Debt related to fixed assets and related accounts	166	166		
Groups and associates	59,541	59,541		
Other debt	17,265	16,078	843	345
Deferred income	2,145	2,145		
TOTAL PAYABLES	**211,121**	**209,933**	**843**	**345**

NOTE 6 OUTSTANDING CHARGES, REVENUE ACCRUALS

OUTSTANDING CHARGES

(In thousands of euros)	2011	2010
Trade payables	12,204	10,579
Taxes and social security charges payable	39,161	38,092
Debt related to fixed assets and related accounts	166	1,306
Current interest	111	88
Other debt	14,096	10,811
TOTAL	**65,738**	**60,877**

REVENUE ACCRUALS

(In thousands of euros)	2011	2010
Trade receivables	25,725	27,237
Government related receivables	1,600	1,468
Other receivables	91	48
TOTAL	**27,415**	**28,754**

NOTE 7 CASH AND INVESTMENT SECURITIES

They are made up of money market funds and term deposits. The underlying surplus at 31 December 2011 was €11,000.

NOTE 8 ANALYSIS OF SHAREHOLDERS' EQUITY

8.1 Change in shareholders' equity

(In thousands of euros)	Number of shares	Capital	Additional paid-in capital	Reserves	Other reserves and retained earnings (accumulated losses)	Earnings (Gp share)	Shareholders' equity
At 31 December 2009	**31,771,921**	**32,293**	**15,017**	**3,449**	**120,185**	**46,579**	**217,523**
2009 allocation of earnings				14	46,564	(46,579)	0
Dividends paid for 2010					(28,284)		(28,284)
Capital increase (1)	194,869	198	2,202				2,401
Profit/loss 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**
2010 allocation of earnings				14	20,469	(20,483)	0
Dividends paid for 2011					(34,996)		(34,996)
Capital increase (2)	304,983	310	5,491				5,801
Capital decrease	(96)	0	(2)				
Profit/loss at 31 December 2011						35,511	35,511
At 31 December 2011	**32,271,677**	**32,801**	**22,708**	**3,478**	**123,939**	**35,511**	**218,437**

(1) The number of shares issued in 2010 corresponds to the issue of shares following the exercise of stock options (194,869 shares).
(2) The number of shares issued in 2011 corresponds to the issue of shares following the exercise of stock options (304,983 shares).

At 31 December 2011 the nominal value of a share was €1.016.

8.2 Information regarding capital

Under the delegation of authority given by the Combined Ordinary and Extraordinary General Meeting dated 21 June 2010, no free shares were awarded by the Board.

It should be noted that, under the delegation of authority dated 27 June 2007, 105,600 free shares were awarded to two beneficiaries by the Board on 11 April 2008. One of the beneficiaries waived his right to these free shares, therefore only 52,800 remain awarded as of this date (representing 0.16% of the share capital at the time of this report).

In all, 1,154,700 options awarded have yet to be exercised, i.e. 3.58% of the share capital at 31 December 2011.

8.3 Free share allocation plan

All free shares allocated have been acquired by their beneficiary since 31 December 2010; no allocation plan has been made in 2011

Plan	Total
Date of grant by the board	11/04/2008
Number of beneficiaries	2
Number of options awarded	**105,600**
including number of shares granted to employees	52,800
including number of shares granted to corporate officers	52,800
Date of final award	11/04/2010
First possible exercise date	11/04/2012
Last possible exercise date	11/04/2017
Date of first possible disposal	11/04/2012
Number of shares remaining to be acquired as at 1 January 2010	**15,400**
Number of shares acquired as at 1 January 2010	37,400
Number of shares abandoned as at 31 December 2010	0
Number of shares acquired as at 31 December 2010	15,400
Fair value of the option in euros	20.08
Number of shares acquired as at 31 December 2010	**52,800**
Number of shares remaining to be acquired as at 31 December 2010	**0**
2010 annual charge	***€309,000***
2011 annual charge	***€0***

This charge is recorded under payroll charges.

8.4 Details of share subscription options

Plan	1	2	3	4
Date of grant by the board	25/01/2002	13/03/2003	25/07/2003	06/01/2004
Number of beneficiaries	214	237	6	259
Number of options awarded	**438,400**	**359,150**	**450,000**	**318,970**
including number of options granted to employees	438,400	359,150	450,000	318,970
including the number of options awarded to corporate officers				
Exercise price	15.7	5.9	7.3	10.7
Average weighted exercise price in 2011		5.9		10.7
Fair value of the option in euros		3.59	4.32	7.13
First possible exercise date	25/01/2006	13/03/2007	25/07/2007	06/01/2008
Last possible exercise date	25/01/2010	13/03/2011	25/07/2011	06/01/2012
Date of first possible disposal	25/01/2006	13/03/2007	25/07/2007	06/01/2008
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2009	**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		1,400		33,156
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2009	**12,720**	**17,335**	**70,000**	**99,563**
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010	**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)
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2010	**0**	**7,135**	**0**	**70,310**
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011	**0**	**7,135**	**0**	**70,310**
Number of options awarded				
Number of options waived				
Number of options exercised as at 31 December 2011		6,635		54,110
Number of options expired as at 31 December 2011		500		8,700
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011	**0**	**0**	**0**	**7,500**

Plan (cont.)	5	6	7	8	9	Total
Date of grant by the board	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	356	598	794	689	6	
Number of options awarded	**496,500**	**1,189,780**	**622,790**	**574,330**	**120,000**	**4,569,920**
including number of options granted to employees	496,500	1,173,780	622,790	574,330	120,000	4,553,920
including the number of options awarded to corporate officers		16,000				16,000
Exercise price	17.9	24.1	19.1	15.2	22.4	
Average weighted exercise price in 2011	17.9	24.1				
Fair value of the option in euros	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2009	**354,950**	**1,154,040**	**611,240**	**0**	**0**	**2,398,274**
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		46,186
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2009	**296,309**	**547,040**	**457,715**	**561,625**	**0**	**2,062,307**
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 1 JANUARY 2010	**296,309**	**547,040**	**457,715**	**561,625**	**0**	**1,765,998**
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 31 DECEMBER 2010	**204,203**	**408,180**	**391,105**	**480,120**	**120,000**	**1,681,053**
NUMBER OF SHARES WHICH MAY BE EXERCISED AS AT 1 JANUARY 2011	**204,203**	**408,180**	**391,105**	**480,120**	**120,000**	**1,681,053**
Number of options awarded						
Number of options waived						
Number of options exercised as at 31 December 2011	115,178	129,060				304,983
Number of options expired as at 31 December 2011	6,400	43,920	71,325	90,525		221,370
NUMBER OF OPTIONS WHICH MAY BE EXERCISED AS AT 31 DECEMBER 2011	**82,625**	**235,200**	**319,780**	**389,595**	**120,000**	**1,154,700**

8.5 Share warrants

The Board meeting of 7 September 2009 allocated 487,000 stock warrants in accordance with the authorisation granted by the Combined Ordinary and Extraordinary General Meeting of 23 June 2009.

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

The subscription price was set at one euro nineteen euro cents (€1.19) based on a report issued by an independent expert.

The maximum purchases price is fixed at fifteen euros and eighty-five euro cents (€15.85) per share.

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

History of past awards of share warrants:

2009 Plan	
Date of the General Meeting	23/06/2009
Date of grant by the Board	07/09/2009
Number of beneficiaries	7
Number allocated	**487,000**
including number of shares granted to corporate officers	285,000
Exercise price for the warrants (in €)	15.85
First possible exercise date	07/09/2013
Last possible exercise date	07/09/2017

NOTE 9 INFORMATION ON FINANCIAL LIABILITIES

The current club deal, which gives ALTEN an unused open credit line of €110 million, requires the following ratios to be adhered to:

- "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.

This is the consolidated net financial debt, operating income from consolidated activity and consolidated equity.

At 31 December 2011, these banking ratios were adhered to and the credit line remained unused.

NOTE 10 INFORMATION CONCERNING TAXABLE ITEMS AND TAX RATES

10.1 Income tax

(In thousands of euros)	12/2011	12/2010
Net Earnings	35,511	20,483
Tax expense	7,465	8,785
Pre-tax earnings	42,975	29,268
Tax rate	33.33%	33.33%
Theoretical tax charge	14,325	9,756
Social security contributions 3.3%	251	288
Additional contribution of 5% to corporation tax (common law)	419	
Temporary and permanent differences [(1)]	(7,529)	(1,259)
Tax expense recognized	7,465	8,785

(1) 2011: permanent differences:
- *dividends: -€6,967,000;*
- *impairment of shares: -€1,235,000;*
- *capital loss on transfers of securities: €2,212,000;*
- *income tax savings from tax consolidation: -€1,002,000;*
- *gifts: -€371,000;*
- *various: -€166,000;*

2010: permanent differences:
- *dividends - €1,020,200;*
- *impairment of shares: - €610,000;*
- *temporary differences: €168,000;*
- *various: €203,000.*

10.2 Breakdown of tax on current and non-recurring profit

(In thousands of euros)	2011	2010
Current earnings	7,323	9,458
Non-recurring loss	142	(673)
TOTAL TAX	**7,465**	**8,785**

10.3 Increase and decrease in future tax debt

(In thousands of euros)	2011
A) Increase:	0
B) Decrease:	
Provisions and charges that are not deductible the year of their reporting:	
Profit-sharing and fixed social payments	2,040
Organic	725
IFC	3,674
Translation adjustments	18
Uncertain clients	2,884
TOTAL NON-DEDUCTIBLE PROVISIONS AND CHARGES	**9,340**
DECREASE IN FUTURE FISCAL CHARGES	**3,269**

NOTE 11 NOTES ON EARNINGS

11.1 Revenue

ALTEN SA's revenue in 2011 was €433.3 million, a 15.35% increase compared to the previous year (€375.6 million).

98.85% of ALTEN SA's revenue is made in France and 1.15% in Europe, in the framework of missions conducted for French clients.

BREAKDOWN OF REVENUE BY GEOGRAPHIC REGION

(In millions of euros)	2011	2010
France	428.3	373.1
Abroad	5.0	2.5
TOTAL (1)	**433.3**	**375.6**

(1) Of which turnover from operations = €408.1 million compared to €353 million in 2010.
Turnover management fees = €25.2 million compared to €22.6 million in 2010.

11.2 Transfer of expenses

The balance of the transfer of expenses account is €7.02 million. It is mainly composed of training costs and certain employee expenses.

11.3 Financial profit/loss

The net financial income was €25.74 million compared to €5.22 million in 2010.

It reflected the following:

(In millions of euros)	2011	2010
Dividends and income from subsidiaries	22.00	3.23
Net impairment of non-current financial assets	3.87	1.84
Other net financial income (expenses)	(0.13)	0.15
TOTAL	**25.74**	**5.22**

11.4 Non-recurring loss

(In millions of euros)	2011	2010
Gains and losses on assets sold	(6.70)	0.00
Other	0.65	(2.02)
TOTAL	**(6.05)**	**(2.02)**

11.5 Affiliates

COMPANY STATEMENT OF FINANCIAL POSITION

(In millions of euros)	2011	2010
Receivables on assets (1)	1.83	0.68
Group customers	8.17	20.50
Group suppliers	25.69	21.01
Other Group receivables (2)	82.87	69.75
Other Group liabilities	59.67	66.67

COMPANY INCOME STATEMENT

(In millions of euros)	2011	2010
Group operating income	56.15	47.57
Group operating expenses	71.85	47.47
Group financial income	1.91	0.84
Other financial income (3)	22.00	
Group financial expenses	0.87	0.37

(1) Including €180,000 to guarantee repayment of loans granted by ALTEN SA to minority shareholders; the latter have provided collateral to ALTEN SA in the form of all the securities they hold.

(2) ALTEN made a cash advance of €7.4 million to its majority shareholder (SGTI) in 2009. At 31 December 2011 €1.45 million remained outstanding (including interest at the three-month Euribor rate + 2%).

(3) Income from investments was €22 million in 2011, compared to €3 million in 2010.

NOTE 12 OTHER INFORMATION

12.1 Workforce

AVERAGE WORKFORCE BY CATEGORY

	31/12/2011	31/12/2010
Managerial staff	4,182	3,721
Non-managerial staff	491	430
TOTAL	**4,673**	**4,152**

The number of individual training entitlements (*Droits Individuels de Formation*) represented 220,266 hours for the 2011 financial year.

12.2 Remuneration of officers and directors

The Board of Directors has five members, including the Chairman who is a founder.

During 2011, remuneration paid to corporate officers was €730,000 (of which €376,000 related to attendance fees) compared with €571,000 in 2010. This remuneration was in respect of three corporate officers in 2011 compared to two in 2010.

In accordance with legislation in force, no advances or credits were granted to the company directors or corporate officers.

12.3 Tax consolidation

ALTEN SA is the head company of the tax consolidation group, which includes several subsidiaries.

Tax payable by the Group amounted to €12,407,000. ALTEN SA benefitted from tax savings of €635,000 (excluding costs and expenses on dividends for €367,000).

The amount of tax related to ALTEN SA itself was €7,465,000.

12.4 Contingent assets

ALTEN SA has ongoing disputes in respect of a demand for enforcement of a liability guarantee (€3 million claim). The outcome of this proceeding will be known in several years. No assets have been recognised in the financial statements in respect of these disputes pending court decisions.

12.5 Contingent liabilities

ALTEN is party to several disputes with minority shareholders of various subsidiaries. Total claims by the plaintiffs, disputed by ALTEN, amount to €2 million.

12.6 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 SA.

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.

3) Other commitments:

Given or mutual commitments *(In thousands of euros)*	**2011**	**2010**
Bonds and guarantees provided	285	514
Bonds and guarantees received	1,140	2,186

NOTE 13 TREASURY SHARES

13.1 Under the Liquidity Contract

Within the framework of the share buyback programme adopted by the Combined Ordinary and Extraordinary General Meetings of 27 June 2008 and 23 June 2009, the Company purchased and sold the following shares under its liquidity contract during the past financial year:

(In quantity)	**2011**
Opening shareholdings	4,486
Shares purchased	131,016
Shares sold	(123,272)
Shares held at closing	12,230

13.2 Shares intended for award to employees

For the 2011 financial year, ALTEN SA acquired treasury shares for 66,677 and sold 96 shares.

Acquisition of treasury shares in 2011

Execution date	Value date	Quantity	Share price
Treasury shares on 31/12/2010		397,441	
05/08/2011	10/08/2011	3,800	22.328
08/08/2011	11/08/2011	11,390	21.495
09/08/2011	12/08/2011	10,500	20.697
10/08/2011	15/08/2011	3,500	21.445
19/08/2011	24/08/2011	6,987	20.917
23/08/2011	26/08/2011	20,000	21.680
24/08/2011	29/08/2011	500	21.800
26/08/2011	31/08/2011	10,000	21.786
24/11/2011	24/11/2011	(96)	21.786
TOTAL SHARES		464,022	

Treasury shares are recognised under non-current financial assets in the amount of €8,797,000 for a total of 464,022 shares purchased. Treasury shares are not revalued in the annual financial statements. Based on the average from the last 20 days of the trading month, treasury shares are estimated at €8,888,000

13.3 Summary of transactions during the year

	2011
Opening shareholdings	401,927
Shares purchased	197,693
Shares sold	(123,368)
Awarded by AGM	0
Shares held at closing	476,252

NOTE 14 ALTEN SA SUBSIDIARIES AND PARTICIPATING INTERESTS

	Closure on: 31/12/2011									
				Book value of shares held						
	Capital	Sharehol-ders' equity other than capital	Share of capital owned, in %	Gross	Net	Loans and advances made by the Company and not yet repaid	Deposits and guarantees given by the Company	Earnings in the last financial year (excl. tax)	Net income for the year ended 31/12/2011	Dividends paid to the Group by the Company during the year
1 - Subsidiaries directly and majority owned (+50%) *(in thousands of euros)*										
ALTEN SIR	20,003	33,814	100.00	26,221	26,221	0		134,643	(92)	10,000
ALTEN Training Center	16	(5)	99.80	68	0	546		1,622	70	
ALTEN Sud-Ouest	15,061	15,355	100.00	15,939	15,939	0		94,499	4,903	7,000
MI-GSO	1,000	16,505	100.00	11,941	11,941	0		38,336	2,093	
ALTEN Cash Management	150	9	100.00	393	393	38,230		0	(191)	
ALTEN Europe	57,120	35,377	100.00	58,072	58,072	23,056		0	(1,961)	
Elitys Consulting	60	653	100.00	1,750	1,750	5		7,120	325	
Pegase SI	100	87	100.00	476	476	0		4,055	(175)	
Atexis France	1,307	496	100.00	11,550	11,550	2,396		12,500	125	
ALTEN Aerospace	37	939	100.00	37	37	0		28,558	2,584	5,000
Idestyle Groupe	150	(4,910)	100.00	9,921	0	3,021		0	0	
Avenir Conseil Formation	50	2,832	100.00	533	533	3,652		12,907	1,204	
ALTEN Si Techno Romania	1	(211)	100.00	0	0	479		2,115	193	
Anotech Energy France	100	4,966	98.00	258	258	4,729		46,163	840	
HPTI	40	(378)	100.00	40	40	0		0	1,418	
B2I Automotive	1,200	6,428	100.00	5,175	5,175	0		14,012	899	
ALTEN SIR GTS	200	(123)	51.00	102	102	0		597	(103)	
ID.APPS	100	0	100.00	100	100	204		1,240	(49)	
APTECH SAS	100	0	100.00	100	100	0		156	(35)	
TOTAL SECURITIES				**142,676**	**132,687**					
2 - General information on other securities										
French subsidiaries				8	8					
Foreign subsidiaries				15	15					
Interests in French companies				9825	8815					
TOTAL OTHER SECURITIES				**9,848**	**8,838**	**0**				**0**

20.7 VERIFICATION OF HISTORICAL YEAR-END FINANCIAL INFORMATION

20.7.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2011 on:

- the audit of the accompanying consolidated financial statements of ALTEN;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

- The principle of follow-up of goodwill was specified in Note H "Impairment of fixed assets" to the financial statements. Based 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 to review the cash flow projections for each cash generating unit (CGU), to check the consistency of assumptions with the forecasts from each CGU, and to verify that the notes to the 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.

3 Specific verification

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

Paris, 26 April 2012

The Statutory Auditors

Grant Thornton	Cabinet Dauge et Associés
French member of Grant Thornton International	
Laurent Bouby	Christian Laplane
Associate	Associate

20.7.2 STATUTORY AUDITORS' REPORT ON ANNUAL FINANCIAL STATEMENTS

To the shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2011, on:

- the audit of the accompanying financial statements of ALTEN SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the annual financial statements

We conducted our 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 31 December 2011, and the results of its operations and its financial position for the year then ended, in conformity with French generally accepted accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

Goodwill and equity interests are valued according to the approaches described in the appropriate notes, "Goodwill" and "Equity interests", included under "Accounting principles and methods" in the Notes to the financial statements. Required depreciation is determined through the discounted cash flows method. Based on the information provided to us, we assessed the data retained by the Company and reviewed the expected discounted cash flows, checked the consistency of assumptions with the budget forecasts and verified that the notes to the financial statements 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 remuneration and benefits received by the Corporate Officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris, 26 April 2012

The Statutory Auditors

Grant Thornton	Cabinet Dauge et Associés
French member of Grant Thornton International	
Laurent Bouby	Christian Laplane
Associate	Associate

20.8 DATE OF MOST RECENT FINANCIAL INFORMATION

Presentation of 2011 annual results on 29 February 2012.

Publication on 30 January 2012 of revenue for fourth quarter 2011, and of accumulated revenue at 31 December 2011.

20.9 INTERIM FINANCIAL AND OTHER INFORMATION

None.

20.10 DIVIDEND 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 the date of its Stock Exchange launch, ALTEN had never distributed a dividend until the Combined Ordinary and Extraordinary General Meeting of 21 June 2010.

The Combined Ordinary and Extraordinary General Meetings of 21 June 2010 and 22 June 2011 decided to distribute a dividend of €0.90 and €1.10 per share respectively.

The distribution of a dividend will be put to the Combined Ordinary and Extraordinary General Meeting on 19 June 2012. If the meeting decides to vote in favour of the resolution relating to the proposal for allocating the income, a €1 dividend will be payable 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 with the 32,286,527 shares making up the share capital on 1 March 2012, the total dividend amount will be adjusted accordingly and the amount allocated to the retained earnings account will be determined on the basis of the dividends actually paid.

It should be noted that the entire 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 25 June 2012.

The ex-dividend date is 20 June 2012.

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

At 31 December 2011, subscribed share capital amounted to €32,800,901.86, divided into 32,271,677 shares, as noted by the Company's Board of Directors at its meeting on 27 January 2012.

At 1 March 2012 subscribed share capital amounted to €32,815,995.42, divided into 32,286,527 fully subscribed and paid up ordinary shares, all of the same category.

Shares are freely transferable; they are either registered shares or bearer shares as decided by the shareholder.

21.1.2 SHARES THAT DO NOT REPRESENT SHARE CAPITAL

None.

21.1.3 SHARE REPURCHASES AND TREASURY SHARES

In addition to the buyback of own shares described below, ALTEN has entrusted the implementation of a liquidity contract complying with the AMAFI code of ethics to SG Securities in Paris.

All information concerning the liquidity contract appears in paragraphs 21.3.2.1 and 21.1.3.3 of this document.

21.1.3.1 Authorisation to put in place a share buyback programme and to reduce the Company's capital by cancellation of treasury shares (L. 225- 209 of the French Commercial Code)

It is proposed that the Board of Directors be authorised, for a period of eighteen months, to buy, on one or more occasions at such times as it deems appropriate, the Company's shares 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 22 June 2011 in its seventh ordinary resolution.

The purchases may be made for the purpose of:

- proceeding with the cancellation of the shares repurchased, subject to the authorisation to be granted by the General Meeting of Shareholders on 19 June 2012 in its sixth extraordinary resolution;
- ensuring a secondary market or the liquidity of the ALTEN shares through a securities service provider via a liquidity agreement in compliance with the 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 corporate officers under the conditions and in accordance with the terms stipulated by law, especially with respect to employee 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;

In particular, these transactions may be carried out in the event of a public offering in compliance with regulations in force.

It is proposed to set the maximum purchase price at forty (40) euros per share and consequently the maximum transaction amount at €129,146,080.

Following the cancellation purpose, the General Meeting is requested to authorise the Board of Directors, for a period of twenty-four months, to cancel, at 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, shares that the Company holds or will hold following repurchases carried out under a share buyback programme and to reduce the share capital by the same in accordance with the legal and regulatory provisions in force.

The Board of Directors would have the required powers to do whatever was necessary in such matters.

21.1.3.2 Report on 2011 share buyback programme

You are reminded that the General Meeting of 22 June 2011 authorised the Board of Directors for a period of eighteen months, in accordance with Article L. 225-209 *et seq*. of the French Commercial Code, to carry out one or several purchases of the Company's shares at the times it shall deem appropriate, up to a maximum of 10% of the total number of shares forming the Company's share capital, adjusted if necessary to account for any increase or reduction of share capital that may arise during the duration of the programme.

Within the scope of the share buyback programme, the Company purchased and sold the following shares during financial year 2011:

21.1.3.2.1 Under the Liquidity Contract

Number of shares purchased: 223,654 (ALTEN's portion representing 58.58%, i.e. 131,016 shares).

Average purchase price: €23.99.

Number of shares sold: 210,435 (ALTEN's portion representing 58.58%, i.e. 123,273 shares).

Average sale price: €24.27.

Total trading costs: None.

Number of shares recorded at year-end (within the scope of the liquidity contract): 20,877 (ALTEN's portion representing 58.58%, i.e. 12,230 shares).

21.1.3.2.2 Under the purchase of treasury shares

It should be remembered that ALTEN has acquired during the 2011 financial year, 66,677 of its own shares for a total amount of €1,432,688.48, i.e. an average per-share purchase price of €21.519, of which 66,581 shares for the employee shareholder plan and 96 shares for cancellation.

It is also recalled that ALTEN, on 8 November 2011, pursuant to the authorisation granted by the Combined General Meeting of the Shareholders on 22 June 2011, cancelled 96 treasury shares as part of its Share Buyback Programme, at a price of €21.796. As a result, ALTEN proceeded with the corresponding reduction of its share capital.

21.1.3.2.3 Company statement of financial position

Thus, at the end of the year, ALTEN held 464,022 shares (excluding the liquidity agreement) representing 1.44% of share capital, or 476,252 shares, including the liquidity contract, representing 1.476% of capital.

Reasons for purchase	% of share capital
Stabilisation of share price	0.69% (223,654 shares)
Employee share ownership	0.21% (66,581 shares)
Securities conferring a right to shares	None
Acquisitions	None
Cancellation	0.0003% (96 shares)

The total nominal value was €484,062.08.

The value at purchase price was €9,019,374.39.

Shares held by the Company have not been reallocated for other purposes since the last authorisation granted by the General Meeting.

21.1.3.3 Description of share buyback programme

21.1.3.3.1 Breakdown of securities held at 1 March 2012 by purpose:

Number of shares held directly and indirectly: 464,642, representing 1.439% of the Company's share capital.

Number of securities held by purpose:

- stabilisation of share price by way of an AMAFI (French Financial Markets Association) liquidity contract: 620;
- acquisitions: 0;
- covering stock option plans or other share allocation systems to employees: 464,022;
- covering securities which give a right to shares: 0;
- cancellation: 0.

21.1.3.3.2 New share buyback programme:

Programme authorisation: Combined Ordinary and Extraordinary General Meeting of 19 June 2012.

Securities concerned: ordinary shares.

Maximum share of capital whose buyback is authorised: 10% of the capital (3,228,652 shares as of the current date), it being stated that this limit is assessed on the date of the buyback so that any capital increases or decreases during the term of the programme may be taken into consideration. The number of shares taken into consideration in calculating this limit corresponds to the number of shares bought, after deduction of the number of shares resold for liquidity purposes during the term of the programme. Since the Company is unable to hold more than 10% of its capital, and given that it already owns 464,642 shares (1.439% of the capital), the maximum number of shares it may buy amounts to 2,764,010 shares (8.56% of the capital), unless shares already held are sold or cancelled.

Maximum purchase price: €40.

Maximum amount of the programme: €129,146,080.

Buyback methods: purchases, sales and transfers may be carried out by all available means on the market or through a private sale, including transactions on blocks of shares. The resolution put to shareholders does not limit the proportion of the programme which may be fulfilled by the purchase of blocks of shares. In particular, these transactions may be carried out in the event of a public offering in compliance with regulations in force.

Purpose:

- proceeding with the cancellation of the shares repurchased, subject to the authorisation to be granted by the General Meeting of Shareholders on 19 June 2012 in its sixth resolution;
- ensuring a secondary market or the liquidity of the ALTEN shares through a securities service provider via a liquidity agreement in compliance with the 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 corporate officers under the conditions and in accordance with the terms stipulated by law, especially with respect to employee 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.

Programme term: 18 months from the General Meeting of 19 June 2012, being until 18 December 2013 inclusive.

21.1.4 CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR SHARE WARRANTS

See 15.1.7.

21.1.5 TERMS OF ANY ACQUISITION RIGHTS AND/OR ANY OBLIGATION ATTACHED TO THE CAPITAL SUBSCRIBED BUT NOT PAID UP, OR ANY UNDERTAKING INTENDED TO INCREASE THE CAPITAL

None.

21.1.6 OPTIONS OR AGREEMENTS

None.

21.1.7 HISTORICAL SHARE CAPITAL

INFORMATION RELATING TO THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION:

Date	Transaction	Capital	Cumulative premiums	Number of shares
20/01/2009	Share options exercised	€32,246,006	€14,064,696	31,725,735
12/05/2009	Share options exercised	€32,249,055	€14,091,905	31,728,735
30/07/2009	Share options exercised	€32,250,071	€14,099,686	31,729,735
10/11/2009	Share options exercised	€32,286,636	€14,368,873	31,765,710
14/12/2009	Share options exercised	€32,287,144	€14,373,730	31,766,210
18/01/2010	Share options exercised	€32,292,949	€14,436,570	31,771,921
21/04/2010	Share options exercised	€32,386,537	€15,202,780	31,863,999
29/07/2010	Share options exercised	€32,405,583	€15,452,158	31,882,738
27/09/2010	Share options exercised	€32,414,274	€15,546,698	31,891,288
09/11/2010	Share options exercised	€32,459,461	€16,219,426	31,935,746
17/12/2010	Share options exercised	€32,487,936	€16,598,396	31,963,230
31/01/2011	Share options exercised	€32,491,014.23	€16,639,021	31,966,790
01/03/2011	Share options exercised	€32,557,657.65	€17,785,955	32,032,358
10/05/2011	Share options exercised	€32,716,958.27	€20,577,664.98	32,189,088
28/07/2011	Share options exercised	€32,782,470.43	€21,818,197.42	32,253,543
27/09/2011	Share options exercised	€32,793,691.50	€22,060,188.35	32,264,583
08/11/2011	Share cancellation	€32,793,593.93	€22,058,194.47	32,264,487
27/01/2012	Share options exercised	€32,800,901.86	€22,128,035.24	32,271,677
28/02/2012	Share options exercised	€32,803,951.06	€22,162,976.04	32,274,677

21.1.8 DELEGATIONS AND FINANCIAL AUTHORISATIONS

21.1.8.1 Authorisation to award share subscription or purchase options

The General Meeting is requested to authorise the Board of Directors, for a period of 38 months, to award share subscription or purchase options to employees (some or all) or certain categories of employees and/or Corporate Officers as defined by law, of the Company or companies or economic interest groups linked to the Company in accordance with the conditions of Article L. 225-180 of the French Commercial Code.

The total number of options which may be granted by the Board of Directors pursuant to this authorisation may not confer a right to subscribe to or purchase a number of shares in excess of 14% of the existing share capital on the day of first award.

The share subscription and/or purchase price for the beneficiaries will be determined on the day the options are approved by the Board of Directors in the following way: the price may not be lower than the minimum price determined by the legal provisions in force.

The duration of options fixed by the Board may not exceed a period of eight years from the date of award.

The Board would thus have, within the limits stated above, full powers, notably, to set the other conditions and methods for the award of options and their exercise and in particular to determine the conditions under which options will be awarded and the list or categories of beneficiaries as provided for above, to set the exercise period(s) for options granted, accomplish or have accomplished all formalities to finalise any capital increase(s) which may be carried out, to amend the Articles of Association in consequence and generally to do all that is necessary.

21.1.8.2 Request for delegation of authority to the Board of Directors to issue share warrants, share warrants exchangeable for new and/or existing shares, and/or redeemable share warrants reserved for a certain category of persons

The Board of Directors has decided to submit to the General Meeting a draft resolution in respect of a delegation of authority to the Board

to issue to a category of persons:

- share warrants;
- share warrants exchangeable for new and/or existing shares;
- redeemable share warrants.

This delegation of authority would be granted for a period of eighteen months from the date of the Meeting and would have the following characteristics.

In the event that this delegation of authority is used by the Board, the latter will draw up, in accordance with Article L. 225-138 of the French Commercial Code, an additional report prepared by the Statutory Auditors, detailing the final terms and conditions of the transaction.

Purpose of the delegation of authority to issue share warrants, share warrants exchangeable for new and/or existing shares, redeemable share warrants, the rescission of preferential subscription rights and characteristics of the category of persons

It is proposed to grant a delegation of authority allowing the issue of share warrants, share warrants exchangeable for new and/or existing shares, and/or redeemable share warrants for the purpose of: financial instruments allowing senior managers to invest in the Group and to be linked to the creation of value.

With this in mind, the Board proposes the rescission of your preferential subscription rights for the benefit of the category of persons presenting the following characteristics, in accordance with Article L. 225-138 of the French Commercial Code: managers (whether corporate officers and directors or not) and management employees of the Company and/or of related companies, French or foreign, within the meaning of Article L. 225-180 of the French Commercial Code.

The Board of Directors, implementing the delegation, will determine the list of beneficiaries within the category of persons defined above, and the number of warrants to be awarded to each person.

Characteristics of share warrants, share warrants exchangeable for new and/or existing shares and redeemable share warrants able to be issued

Share warrants, share warrants exchangeable for new and/or existing shares, and/or redeemable share warrants may be awarded on one or more occasions, at such times and in such proportions as determined by the Board and would confer a right to subscribe to or purchase ALTEN shares at a price determined by the Board at the time it decides to issue warrants in accordance with the methods for determining the price as set out below.

This delegation of authority entails the shareholders' waiver of preferential subscription rights of the Company shares likely to be issued upon exercise of the share warrants for the benefit of warrant holders.

The characteristics of warrants which may be issued pursuant to this delegation would be set by the Board at the time it decided to issue warrants.

The Board would hold all the necessary powers, under the conditions fixed by law and set out above, to proceed to issue share warrants, share warrants exchangeable for new and/or existing shares and redeemable share warrants and in particular to establish the specific list of beneficiaries within the category of persons defined above, the number of warrants to be awarded to each beneficiary, the number of shares granted for each warrant, the issue price of the warrants and 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 conditions for issuing such share warrants.

Subscription and/or acquisition price of shares upon exercise of share warrants, share warrants exchangeable for new and/or existing shares and redeemable share warrants

The subscription and/or acquisition price of shares purchased by exercising the share 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 share warrants.

This price would be recorded by the Board of Directors deciding upon the issue of warrants.

Maximum amount of capital increase resulting from the exercise of warrants and which could be awarded pursuant to this delegation

The total nominal amount of shares able to be issued upon the exercise of share warrants, share warrants exchangeable for new and/or existing shares and redeemable share warrants, by virtue of the present delegation of authority, may not represent in excess of 10% of the share capital at the time of the decision by the Board of Directors to carry out this increase.

To this limit would be added, if necessary, the nominal value of ordinary shares to be issued, to protect, in accordance with the law and, if appropriate, contractual specifications setting out other kinds of adjustment, the rights of the holders of warrants. This maximum amount would be independent of other maximum amounts set out in the other resolutions for this General Meeting.

In the event that the issue is not fully subscribed, the Board of Directors may use the following options:

- limit the amount of the issue to the amount of subscriptions;
- share freely within the category of persons defined above, all or part of the unsubscribed warrants.

In this respect, the Board would have all necessary powers to validate the completion of the capital increase resulting from the exercise of share warrants and proceed with the applicable amendments to the Company's Articles of Association, It could charge, at 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.

21.1.8.3 Delegation of authority to increase the capital for members of a company savings plan (PEE)

Given the inclusion on the agenda of delegations and authorisations likely to result in a capital increase by cash contribution (share options and warrants), the General Meeting will be asked to vote, in accordance with the provisions of Article 225-129-6 of the French Commercial Code, under whose terms the Extraordinary General Meeting must also approve a resolution to carry out a capital increase under the conditions set out in Article 3332-18 *et seq*. of the French Labour Code, when it delegates its authority to carry out a capital increase by cash contribution.

As part of this delegation, the General Meeting is requested to authorise the Board of Directors to increase the share capital for the benefit of members of a PEE under the conditions set out in Article L. 3332-18 *et seq*. of the French Labour Code, by the issue of paid-up ordinary shares and, if necessary, the award of free ordinary shares or other securities giving access to the capital.

In accordance with legal requirements, the General Meeting will rescind the shareholders' preferential subscription rights.

The maximum nominal value of the capital increase(s) that may be carried out under this authorisation would be 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

This delegation would have a validity of 26 months.

It is specified that, in accordance with the provisions of Article L. 3332-19 of the French Labour Code, the price of the shares to be issued 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) the average of the opening prices quoted for the 20 stock market 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.

The Board of Directors would have, within the limits set forth above, the necessary powers notably to fix the conditions for the issue or issues, record the resulting capital increases, amend the Articles of Association accordingly, charge, at 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, to do all that is necessary.

21.1.8.4 Summary of current delegations of power and authorisations related to capital increases

	Date of the AGM	Delegation's expiry date	Authorised amount	Increases carried out in prior years	Increases carried out during the past financial year	Residual amount at 31 December 2011
Delegation of authority for the purpose of increasing capital through capitalisation of reserves. earnings or premiums	22/06/2011	21/08/2013	€16,662,400	None	None	€16,662,400
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right and/or a right to allotment of debt securities, with pre-emptive subscription rights maintained	22/06/2011	21/08/2013	€16,662,400 (nominal value of shares) €200,000,000 (nominal value of debt securities)	None	None	€16,662,400 (nominal value of shares) €200,000,000 (nominal value of debt securities)
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right and/or a right to allotment of debt securities, with elimination of pre-emptive subscription rights through public offering	22/06/2011	21/08/2013	€8,139,415 (nominal value of shares) €200,000,000 (nominal value of debt securities)	None	None	€8,139,415 (nominal value of shares) €200,000,000 (nominal value of debt securities)
Delegation of authority for the purpose of increasing capital by issuing ordinary shares or securities conferring a right in the share capital, with elimination of pre-emptive subscription rights through private placement	22/06/2011	21/08/2013	€8,139,415 (nominal value of shares) €200,000,000 (nominal value of debt securities)	None	None	€8,139,415 (nominal value of shares) €200,000,000 (nominal value of debt securities)
Delegation of authority to increase the capital within a limit of 10% for the purpose of remunerating contributions in kind of shares or securities	22/06/2011	21/08/2013	10% of capital	None	None	10% of capital
Authorisation to increase share capital with elimination of pre-emptive subscription rights reserved for members of a company savings plan (PEE)	22/06/2011	21/08/2013	5% of share capital	None	None	5% of share capital
Authorisation to award free shares to salaried employees (and/or to certain corporate officers)	21/06/2010	20/08/2013	3% of capital	None	None	3% of capital
Delegation of authority to issue share options	23/06/2009	22/08/2012	14% of capital	None	(1)	11.83% of capital
Delegation of authority to issue share warrants reserved for a category of persons	22/06/2011	21/12/2012	€3,255,764	None	None	€3,255,764

(1) With regard to the authorisation granted on 23 June 2009, 694,330 options were awarded by the meetings of 7 September 2009 and of 19 October 2010, conferring a right to subscribe to 509,595 shares not yet exercised, i.e. 1.58% of the share capital at 31 December 2011 and at the time of this report.

Recall that:

- *under the authorisation granted by the meeting of 7 January 1999, 2,413,120 share options were granted, 7,500 share options granted have not been exercised at 31 December 2011 and 5,300 options were not lifted at maturity of the plan (i.e. 6 January 2012) and have become obsolete;*
- *under the authorisation dated 23 June 2003, 496,500 options were awarded, conferring a right to 82,625 shares not yet exercised, i.e. 0.26% of the share capital at 31 December 2011 and at the time of this report;*
- *under the authorisation dated 27 June 2006, 1,812,570 options were awarded, conferring a right to 554,980 shares not yet exercised, i.e. 1.72% of the share capital at 31 December 2011 and at the time of this report.*

***Note**: Under the authorisation given by the Combined General Meeting of 27 June 2006, on 23 October 2006 the Board of Directors awarded 1,189,780 share options to certain beneficiaries, subject to the achievement of objectives set by Management, including 235,200 shares not yet exercised as of the date of this report, i.e. 0.73% of the capital.*

In all, 1,154,700 share options awarded have yet to be exercised, i.e. 3.58% of the share capital at the time of this report.

21.2 INFORMATION ON THE ARTICLES OF ASSOCIATION

21.2.1 COMPANY OBJECT

The company object 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: consultancy, research and engineering, training, assistance, maintenance, systems and network operations, facilities management and the development and distribution of hardware or software products. Any direct or indirect involvement in any activities relating to the above purposes: creating new companies, transferring assets, subscribing to or purchasing securities or shareholdings, merging with other companies or otherwise; creating, acquiring, leasing or taking over the management of any business or establishment; taking, acquiring, operating or selling all processes and patents related to these activities and generally, all industrial, commercial, financial, civil, personal property and real property transactions relating directly or indirectly to the company object or any similar or related purpose."

Financial year (Article 25 of the Articles of Association)

The company's financial year is twelve (12) months. It starts on 1 January and ends on 31 December of each year.

21.2.2 GOVERNANCE

21.2.2.1 Board of Directors – Composition – Term of office (Article 16 of the Articles of Association)

The company is administered by a Board of Directors with no fewer than three and no more than 18 members; in the event of a merger; however, the Board may exceed a maximum of 18 members according to the conditions and limits defined in the French Commercial Code.

Directors are appointed by the Ordinary General Meeting, which may dismiss a Director from office at any time. In the event of a merger or a demerger, they are appointed by the Extraordinary General Meeting. A legal entity which is appointed as Director must designate a permanent representative who is subject to the same conditions and obligations as if he had been appointed Director in his own name.

A company employee may only be appointed Director if his or her employment contract is current. The number of Directors employed by the company may not exceed one-third of the total number of Directors in office.

Directors are appointed for a term of four years which expires following the Ordinary General Meeting held to approve the financial statements for the year in which such Director's term expires. All Directors whose term of office is ending are eligible to be re-elected.

The acceptance and the exercise of the duties of director also entails the commitment, for each interested party, to attest in writing at any time that he or she personally fulfils the conditions and obligations required under the laws in force, especially with regard to concurrent appointments.

21.2.2.2 Chairmanship of the Board of Directors (Article 17 of the Articles of Association)

The Board elects a Chairman, who must be a natural person, from among its members for a period that does not exceed the Chairman's term as Director. The Board determines the Chairman's remuneration. The Board of Directors may dismiss the Chairman at any time.

The Chairman of the Board of Directors organises and oversees the work of the Board. The Chairman prepares a report on the conditions in which the work of the Board is prepared and organised as well as the internal control procedures implemented by the Company. The Chairman ensures that the Company's bodies duly fulfil their obligations and, in particular, that the Directors are in a position to perform the tasks assigned to them. If it deems this necessary, the Board may appoint one or more Deputy Chairmen whose sole duty is to preside over Board Meetings in the absence of the Chairman. Where the Chairman and Vice-Chairmen are absent, the Board will appoint one of its members to preside over the meeting.

21.2.2.3 Discussions of the Board of Directors – Minutes (Article 18 of the Articles of Association)

The Board of Directors meets as often as required by the Company's interests. The Board is convened by the Chairman at his discretion and, where the Chairman is not the Chief Executive Officer, as requested by the Chief Executive Officer. If the Board has not met in over two months, the meeting may be convened at the request of at least one-third of the Directors. Unless the meeting is convened by another party, the Chairman sets the agenda for the meeting. Meetings must be held at the registered office.

However, they may be held at another location as set forth in the convocation, provided this location has been approved by at least half of the Directors in office.

Deliberations of the Board are only valid if at least half of the Directors are present. The company Internal Rules stipulate that individuals taking part in the meeting via videoconference, in accordance with the legal and regulatory provisions in effect are deemed present when calculating the quorum and the majority.

All decisions require a majority vote of those members present or represented. Each Director who is present or represented holds one voting right and each Director present may only hold one delegation of authority. In the event of a tied vote, the Chairman of the meeting has the deciding vote. If the Board is composed of fewer than five Directors and only two are present at the meeting, all decisions require a unanimous vote.

Deliberations of the Board are recorded in minutes which are then signed and kept in a special register or on single sheets in accordance with the corresponding provisions in effect.

At each meeting, the Board may appoint a secretary who is not required to be a shareholder.

21.2.2.4 Powers of the Board of Directors (Article 19 of the Articles of Association)

The Board of Directors determines policy for the Company's business and supervises its implementation. Subject to the powers expressly allotted to shareholders' meetings and within the limits of the Company's object, it will address any question concerning the satisfactory running of the Company and rule by its deliberations any matters which relate to it.

Concerning relations with third parties, the Company is bound by any actions taken by the Board of Directors, including actions which are not related to the company's purpose unless the Company is able to prove that the third party was aware that the action in question did not fall within the scope of the Company's purpose or at least could not have been unaware of this fact given the circumstances.

The Board of Directors carries out inspections and verifications which it considers appropriate. The Company's Chairman or Chief Executive Officer shall provide each Director with all documents and information necessary for the performance of his duties.

21.2.2.5 General Management (Article 20 of the Articles of Association)

General management of the company is entrusted to either the Chairman of the Board of Directors or another natural person who may or may not be a member of the Board, who is appointed as Chief Executive Officer.

The Board of Directors chooses between the two available modes of general management in accordance with Article 18 of the Articles of Association. It may modify this choice at any time. In each case, the Board of Directors informs the shareholders and third parties in accordance with the regulations in effect.

Where the Chairman is also Chief Executive Officer, he must comply with the provisions of the Articles of Association concerning the functions of general management.

21.2.3 RIGHTS 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 financial 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, for all or a portion of the dividends paid, or an advance on the dividends, the option of receiving some or all of the interim or final dividends in cash or in shares.

21.2.3.3 Indivisibility of shares – Bare ownership – Usufruct (Article 13 of the Articles of Association)

Shares are indivisible with regard to the company. The co-owners of undivided shares are represented at General Meetings by one of the owners or by a common agent. If there is disagreement, the agent shall be appointed by the courts at the request of the first co-owner to act.

Voting rights 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.

The transfer by succession, liquidation of community property between spouses or *inter vivos* gift to a spouse or a relative entitled to succeed does not result in a loss of acquired rights and does not interrupt the four year period described above.

A merger or demerger of the Company shall have no effect on the double voting rights, which may be exercised by the beneficiary company(ies) if the Articles of Association of such company(ies) so provide.

Any share converted to bearer status or whose ownership is transferred loses its double voting rights.

21.2.3.5 Identifiable bearer shares (Article 10 of the Articles of Association)

The company may at any time request that the main custodian of its marketable securities provide the information required by law pertaining to the identity of the owners of shares that confer immediate or future voting rights at General Meetings.

21.2.4 MODIFICATION OF SHAREHOLDERS' RIGHTS

None.

21.2.5 GENERAL MEETINGS (ARTICLE 23 OF THE ARTICLES OF ASSOCIATION)

General Meetings are convened and deliberate according to the terms stipulated by law. Meetings take place at the registered office or at any other place designated in the convocation.

The right to take part in General Meetings is subject to the entry of shares in the books under the name of the shareholder or the agent not later than midnight, Paris time, on the third banking day preceding the General Meeting, either in individual accounts managed by the Company or in bearer accounts managed by an authorised agent.

21.2.6 PROVISIONS IN THE ARTICLES OF ASSOCIATION 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 share capital or voting rights, with notice by registered letter with acknowledgement of receipt within 15 days of crossing such a threshold.

Failure to comply with the above notice requirement means that shares in excess of the undeclared fraction lose voting rights under the conditions set forth by law. This sanction applies when, at a General Meeting, one or more shareholders owning more than 3% of the capital indicate that no notice was submitted to the company and such failure to notify is duly recorded in the minutes of the General Meeting.

21.2.8 MODIFICATIONS TO THE SHARE CAPITAL (ARTICLE 29 OF THE ARTICLES OF ASSOCIATION)

All modifications to the capital and the rights attached to the shares making up such capital are governed by the applicable regulations.

There are no provisions in the Company's Articles of Association that impose conditions on such changes that are more restrictive than the legal obligations in effect.

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 Activity Report: “Investor information”.

21.3.3 ESTABLISHMENT RESPONSIBLE FOR FINANCIAL SERVICES

Société Générale – Service Titres [Securities Department] – 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 financial year ended 31 December 2011, 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 ORDINARY DRAFT RESOLUTIONS

First resolution

Approval of the annual financial statements for the financial year ended 31 December 2011

The General Meeting, having considered the reports by the Board, the Chairman of the Board and the Statutory Auditors for the year ended 31 December 2011, approves, as presented, the annual accounts as that date, showing a profit of €35,510,804.31.

Second resolution

Approval of the consolidated financial statements for the financial year ended 31 December 2011

The General Meeting, having considered the reports by the Board, the Chairman of the Board and the Statutory Auditors on the consolidated financial statements as at 31 December 2011, approve them as they were presented showing a profit (group share) of €59,551,667.

Third resolution

Appropriation of profit for the year and dividend

The General Meeting, acting on a proposal by the Board of Directors, decided to proceed with the appropriation of profit for the year ended 31 December 2011 as follows:

Origin:	
• earnings for the financial year:	€35,510,804.31;
• retained earnings:	€97,022,334.25.
Appropriation:	
• legal reserve:	€30,987.54;
• dividend: (32,286,527 shares at €1):	€32,286,527;
retained earnings:	€100,215,624.02.

The General Meeting finds that the overall gross dividend for each share is fixed at €1. The entire amount so distributed is eligible for the 40% deduction described in Article 158-3-2° of the General Tax Code.

The ex-dividend date is 20 June 2012.

Dividend payments will be made on 25 June 2012.

In case of variation in the number of shares giving entitlement to a dividend with respect to the 32,286,527 shares comprising the share capital as at 1 March 2012, the total amount of the dividend would be adjusted accordingly and the amount allocated to the retained earnings would be determined on the basis of the dividends actually paid.

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 financial years:

	Revenues eligible for tax deduction		
For financial year	Dividends	Other income distributed	Revenues not eligible for tax deduction
2008	-	-	-
2009	€28,677,599.10* i.e. €0.90 per share	-	-
2010	€35,407,996.80* i.e. €1.10 per share	-	-

* *Including the dividend corresponding to treasury shares not paid and posted to retained earnings.*

Fourth resolution

Statutory Auditors' special report on regulated agreements and commitments – Approval and ratification of these agreements

Acting on the special report of the Statutory Auditors on regulated agreements and commitments which had been presented, the General Meeting approves or ratifies the new conventions or those having been tacitly renewed during financial year 2011 which are mentioned therein.

Fifth 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 Directors' report, authorises the latter, for a period of 18 months, i.e. until 18 December 2013, 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 22 June 2011 in its seventh ordinary resolution.

The purchases may be made for the purpose of:

- proceed with the potential cancellation of the shares purchased, subject to the authorisation to be granted by the present General Meeting in its sixth extraordinary resolution;
- ensuring a secondary market or the liquidity of ALTEN shares through a securities service provider via a liquidity agreement in compliance with the AMAFI code of ethics approved by the AMF;
- holding the purchased shares and later offering them in exchange or payment in potential acquisitions, it being specified that shares purchased for this purpose may not exceed 5% of the Company's capital;
- covering share option plans and 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.

These share purchases may be carried out by any appropriate means, including the purchase of blocks of shares, and at 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 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 the capital before the transaction and the number of shares after the transaction).

The maximum amount of the transaction is fixed at €129,146,080.

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 EXTRAORDINARY DRAFT RESOLUTIONS

Sixth 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 Directors' report and the report of the Statutory Auditors:

1. gives the Board of Directors the authority, at 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 this Meeting, namely until 18 June 2014, 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.

Seventh resolution

Authorisation for the Board of Directors to grant share options and/or stock to salaried employees (and/or certain corporate officers)

The General Meeting, having heard the Board of Directors' report and the special report by the Statutory Auditors:

- authorises the Board of Directors, under the terms of Articles L. 225-177 to L. 225-185 of the French Commercial Code, to grant on one or more occasions to the beneficiaries shown below, options giving an entitlement to subscribe to new shares in the company to be issued as part of a capital increase or to purchase existing shares in the company originating from redemptions made under the conditions provided by law;
- fixes the term of this authorisation at 38 months from the date of this General Meeting, i.e. until 18 August 2015;
- decides that the beneficiaries of these options may only be:
  - on the one hand, employees or some employees, or certain categories of staff of ALTEN and, where applicable, of companies or economic interest groups linked to ALTEN in terms of Article L. 225-180 of the French Commercial Code,
  - on the other hand, corporate officers who meet the conditions laid down by Article L. 225-185 of the French Commercial Code;
- the total number of options that may be granted by the Board under this delegation cannot give the right to subscribe to or purchase a number of shares exceeding 14% of share capital on the day of the first allocation;
- decides that the subscription and/or purchase prices of shares for the beneficiaries is to be set on the day the options are granted by the Board of Directors as follows: the price may not be less than the minimum price set by the applicable legislation;
- decides that no option may be granted:
  - either within the ten trading days preceding and following the date on which the consolidated accounts are made public,
  - or within the period between the date on which the company's corporate bodies are aware of information which, if it was made public, could have a significant effect on the price of the Company's securities, and the date after the ten trading sessions following when this information is made public,
  - less than 20 trading days after the ex-dividend date of shares giving entitlement to a dividend or a capital increase;
- notes that this authorisation involves, for the beneficiaries of share options, express waiver by shareholders of their preferential subscription rights to shares to be issued as and when the options are exercised;
- delegates all powers to the Board of Directors to set the other terms and conditions of the grant of options and their exercise in particular:
  - determining the conditions under which options will be granted and the list or categories of recipients as provided above; setting, where appropriate, the seniority requirements to be met by beneficiaries; determining the conditions under which the price and number of shares shall be adjusted in accordance with Articles R. 225-137 to R. 225-142 of the French Commercial Code,

- fixing the period(s) for exercising options granted, provided that the duration of these options does not exceed a period of eight years from the grant date,
- providing the right to temporarily suspend the exercising of options for a maximum period of three months for completion of financial transactions involving the exercise of rights attached to the shares,
- performing or having performed all acts and formalities required to make final the capital increase(s) that may, where appropriate, be made under the authorisation granted by this resolution, amending the Internal Rules accordingly and generally doing whatever is necessary,
- charging, at its sole discretion, the cost of share capital increases to the premiums over par collected as a result thereof and withdrawing from such funds the sums necessary to bring the legal reserve to one-tenth of the new share capital following each capital increase;

- noting that this delegation of authority terminates all previous delegations of authority granted for the same purpose.

Eighth resolution

Request for delegation of authority to the Board of Directors to issue new share warrants, share warrants exchangeable for new and/or existing shares, and/or redeemable share 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 share warrants, share warrants exchangeable for new and/or existing shares, and/or redeemable share 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 pursuant to this delegated authority shall not exceed 10% of the share capital at the time which the Board of Directors decides to carry out this increase. To this ceiling shall be added, if applicable, the nominal value of shares to be issued to preserve, according to law and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of holders of share warrants and/or warrants reserved for certain categories of persons. This maximum amount is independent of other maximum amounts set out in the other resolutions for this General Meeting;
4. resolves that the subscription and/or acquisition price of shares purchased by exercising the share 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 trading sessions immediately preceding the decision to issue the share warrants;
5. resolves to rescind the preferential subscription rights for shareholders of the share warrants to be issued for the benefit of the following category of persons: managers, whether or not executive corporate officers, and management employees of the Company or companies, French or foreign, which are related to ALTEN 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 share warrants for the benefit of warrant holders;
7. agrees that if subscriptions have not absorbed the entire issue of share warrants, the Board of Directors may use the following options:
   - limit the amount of the issue to the amount subscribed,
   - distribute all or part of the share warrants not subscribed within the category of persons defined above;
8. resolves to delegate the necessary powers to the Board of Directors, in the conditions set forth by the law and resumed below, to issue share warrants and notably:
   - to establish the specific list of beneficiaries within the category of persons defined above, the type and number of share 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 share warrants,
   - to prepare an additional report setting forth the final terms and conditions of the transaction,
   - to 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 share warrants and proceed with the applicable amendments to the company’s Articles of Association,

- to charge, at 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,
- to delegate the necessary powers to the Chief Executive Officer to increase the share capital, and suspend the capital increase within the limits and according to the conditions that the Board of Directors may set in advance,
- and, more generally, to take all necessary and useful steps.

Ninth 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) pursuant to 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, at 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 pursuant to this authorisation;
3. delegates such powers for a period of 26 months from the date of this General Meeting, i.e. until 18 August 2014;
4. limits the maximum par value of the capital increase(s) that may be carried out under this authorisation to 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 trading 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 for the same purpose.

The Board of Directors may decide whether to implement this authorisation, take all steps and carry out all formalities as necessary.

Tenth resolution

Harmonisation of the Articles of Association

The General Meeting, having considered the report of the Board, decides:

- to harmonise the third paragraph of Article 21 of the Articles of Association "regulated agreements" with the provisions of Article L. 225-39 of the Commercial Code, as amended by Law No. 2011-525 simplifying the law of 17 May 2011, and modify it as follows, the rest of the article remaining unchanged:

  "*The provisions of the two (2) paragraphs above are not applicable to agreements relating to current operations and are entered into under normal conditions.*"
- to harmonise the second paragraph of Article 24 of the Articles of Association "OFFICE OF MEETINGS – ATTENDANCE SHEET – AGENDA – MINUTES" with the provisions of Article L. 225-105 of the Commercial Code, as amended by Order No. 2010-1511 of 9 December 2010, and modify it as follows, the rest of the article remaining unchanged:

  "*An attendance sheet is maintained under the conditions stipulated by law. The agenda for the meetings is established by the author of the convening notice; however, one or more shareholders meeting the legal conditions may under the conditions stipulated by law require registration of points or draft resolutions on the agenda*."

Eleventh 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 support contracts or work packages (comprehensive platforms) of variable duration according to the project in question.

Less than 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 2011, the Group posted €257,000 in losses upon termination (€214,000 in 2010).

Customer contracts are thus validated by the Quality, Security and Legal Departments.

22.2 PARTNERSHIPS

In 2010, a joint company was incorporated with Groupe Critères: a simplified joint stock company, with share capital of €649,920 which is headquartered at 27 rue Fortuny 75017 Paris, registered with the Trade and Companies' Register of Nanterre under the number 398 092 981, in the field of provision of third party application acceptance testing.

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 PERSON IN CHARGE OF FINANCIAL INFORMATION

Mr Bruno Benoliel

Deputy Chief Executive Officer

Email: comfi@alten.fr

Tel: +33(0)1 46 08 70 00

INFORMATION ON HOLDINGS

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See 20.4, Note II to the financial statements, section 5 “Scope of consolidation” and 20.5, Note 14.

APPENDICES A

ANNUAL REPORT CROSS-REFERENCE TABLE

In accordance with Article L. 451-1-2 of the Monetary and Financial Code.

	No. of pages	No. of chapters
1. Management report		
Analysis of change in revenue	114	9.1.1. and 9.1.2.
Analysis of earnings	114	9.1.3.
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7. Report of the Statutory Auditors on the Chairman of the Board of Directors' report	154	16.7.
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